



Change Management with a lean perspective

- Presentation for ITSMF Rogaland June 11 – 2013
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What 's the story.....(Change and lean) ...

- Change process implemented in 2005, as part of a Service management package for IT (incident / problem, config, change & release)
- Since that service management in Statoil expanded to wide range of business and technical services, plus - new process like request management and service catalogue / service design both triggers the change process
- Volume has been very stable – around 1000 RFC's fulfilled each month
- The core of the process process in itself has been stable, there has been customisations regarding tool support
- So where is the 'change' agenda , where is the story ?

Different change types

- **Normal**

- Changes that needs approval for build and test (eg. "new functionality and/or risk assessment")

- **Standard**

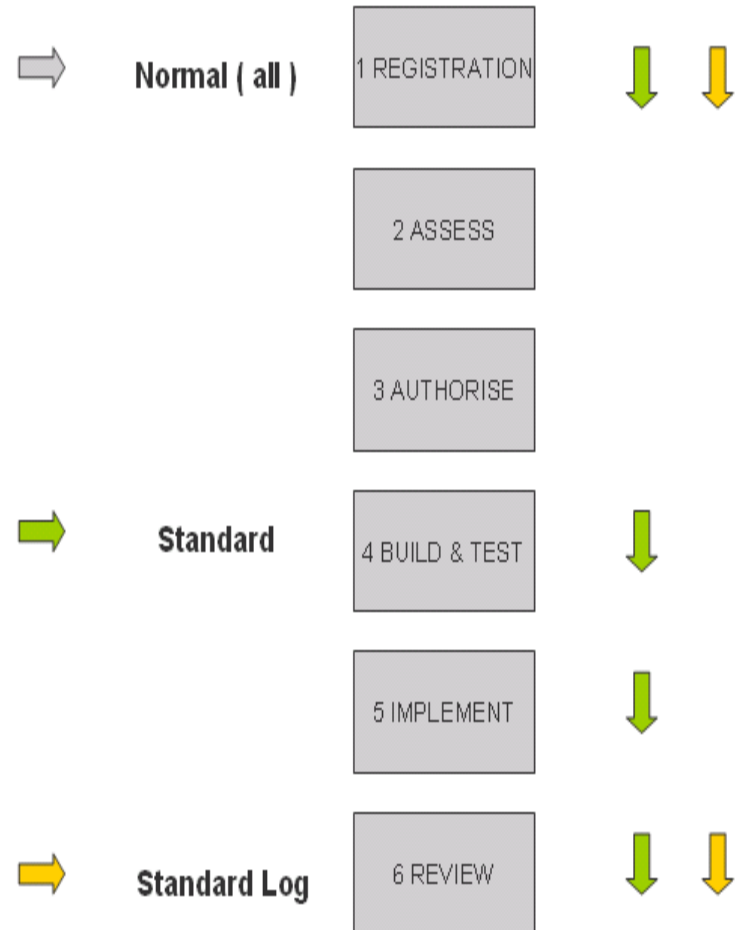
- Pre-approved for build and test, but handled through Release (eg. "bug-fixes within budget")

- **Standard log**

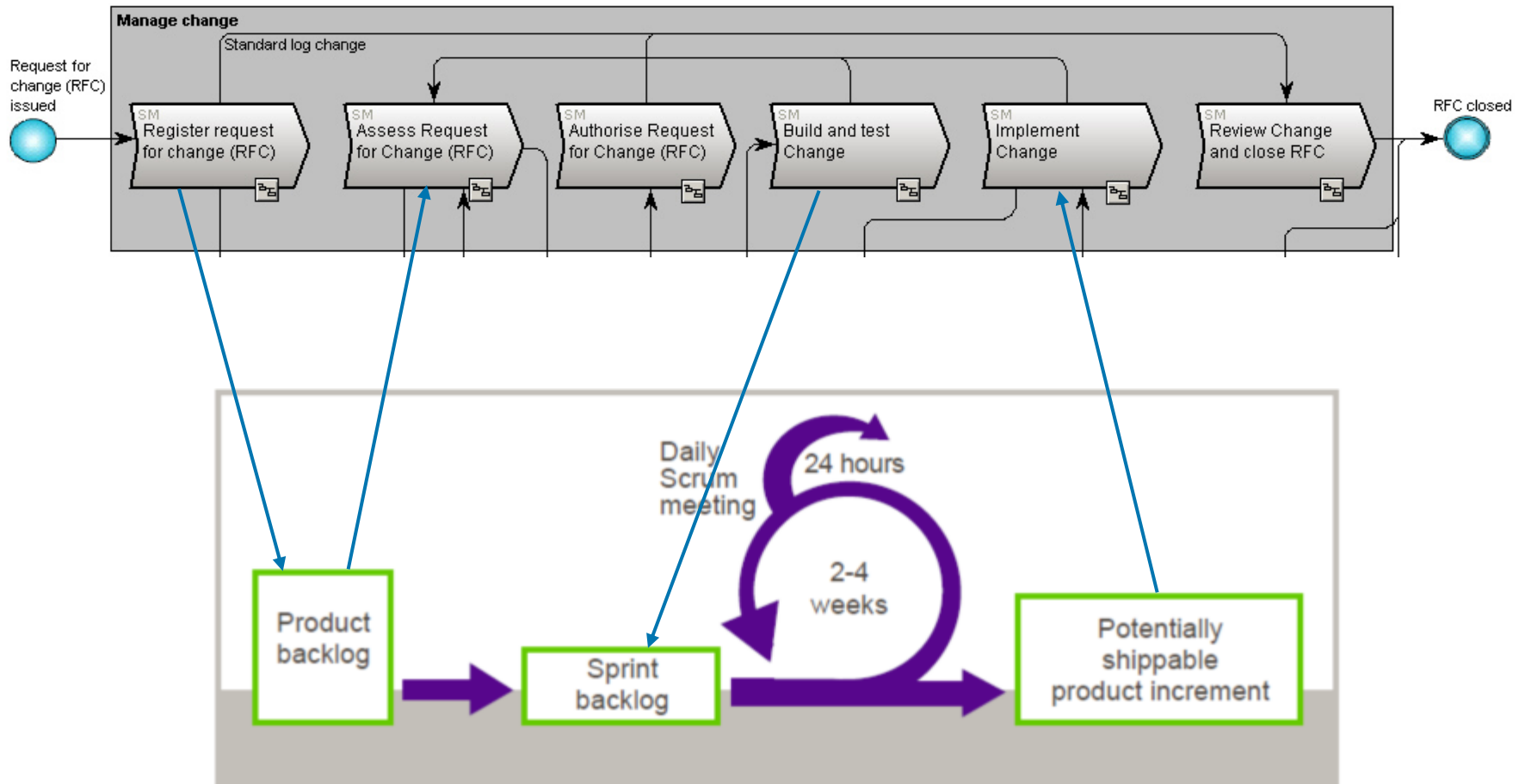
- Low-risk changes without technical dependencies

- **Emergency**

- Major Incidents that needs a change necessary to solve the situation

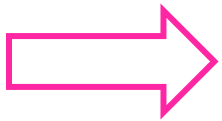


Interaction Scrum and SM Change



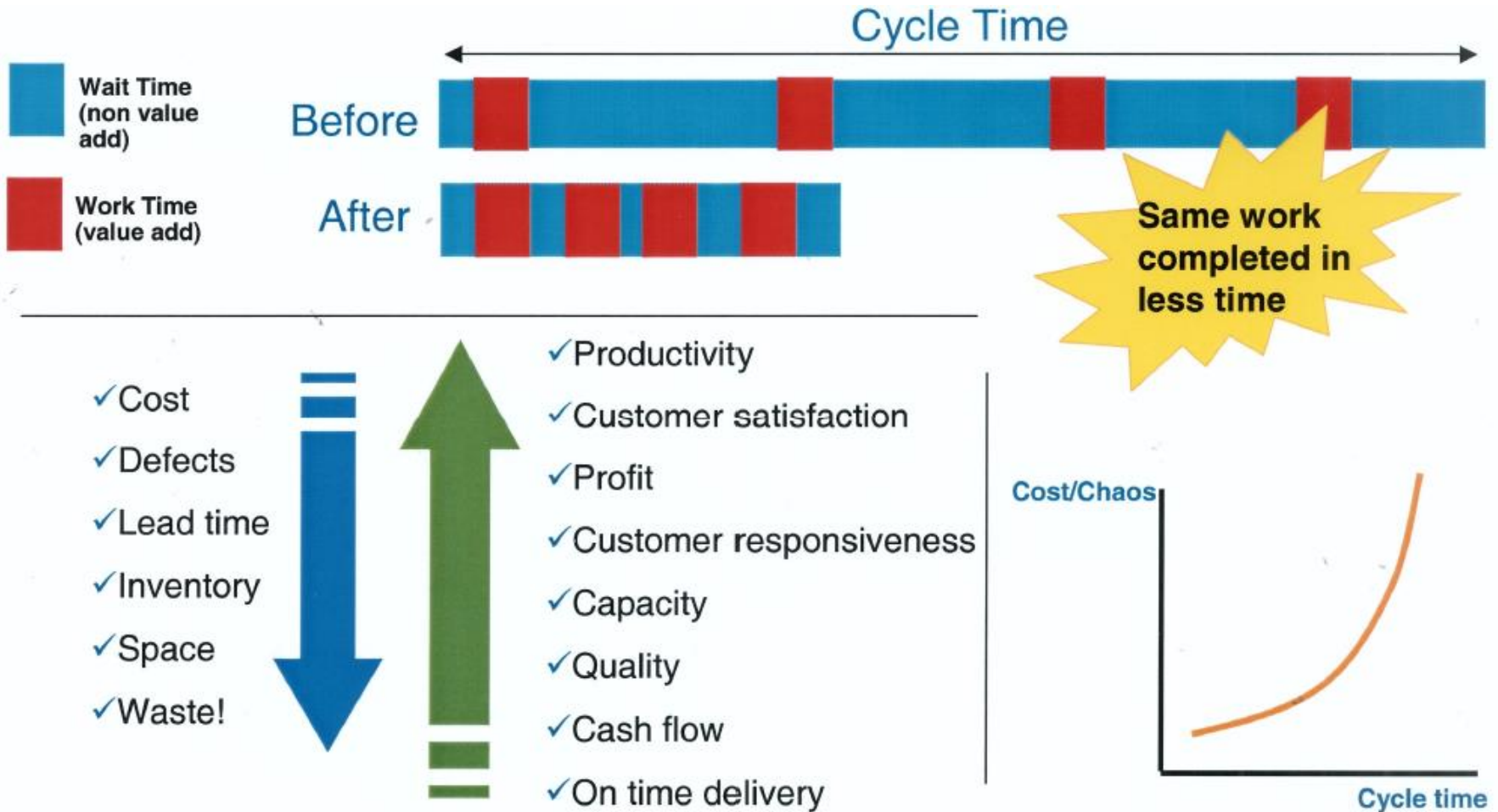
New drivers (here's the story)

- Statoil are executing a program for cost reduction and simplification within staff and services
- Our existing Service management tool is approaching end of life due to technical capabilities (concurrent users)



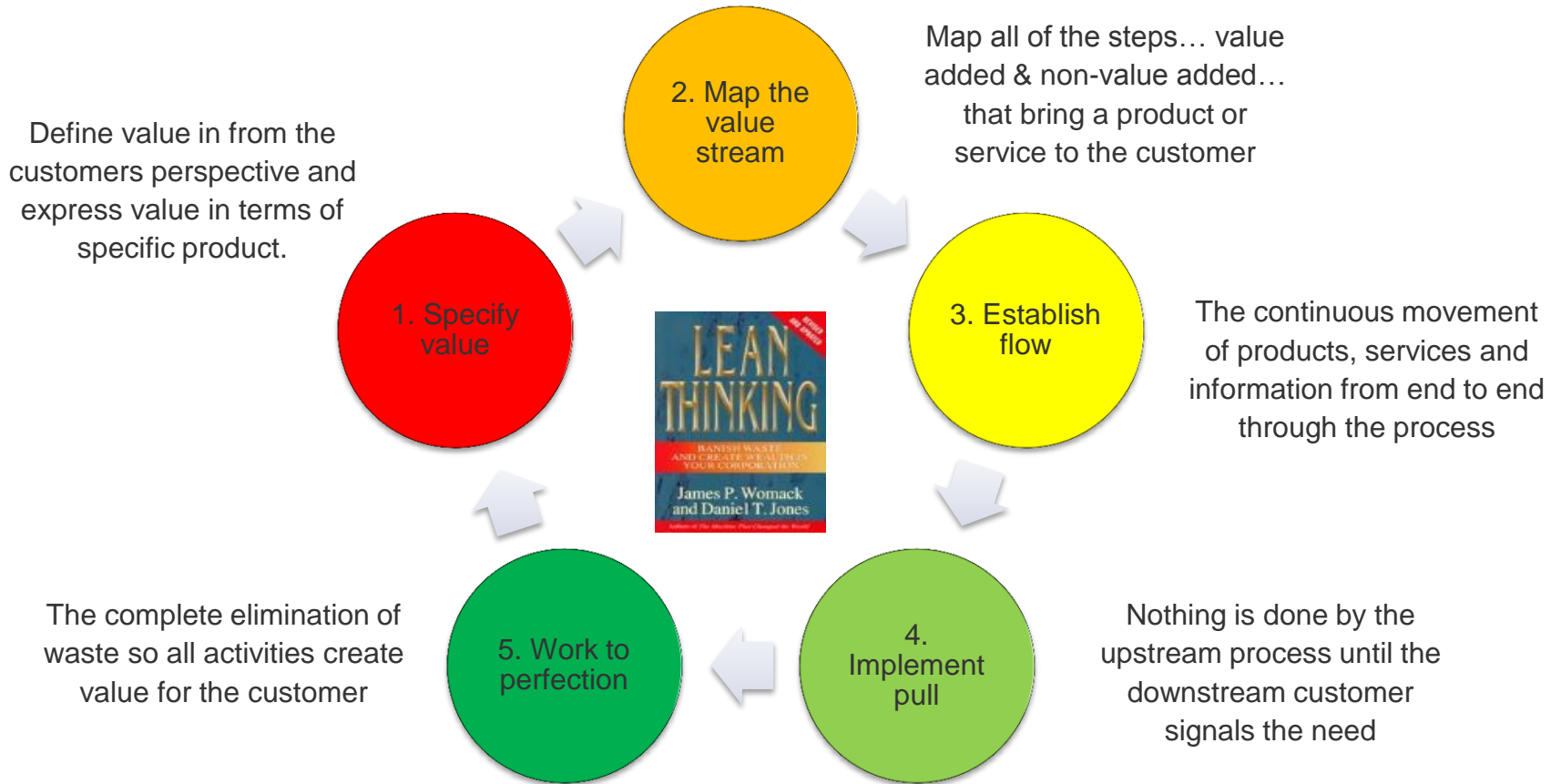
A service management change agenda – including 'renovated' processes based on lean principles

Benefits of Lean



Relentless focus on reducing non value adding activities

Five principles of Lean



“The tools get you there, the principles keep you there.”

Value & Waste

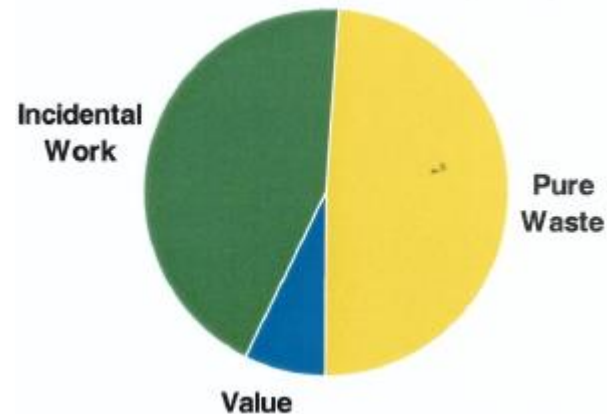
Value: A capability provided to a customer at the right time at an appropriate price as defined in each case by customer.

- ✓ Define / specify value from the standpoint of end customer

- ✓ Ask how your current products / services and processes disappoint your customer value expectation:
 - Price
 - Quality
 - Reliable delivery
 - Rapid response to changing needs?
 - Fundamental definition of product?

Waste:

- Activities that add no value, add cost and time.
- Symptoms; need to find root causes and eliminate them
 - 7 types of waste



Typical operation: 1-10% activities are value adding!

Waste

The seven types of waste



Processing

Waiting

Motion

People



Inventory

Moving things

Quantity

Overproduction

Defects/Inspection

Quality



+ People's talents

7 types of waste

1. Over processing



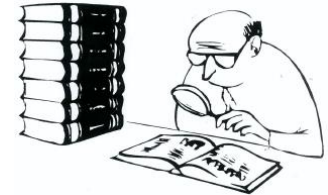
Relying on inspections rather than designing the process to eliminate problems. Re-entering data into multiple systems etc.
Eliminate excess work!

2. Waiting



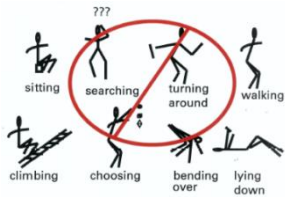
Waiting for machine to finish processing, or supporting function to be completed etc.
Eliminate wait...Smooth flow!

7. Def./ Inspection



Data entry errors (order or entry errors). Any error that gets passed downstream only to be returned for correction or clarification. **Six sigma mentality... reduce quality defects!**

3. Motion



Motion of employees as walking between offices, to archive, printer etc.
Minimize wasteful moments, movement ≠ work.

4. Inventory



Inventories awaiting further processing or consumption. **Efficient use of inventory... not just-in-case inventory!**

5. Moving things



Unnecessary transport and handling of goods or moving things like movement of paperwork:
Movement does not equal work!

6. Overproduction

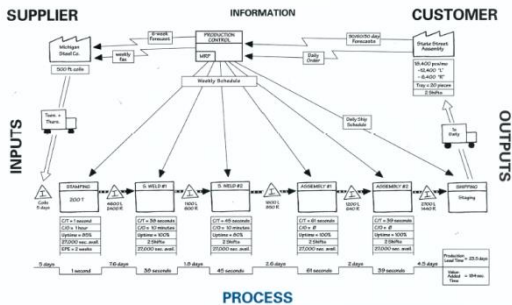


Overproduction of things not demanded by actual customers. **Produce only what is needed, when is needed and in the quantity needed!**

Value stream mapping

Value stream

All of actions, both value added and non-value added that bring a product or service to the customer.



Value stream map

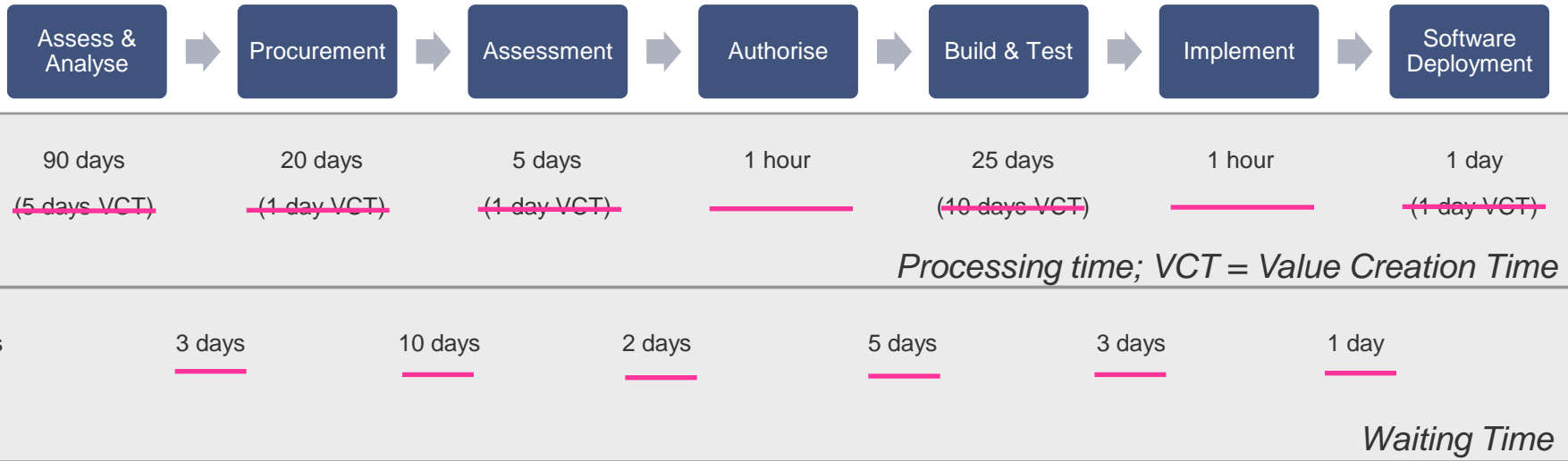
Steps to value stream mapping: implementation

1. Identify the value stream or process to focus on
2. Map the current state value stream
3. Develop the future state value stream
4. Change the current state into future state

Requests for new applications (purchase)

Data from Service Center + estimates from people involved in the process

Current KPI – 10 days to respond



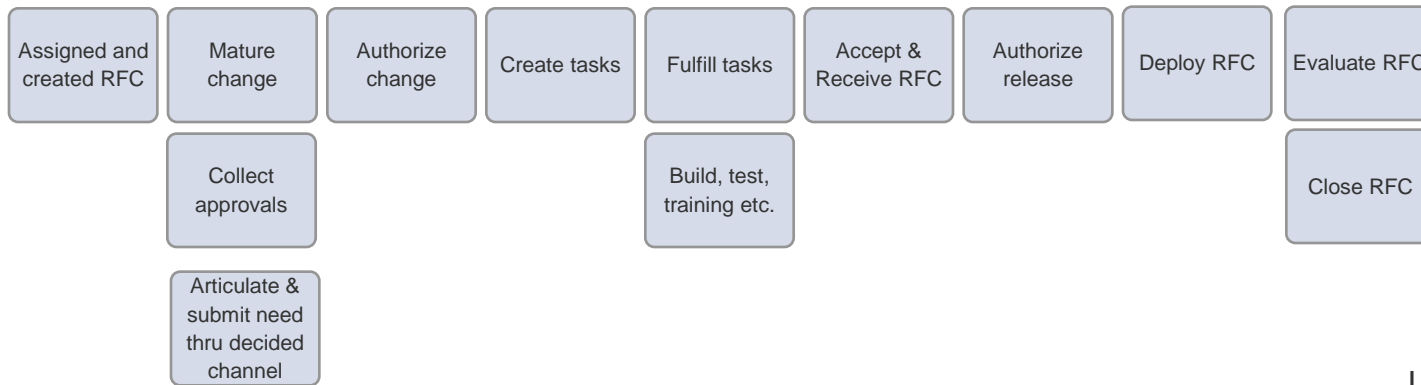
Lean perspective – we use 175 days to deliver!

Lead Time (LT): Total time from a request for a new application is issued until is deployed

Value Creation Time (VCT): Time used for value creation efforts

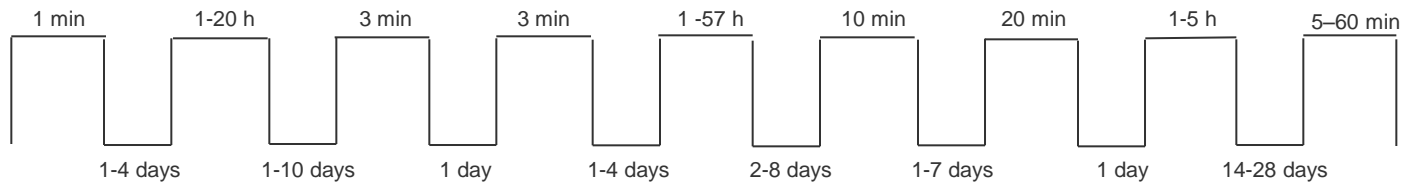
Value creation as a percentage of total time spent = $(18 \text{ days} / 175 \text{ days}) * 100 = 10\%$

Change Management – Future state value stream map (October 2013)

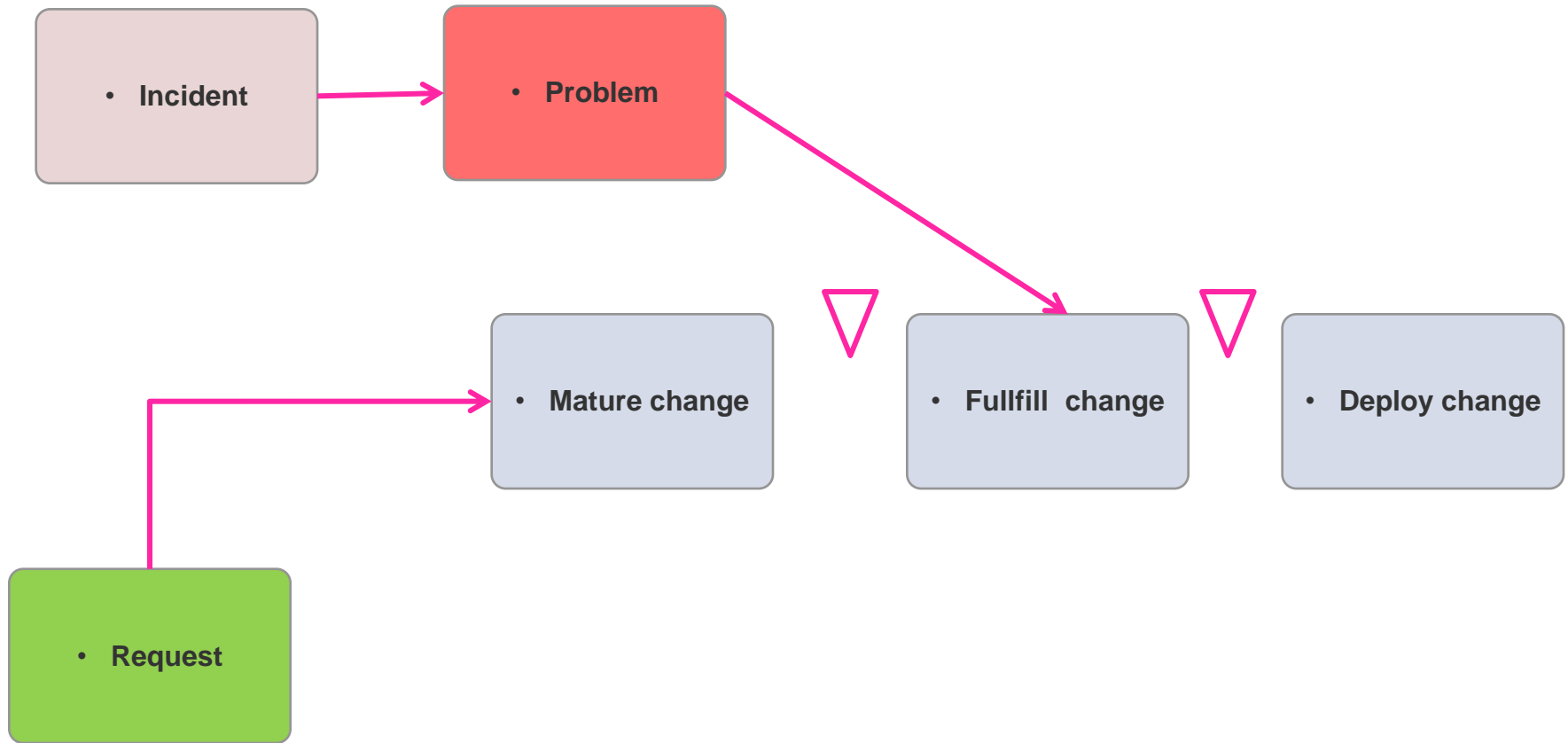


PT: 3,5h – 64h

LT: 22 days–63 days



Future high level flow



Renovated processes

- Simplification
- More integration between modules
- Reduced waste
- Enough control, increased speed