

# Statsbygg Chooses Continual Improvement

## What is Statsbygg?

Statsbygg is the institution responsible for the development and management of real estate for the Norwegian government. This responsibility covers a wide range of facilities in the civil sector – defense facilities and the like are outside its scope – ranging from opera buildings to university premises.

Some time ago, the IT organization of Statsbygg, the governmental real estate management organization in Norway, decided to evaluate its performance to see where improvements could be made. Statsbygg's goal, as described by CIO Leiv Engelschiøn, was "to be the best in the provision of basic services."

In collaboration with Quint Wellington Redwood, Statsbygg successfully introduced Performance-Based IT Service Management, a distinctive approach to IT service provision in which processes are not a goal in themselves, and the focus instead is on results.

Leiv Engelschiøn is clear about the IT organization's motivation for improving itself: "It is in our own interest; we want to be the best there is in providing basic IT services. In addition, we want to demonstrate to the business that we are at least equal to external suppliers, in order to stay ahead of the discussion about outsourcing. As a governmental institution, Statsbygg has nothing to do with the functioning of the market, but is, as it were, compelled to work efficiently and within budgets, in order to be ready for all possible future developments, which are to some extent dependent on political processes."



## Start

Statsbygg undertook its IT improvement goals through the Service Management processes. Why this choice? Engelschiøn explains: "I have personally gained experience with ITIL and, in my view, it is the only fully developed best practice in IT. In addition, I am familiar with the approach taken by Quint, in which the emphasis is on performance. This vision and this approach appeal to Statsbygg."

Quint was commissioned to guide the Statsbygg IT organization in the introduction of Performance-Based Service Management. "An open competition to tender took place, which of course revolved around the requirements and the price, but also the quality of the service provision," says Engelschiøn. "Quint was able to show a large number of references where good results had been achieved. Quint had also successfully taken care of training in Norway, in collaboration with the IT service provider Syscom, which has its offices here in Oslo. Because of this, we already knew, in fact, what we could expect from Quint."

## Approach

In the first instance, Statsbygg chose to improve a number of operational processes, namely Incident Management, Change Management, Problem Management, and Configuration Management. The IT employees involved worked out the new processes under the guidance of a Quint coach, using the principles of the performance-based approach. In addition, in training courses and other sessions, work was done on competencies of the employees involved in these processes. Throughout, the central subjects covered were "What is the relationship between the Service Management processes and the operational management of Statsbygg?," "How do we measure the performance of a process?," and "How do we arrive at a performance-oriented way of working?," among others.

## Results

In only a few months, all processes except Configuration Management were delivered. Configuration Management requires specific tooling, for which an RFP is currently open.

More important than the short time to delivery is the question of what results the improvement project has delivered. Engelschiøn continues to say: "Users say that they now receive rapid feedback from us, about

the cause of an Incident, for example. I think the best result is that we can now provide statistics from which we can see our performance. Until recently, we could not do this, and we only had a feeling about how well we had performed."

## "We can now provide statistics from which we can see our performance"

"I also see a change in the competencies of the employees," Engelschiøn goes on. "With the training sessions and the development of the processes, they have learned what it means to become the owner of processes. And the training sessions have turned out to be very important, by the way...we are going to repeat them, repeat them, and repeat them again! Our employees are now in a really good position to explain to the end users what they have done and what results this is expected to have. It concerns matters for which the end users are often in the dark: Why must an Incident be registered in a particular way? Why must a request now be transferred to another employee?" The communication between IT and employees in the other departments, of course, takes place during the work activities, but also via intranet.

Leiv Engelschiøn also sees a mentality change in the IT organization. "As has been mentioned, they now want to communicate about their work activities, and they experience the feedback as stimulating. They are all really going for it. You can see this, for example, in their ambition to further reduce the number of overdue Incidents to be solved. That really is the mentality of continuous improvement, of never being satisfied."

## Experiences

The CIO likes to share his experience with this extensive improvement project: "It is especially important that there is good follow-up from the management, so that line managers, for example, enable their colleagues in Process Management to do their work. If they were to withhold their resources, the right results fail to appear. Training is also essential in this area!" He continues: "It is also important to have good Key Performance Indicators for the benefit of your reporting, and that means both external KPIs such as time to solve as well as more technical KPIs for internal use."

When asked if there were any problems he encountered, Engelschiøn did acknowledge that there were some bumps in the road. "Of course, but no insoluble problems. Sometimes parts of processes had to be adapted on the basis of the first practical experience, but that was successful. The most difficult job is, nevertheless, working on the mentality change that is needed to arrive at Performance-Based Service Management. Just think of cultivating the understanding that as an employee, you are a part of the whole, that colleagues are dependent on your work. The attitude "I just do my work" does not fit in any more. We certainly had to work on this change; some colleagues initially did not understand the process or did not follow it. Weighing in the fact that most people are now suddenly start working for two bosses: a line manager and a process manager."

### **Training and management game**

Engelschiøn has already affirmed that he thinks training is very important. So, in addition to the training and Quint-led coaching that Statsbygg IT employees received in the improvement of their operational process, they followed an ITIL Foundation course, in which the principles of Performance-Based Service Management are central. The process managers also followed the ITIL Service Manager training.

"We already started with the courses before the start of the project," says Engelschiøn, "because a change in mentality simply costs time."

An important eye-opener for some people turned out to be the management game, Wall Street Simulation, which demonstrated to all the participants that the problems of a hectic trading day on the New York Stock Exchange could be better solved when the principles of ITIL were applied.

The management, too, is focused on ensuring Continual Service Improvement. For example, every quarter, the process managers meet for a follow-up session, and they are each responsible for the reputation enjoyed by their own process in the organization. Among other things, this means informing people of the characteristics of the process and "why things happen the way they do" in the handling of Incidents, Problems, and so on.

### **Satisfied**

Statsbygg is satisfied with the results achieved and is planning to continue with tactical processes such

as Release Management, Capacity Management, and Continuity Management. "For this, Quint is definitely a likely candidate, also if a formal putting out to tender takes place, seeing that Statsbygg is a government institution," Engelschiøn says. As far as he is concerned, the added value from Quint is clear: "Without a good consultant, this improvement project would have been difficult to get off the ground. For example, Quint brought a complete tool kit with them, a great deal of training experience, and so on. That gave us a flying start! The advisers from Quint asked the right questions and were excellent coaches, and still gave us, as the owner of the project, enough elbow room. They also challenged us in a good way, whereby they helped us to get moving, to change..."

### **Better performance in IT Service Management**

More and more organizations are realizing that in IT Service Management, not everything revolves around the knowledge of processes. Rather, the outcome of these processes is a leading concern in IT Service Management. After a long period in which attention to the process arrangement and the process flow was central, IT organizations are now striving for a demonstrable return on investment in IT Service Management. The developers of ITIL v3, too, have recognized that continuous attention to management of the output from processes is a necessary condition for being able to deliver added value to the operational management. So, Quint Wellington Redwood developed a vision of guiding Service Management in a way that focuses on performance: Performance-Based Service Management.

Quint itself has successfully applied this modernized form of Service Management for some years now. This has led to an accompanying project approach and a matching training program, whereby, results are guaranteed and a lasting mentality change in the Service Management organization is achieved. This program puts organizations into a position to devise a working method of their own within a short time that leads to a lasting improvement in the performance of IT service provision.

Quint Wellington Redwood is a leading global independent consulting firm dedicated to resolving IT-related organizational challenges. Operating in more than 49 countries and across four continents, Quint provides strategy, sourcing and service management to leading organizations from all industries, creating and implementing best practices worldwide.

Quint was founded to help organizations get more from IT, not by adding more or new technology, but by simply managing IT better. The firm's portfolio of services includes education, consulting and measurement, integrated across the domains of business and IT. Quint's "Dare to Challenge" mission challenges itself and its clients to implement changes that deliver true results, outperform the competition and create a measurable return on investment. Quint's vision is to reinvent not only its clients' organizations, but also the consulting industry itself.