

13 & 14 october, 2011

Paris, France

Lean IT Strategy, Organisational Design and Transition

Stephen Parry
CEO See Business Differently
Author of Sense and Respond:
The journey to customer purpose.

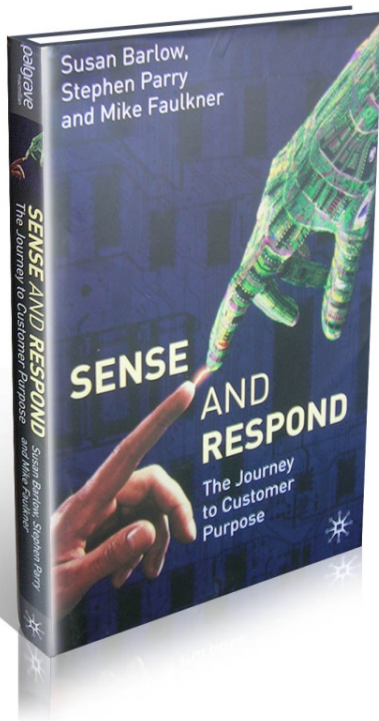
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Christiane Fischer

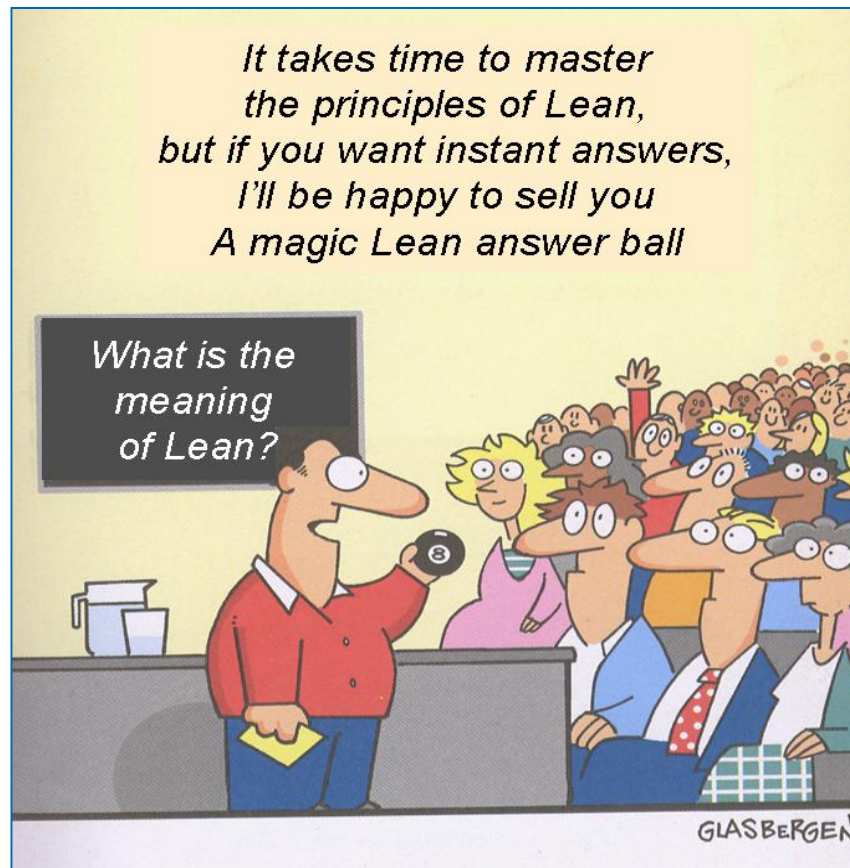
Opérationnel Lean Transformation Manager
and Lean IT Consultant

Simone Engelhardt

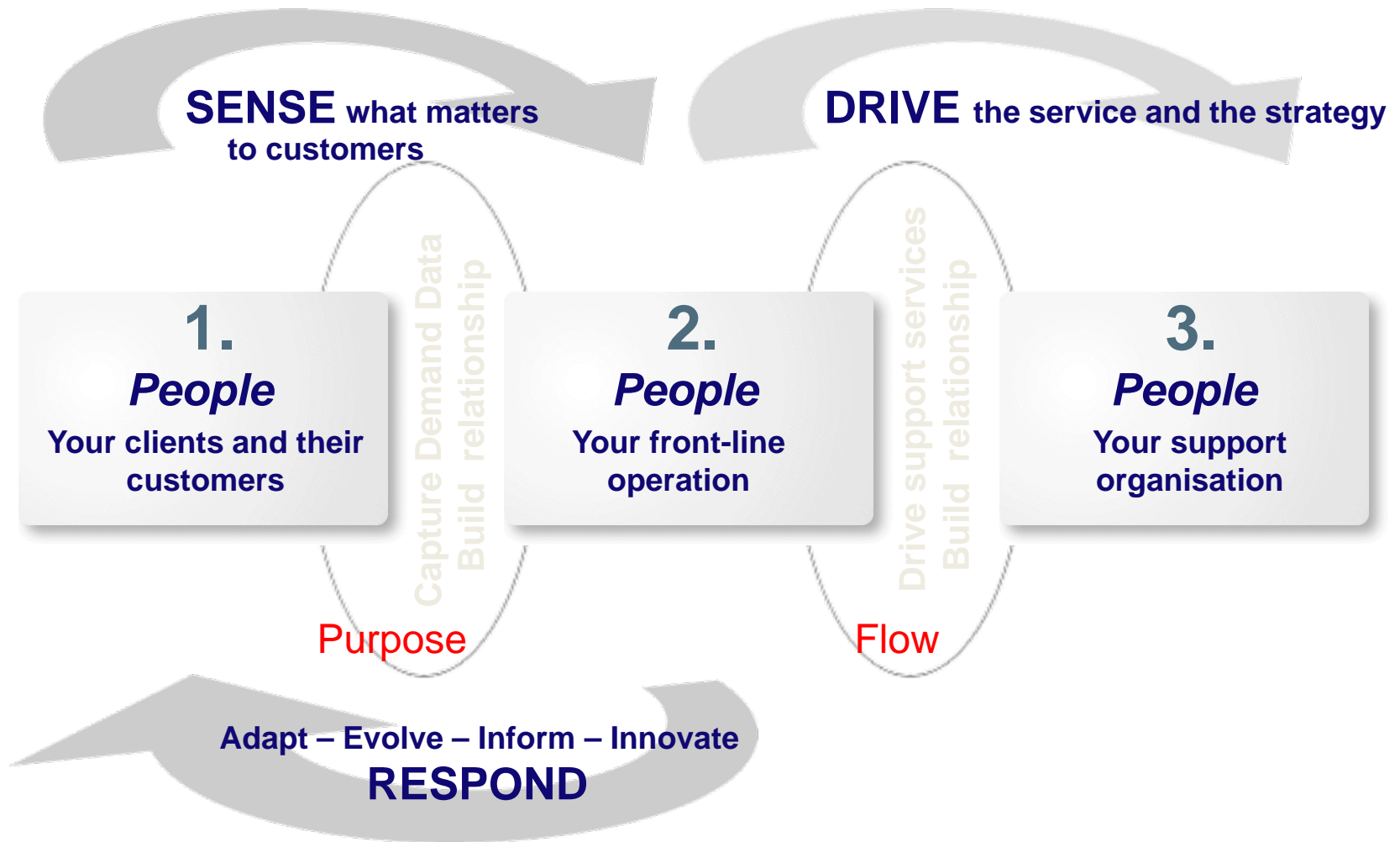
Vice Président SAP IT Infrastructure Services Opérationnel Change and
Delivery Excellence

Lean Myth Busters:

- 1) You won't find Lean in the tools and methods.
- 2) It's not about optimising waste is about optimising value.
- 3) It's not about managers fixing everything it's about the staff owning and solving problems.
- 4) It's not only about processes it's about the whole service model.
- 5) It's not about efficiency at all costs it's about effectiveness at the right cost.
- 6) This incorporates development and innovation.



Sense and Respond Lean Approach



The customer/service user challenge: They don't have time.....they say things like:

Solve my problem, completely.

Don't waste my time or cause me hassle.

Minimise the cost of doing business with you.

Provide exactly what I need and deliver value where I need it.

Reduce the number of decisions I must make to resolve my problems.

Don't get me to help you; I want you to help me!



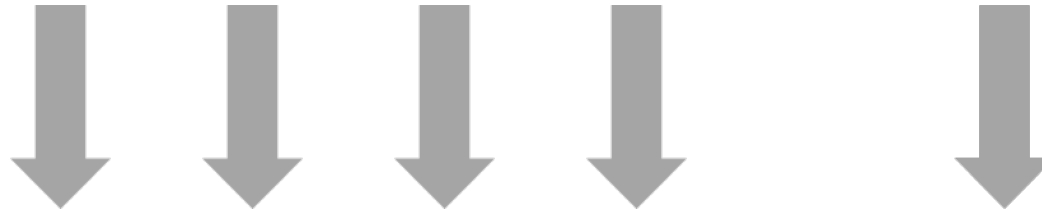
Question:

What would ICT organisations do if they had to pay for all the operational and service user time they wasted?



Traditional approach: Feasible parts creating an infeasible whole.

Functional units



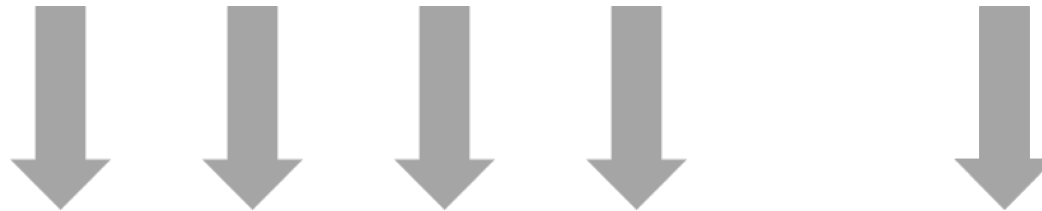
Independent
Solutions
Designed to
Meet functional
Targets and
Goals.

It's not unusual
to have thirty
or more
solutions lining
up for attention



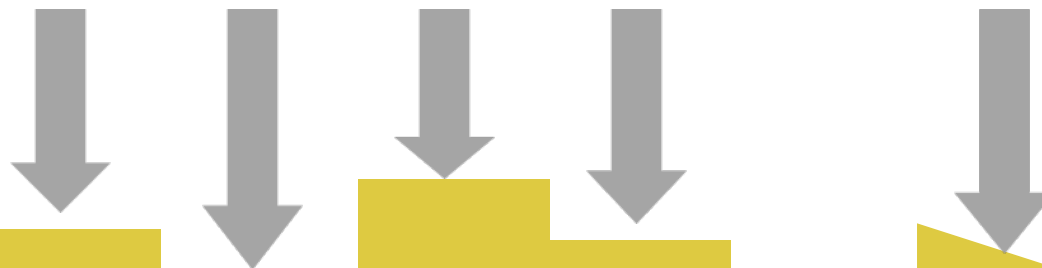
Traditional approach: Feasible parts creating an infeasible whole.

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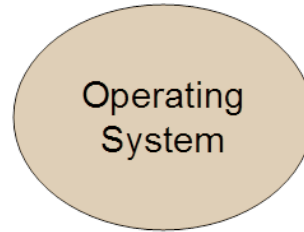
Independent
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Improved Customer Experience ?

Level Four



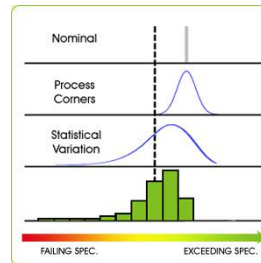
The Operating System

Level Three



The Organising System

Level Two



The Process

Level One



The Output

What type of experience do you create for customers, employees and managers?

Company **pushes** products and services **ON-COMMAND**
Customers and employees are designed out

Mass Production (Make and Sell)

Transactional
and processed

Incentivised
contribution

Functional
efficiency

Direct
and control

Customer experience

Employee motivation

Support operations

Executive leadership

Relational
and personal

Willing
contribution

End-to-end
effectiveness

Listen
and adapt

Lean Enterprise (Sense and Respond)

Customer **pulls** products and services **ON-DEMAND**
Customers and employees are designed in

Aligning service provision to customer needs

- Solve my problem, completely.
- Don't waste my time or cause me hassle.
- Minimise the cost of doing business with you.
- Provide exactly what I need, where I need it, when I need it.
- Reduce the number of decisions I have to make.
- Don't get me to help you, I want you to help me!

Customer Lifecycle

Specify value from the standpoint of the end customer.

Identify all the steps in the value stream, eliminating every step and every action and every practice that does not create value

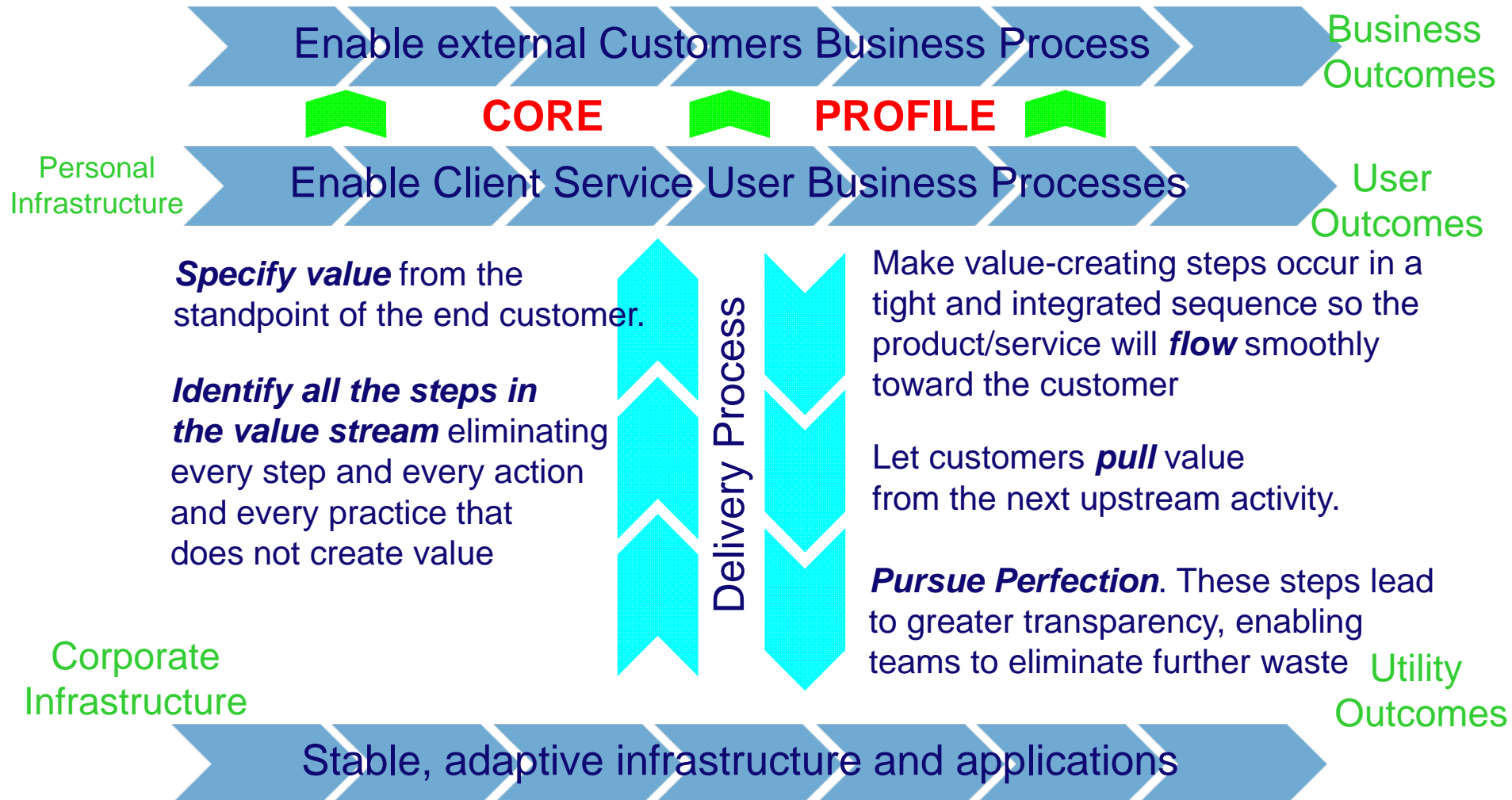
Delivery Process

Make value-creating steps occur in a tight and integrated sequence so the product/service will **flow** smoothly toward the customer

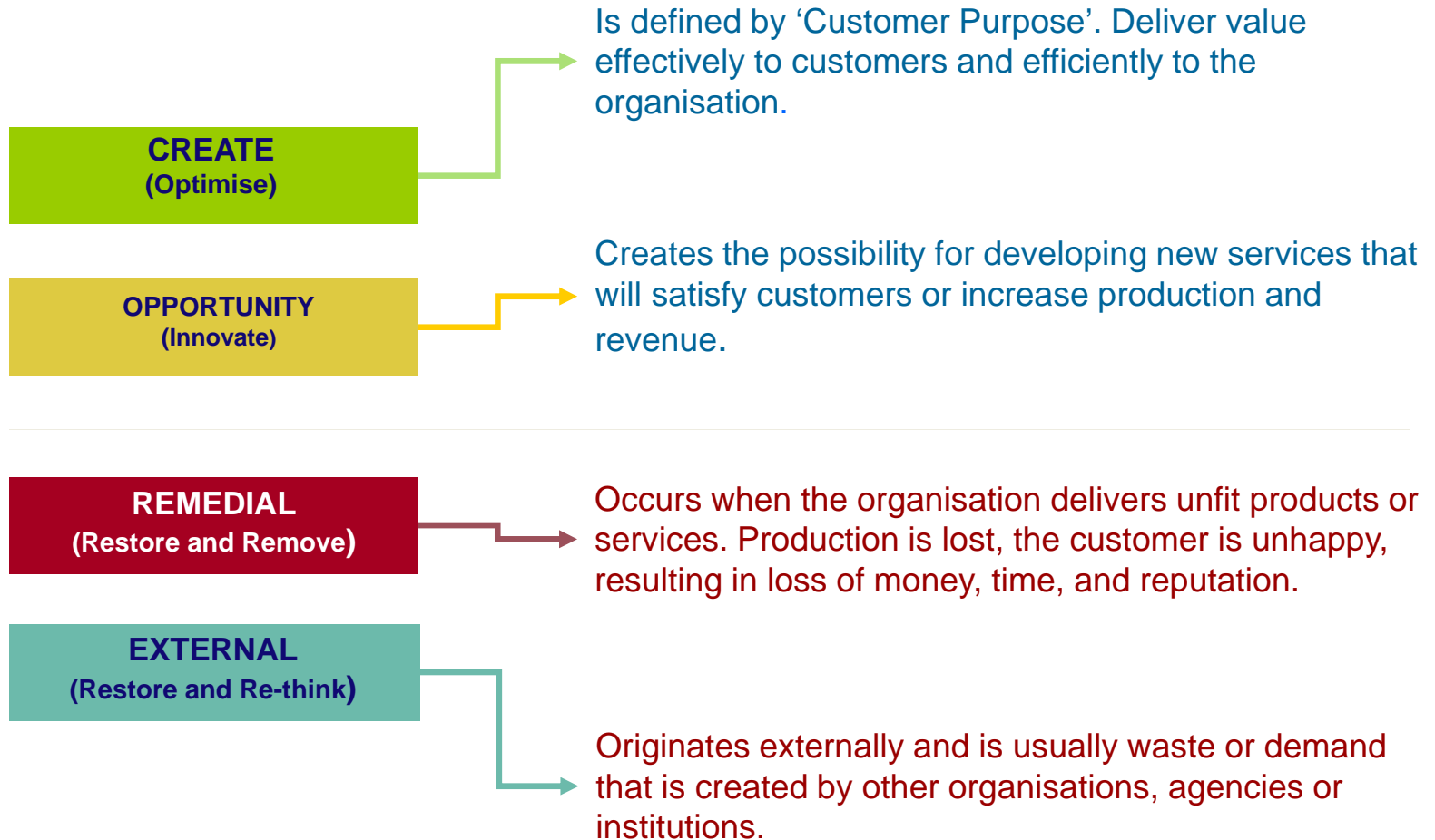
Let customers **pull** value from the next upstream activity.

Pursue Perfection. These steps lead to greater transparency, enabling teams to eliminate further waste

Don't align IT service provision to the transactional needs of the service user rather to the real world customer outcomes



CORE Profile: Value definitions



Installation

Move
Equipment

CREATE VALUE BIN

Provide
Quote

Nothing in here because no one was looking

OPPORTUNITY TO CREATE VALUE BIN

Application
Problem

Progress
Chase

Engineer
Not arrived

Repeat
Fault

Escalation

Slow
Network

Computer
is not working

3rd Party
Can't Supply

EXTERNAL LOST VALUE BIN

Customer Purpose Defines Value,

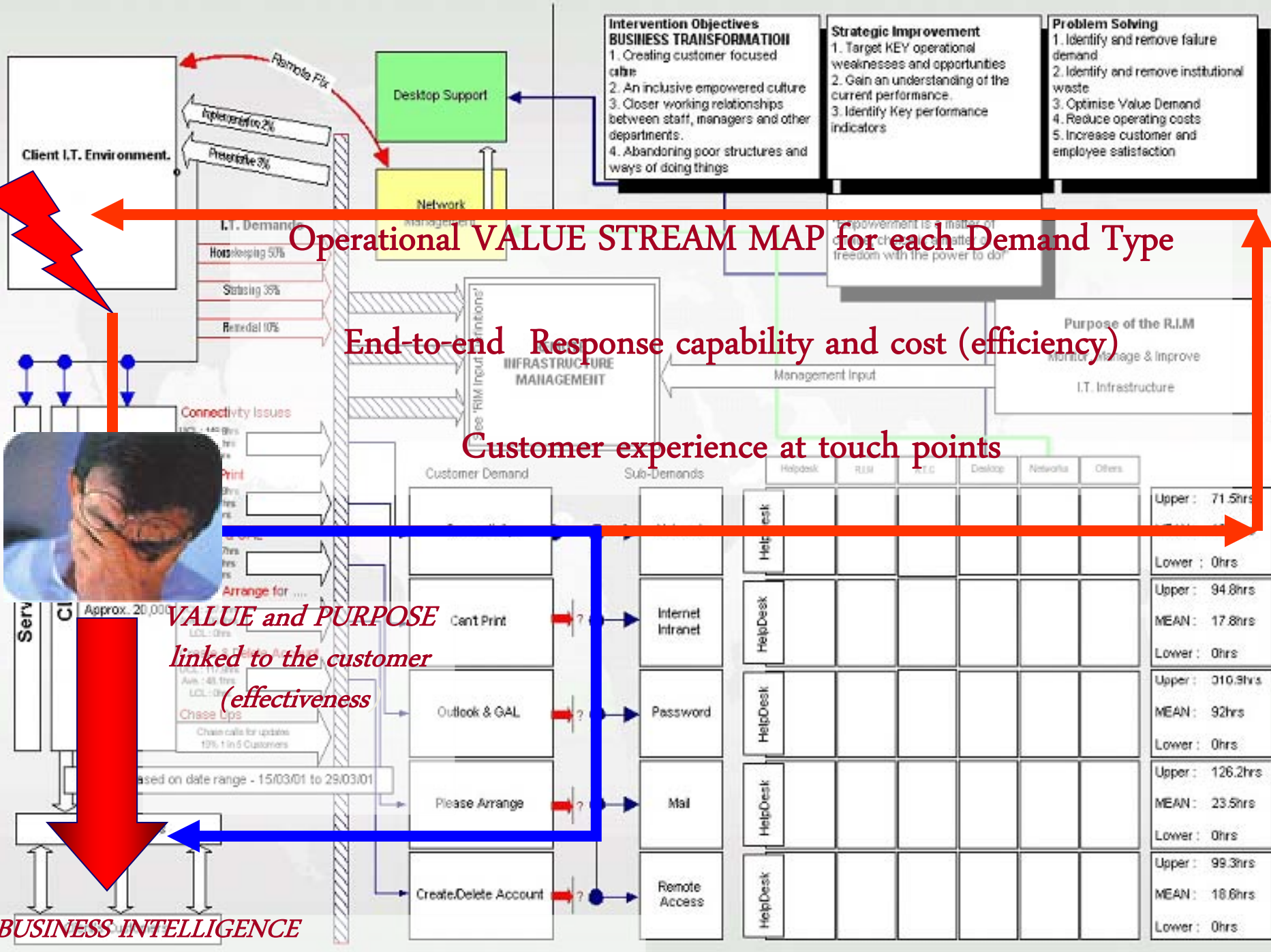
*What was once seen as Value is now seen as WASTE
all in addition to the 40% rework.*

There is no value in fixing symptoms. Fix the Road not the Tyres.

*Customer Purpose = Business Outcomes
Moving from the cost of Failure to the Return on Value*

Fixing the wrong problem





Operational VALUE STREAM MAP for each Demand Type

End-to-end Response capability and cost (efficiency)

Customer experience at touch points

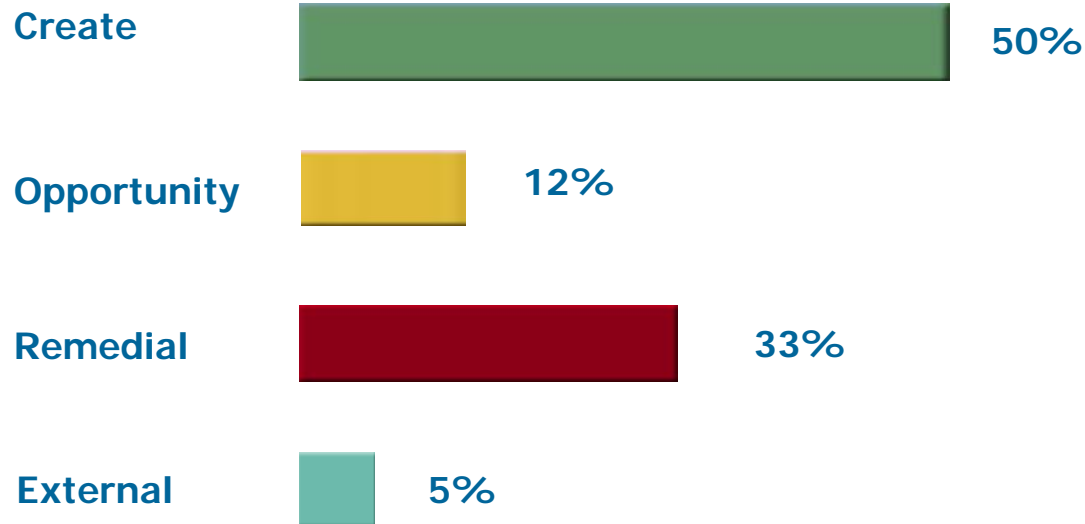
VALUE and PURPOSE linked to the customer (effectiveness)

BUSINESS INTELLIGENCE

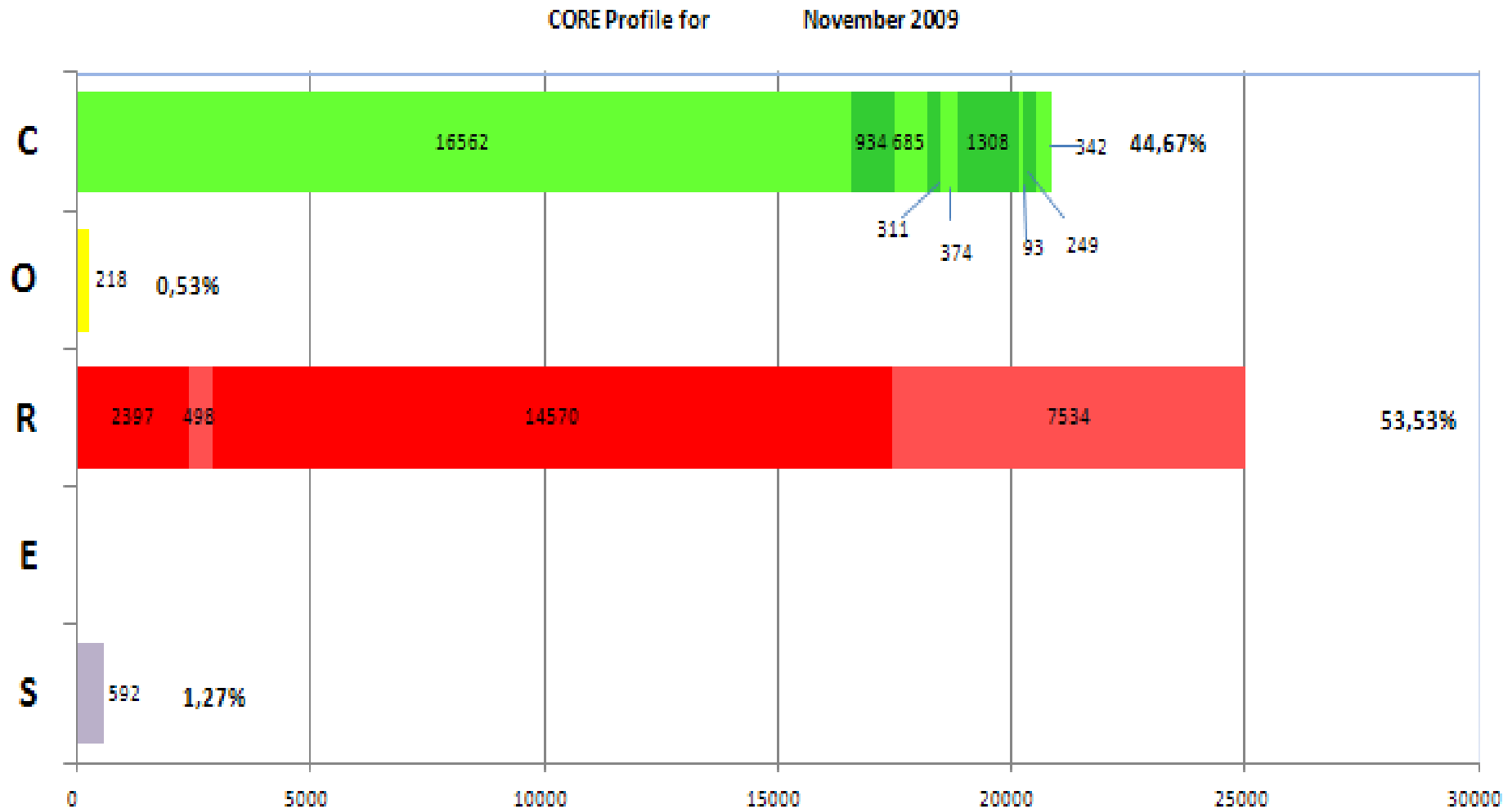
CORE Profile: ICT support operations Before changing the service.



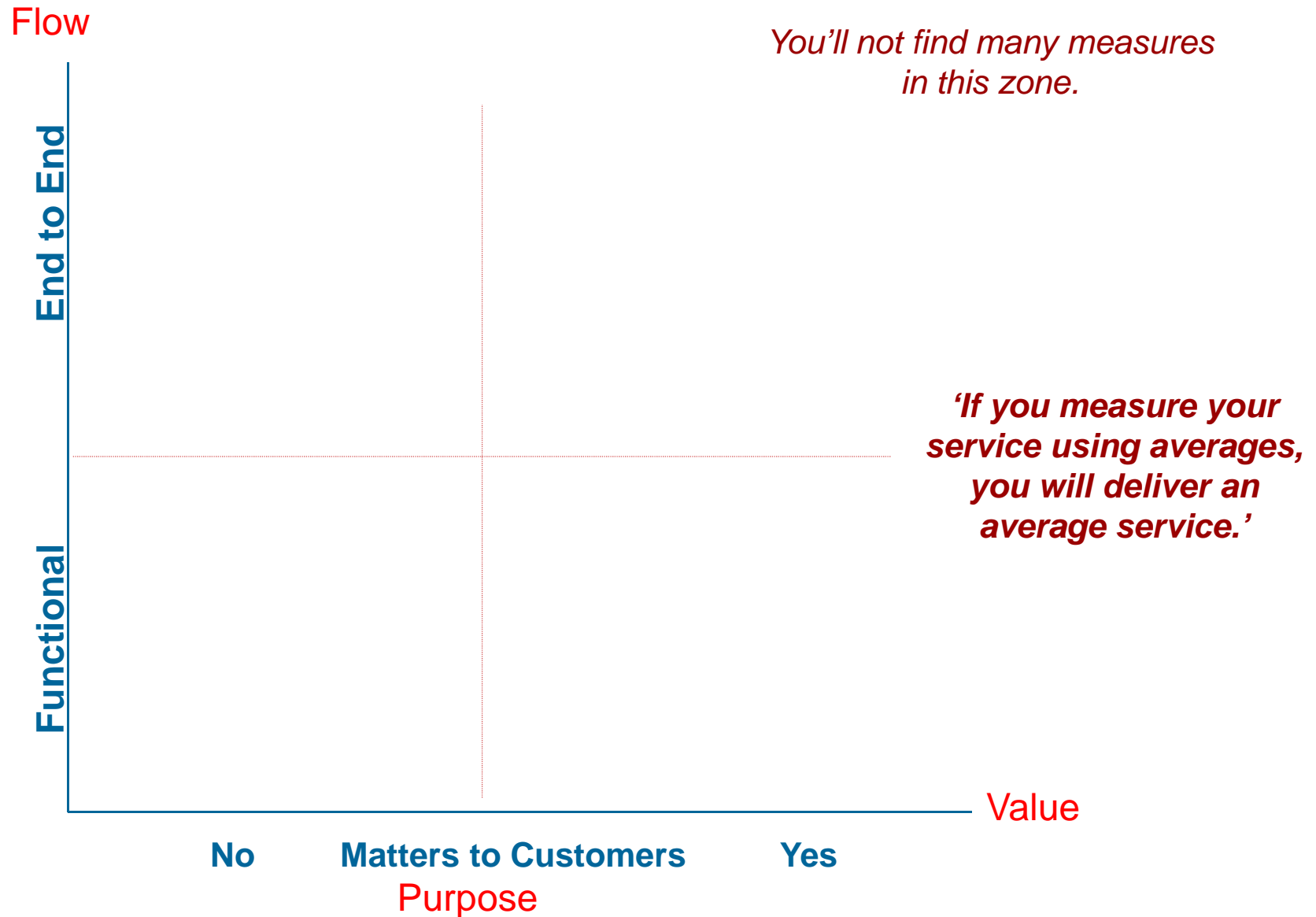
CORE Profile: ICT support operations after changing the service.



CORE Profile for Global IT end User support (November 2009)



Customer and People Measures:



END
TO
END

ICT

measures

on technology
measured %
Process
Customer
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measured %
Process
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on technology
measured %
Process
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DOES IT MATTER
NO

TO THE CUSTOMER?
(CITIZEN)
YES

(BUSINESS)

CUSTOMER measures

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CUSTOMER?
(CITIZEN)
YES

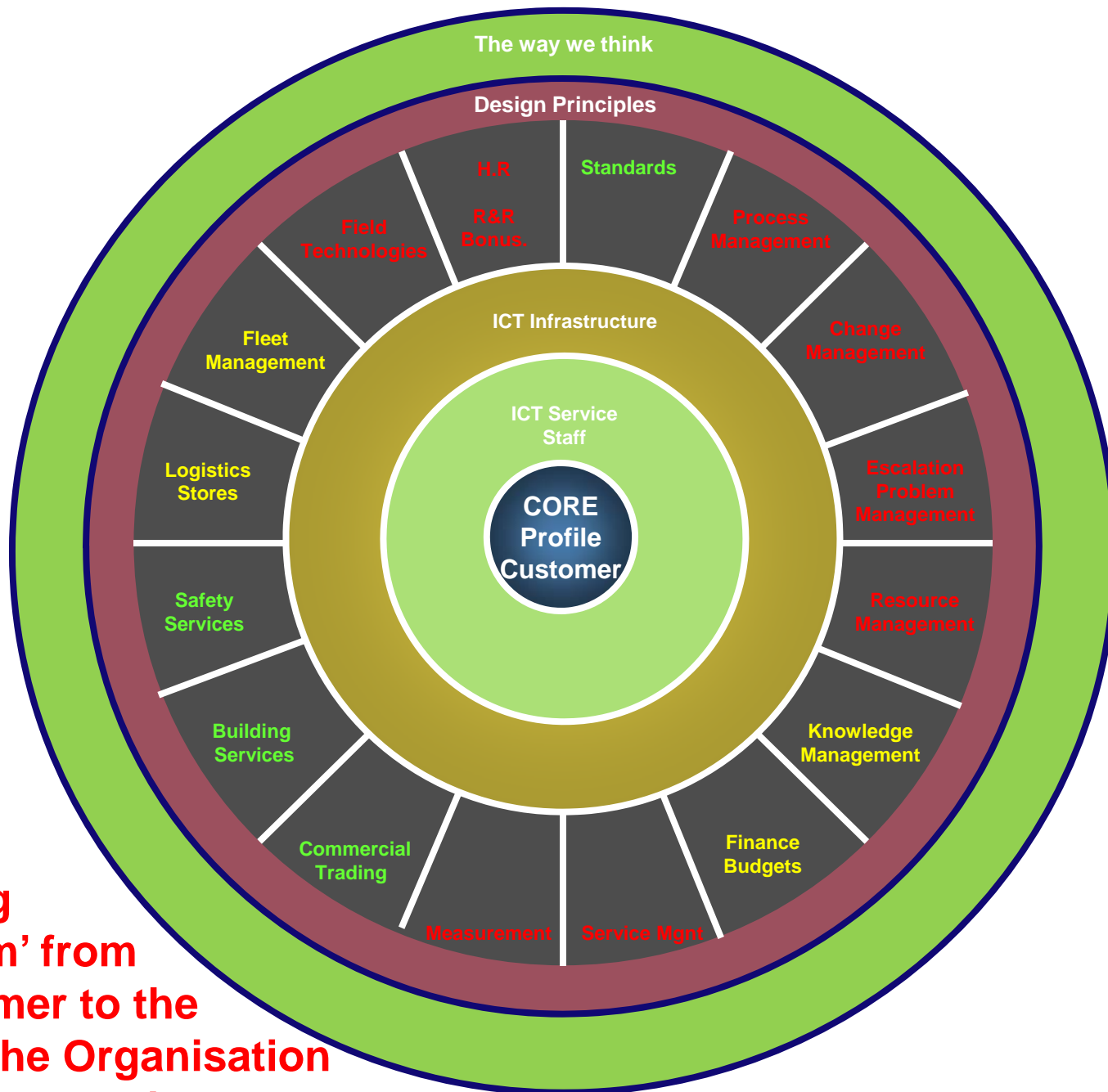
(BUSINESS)

CUSTOMER = PAIN =

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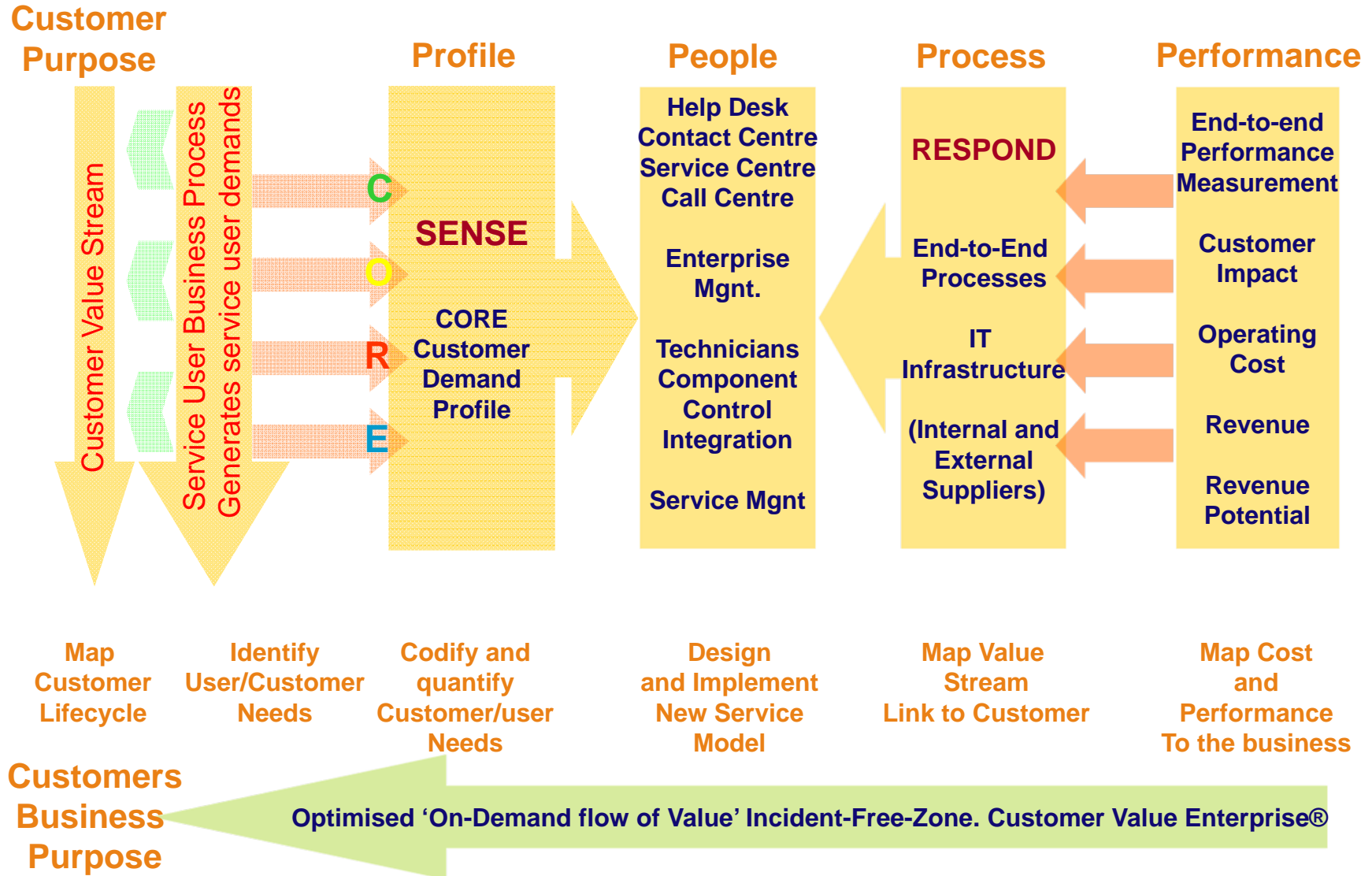
on technology
measured %
Process
Customer
150
on technology
measured %
Process
Customer
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on technology
measured %
Process
Customer
150

DOES IT MATTER TO THE CUSTOMER?
NO YES



**Diagnosing
the 'System' from
The Customer to the
Design of the Organisation
and the way we think.**

Six Steps to a new service and a new operating model.



Our Purpose is to enrich, support and protect the lives of the citizens of Bristol.

We do this by creating an ICT Department that encourages opportunity, learning and growth in a safe environment where established ideas can be challenged, and which engages, recognises and supports the willing contribution of staff.

To do this we must be honest, committed and inspiring.

Search for Common Purpose

'We all work for the same company but we live in different worlds'

Thomas Queisser
Sense and Respond Leader

Purpose

Value

Action



Business Purpose

Common Purpose

We provide expertise and services to enable us to produce, sell and support software by creating and running robust, effective and efficient IT-Solutions.

With pride we relentlessly pursue and apply our insight, ingenuity and technologies to create wealth and a secure future.

To contribute with my skills and to be fairly rewarded in a secure and trusted environment that offers challenges and allows me to develop and grow.

Strengthen my value chain in a way that differentiates me from competitors and provides a return on my investment.




















Employee Purpose

Customer Purpose

S&R Phase III – A3 Overview

 *Running A3's in this Phase*














Phase 1 (Prototype), Phase 2 (Mobilization), Phase 3 (Standardization)

Existing and New A3's ...	Proto- type	Mobili- zation	Standard- ization	A3 Owner	A3 Support	Team	Subject Matter Expert	Senior Business Coach
Future State Operating Model & Operating Strategy				Frank-Martin Haar	Sushil Dabare	Zhang Shurong	<i>Technical Advisory Panel</i>	Dietmar Reinelt/ Steffen Hempel
Routemap Planning				Ron Iannacone	Andreas Heinz	Amit Gupta	Dietmar Weishaupt Alexander Göppert Frank-Martin Haar	Lakshmi K.K.
Communication & Broadcast				Andreas Heinz	Uli Kochendoerfer	Ali Guereke		Christian Rapberger/ Beng Hang Tay
Service Tool Implementation				Jacqueline Yildirim	Vinay Chadha	Maureen Tonetta	Frank-Martin Haar James Armstrong	Lakshmi K.K.
Program Management				Steffen Hofstetter	Nico Neuhold			Simone Engelhardt
Management Center Implementation (Pilot)				Sanjiv Nashte	Shajan K.J.	Christiane Fischer Sushil Dabare	Chad Troisi	Thomas Peters
Business Improvement Systems				Holger Neiheiser	Dagmar Oeldemann	Thomas Queisser Jawahar A. Vineeta Bhardwaj George Oommen	Pallavi Bhanot	Simone Engelhardt

S&R Phase III – A3 Overview

 *Running A3's in this Phase*









Phase 1 (Prototype), Phase 2 (Mobilization), Phase 3 (Standardization)

Existing and New A3's ...	Proto- type	Mobili- zation	Standard- ization	A3 Owner	A3 Support	Team	Subject Matter Expert	Senior Business Coach
Infrastructure Management				Tobias Schühle	Atil Gaikwad	Tim Frömsdorff Alex Göppert	<i>Technical Advisory Panel</i>	Dietmar Reinelt
Technical Design Authority				Christian Roth	Tbd	Siegfried Kübel Uwe Röttschke		Greg Pearse
Service Management				Armin Storek	Ron Iannacone	Chad Troisi & Global Service Management Team	All REMs / BEMs	Greg Pearse
Service Performance Review Process		 <i>retires (handover to SM)</i>		Andreas da Trindade	Marco Ries	Maureen Tonetta Michael Scanlan Murat Karakullukcu	Tim Oppermann Chad Howard	Greg Pearse
Service Improvement (Get Well Plan)		 <i>retires (handover to SM)</i>		Chad Troisi	Chad Howard	Tim Oppermann Tim Frömsdorff		Bernadette Koller
Business Process Definition		 <i>retires</i>		Ron Iannacone	Armin Storek		Joshua Jacquette	Greg Pearse
Service Management & Customer Engagement		 <i>delayed & retires (handover to SM)</i>		Armin Storek	Ron Iannacone	Tim Oppermann Chad Howard Chad Troisi	Joachim Bolz	Greg Pearse
Customer Access Rules		 <i>delayed & retires (handover to SM)</i>		Sushil Dabare	Amit Gupta	Christiane Fischer		Lakshmi K.K.
Process Governance		 <i>delayed & retires</i>		Dagmar Oeldemann	Kathy Balsley	Pallavi Bhanot		Simone Engelhardt

S&R Phase III – A3 Overview

 *Running A3's in this Phase*

Phase 1 (Prototype), Phase 2 (Mobilization), Phase 3 (Standardization)

	Proto- type	Mobili- zation	Standard- ization	A3 Owner	A3 Support	Team	Subject Matter Expert	Senior Business Coach
Key User Group & Customer Lifecycle		<i>retired</i>		-	-	-	-	-
Process Management Implementation		<i>retired</i>		-	-	-	-	-
Management Center Design Options		<i>retired</i>		-	-	-	-	-
Data & New Measurement		<i>retired</i>		-	-	-	-	-

From first to last: Respect for people

Quotes from Stephen Parry Seminar.

We believe people are capable of learning and taking on additional responsibility, and if you create the right environment, people will want to learn and will actively seek more responsibility.

In this context 'respect for people', means understanding that all people have the ability to learn and the right to be given opportunities to learn.

Managers helping employees freely choose how they solve problems displays total respect.

There is a world of difference between helping people to see and telling them they are blind.

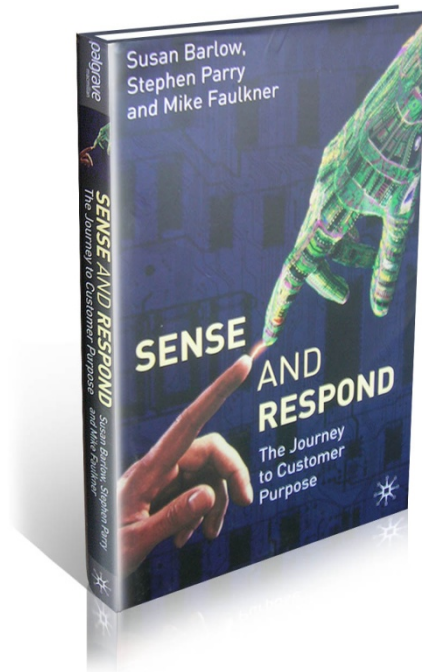
Most of all we must trust that people are capable of owning and solving their own problems with a little bit of help.



Sense and Respond:

The Journey to Customer
Purpose

*Susan Barlow, Stephen Parry and
Mike Faulkner.*



Strategy White Papers and Pod Casts

New Principles and a New Vision for Services

A Demanding World

Measuring for Value. Transformation Pitfalls and Lessons

Research papers

Service Climate Management

Cranfield/Fujitsu Managing For Value

Articles

Turning Customer Service upside down

Service Climate Management

Customer: Lost in translation

Seven Deadly Sins of Transformation

TV and Radio

BBC Documentary 'The Crunch'

Channel 4/Einstein CIPD. Sense and Respond

BBC Radio 4 In Business The Heartbeat Economy

BBC Radio 4 In Business Lean and Mean and at your Service

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