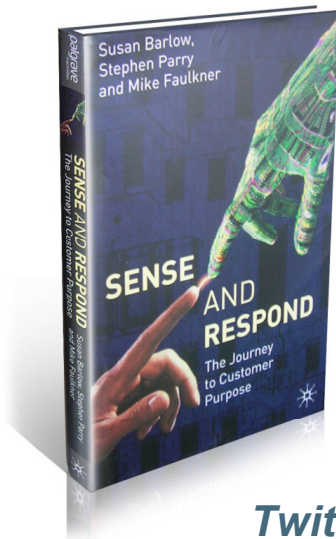


# Re-designing the Organisation for Flow

**SAP IT Global  
Infrastructure Case**

**Sense and Respond:**  
The Journey to Customer  
Purpose  
*Stephen Parry, Susan Barlow*



**Dagmar Oeldemann**  
*Former Head of Process Management and Audit  
now Method Teacher  
SAP*

**Christiane Fischer**  
*Former Operations Office  
now Head of Business Improvement Infrastructure  
SAP*

**Stephen Parry**  
*CEO See Business Differently  
Author of Sense and Respond  
Faculty Member of the Lean Enterprise Academy  
Twitter Leanvoices email: [stephen.parry@seebusinessdifferently.com](mailto:stephen.parry@seebusinessdifferently.com)*

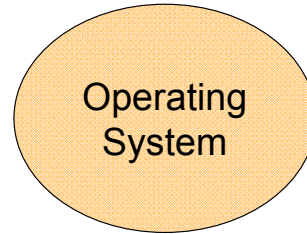
## **Format of presentation: Why Design around Flow?**

- Four-levels of solution
- Starting with the Customer/Service User
- Recap on Lean and Mass
- Recap on Flow with High Variety at Toyota.
- Comparing Flow and Batch and Queue
- Principles applied to 'T' Value Streams
- Description framework for the Organisation
- CORE Profiling
- SAP IT Case study

## **Format of presentation: SAP IT Case study**

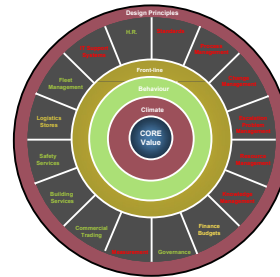
- 'T' stream and Customer-Life Cycle
- Measuring and surfacing current flows
- Operational issues being uncovered
- Moving towards New Design (Relationship with ITIL?)
- Prototype model for flow emerges
- Model described for all Infrastructure services
- Managing and co-ordinating the change through A3's
- Photographs
- Question-time

Level Four



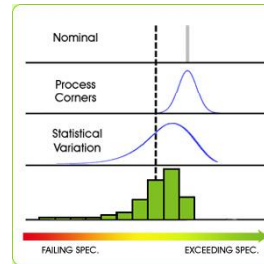
The Operating System

Level Three



The Organising System

Level Two



The Process

Level One



The Output

**The customer challenge:  
They don't have time.....they say things like:**

Solve my problem, completely.

Don't waste my time or cause me hassle.

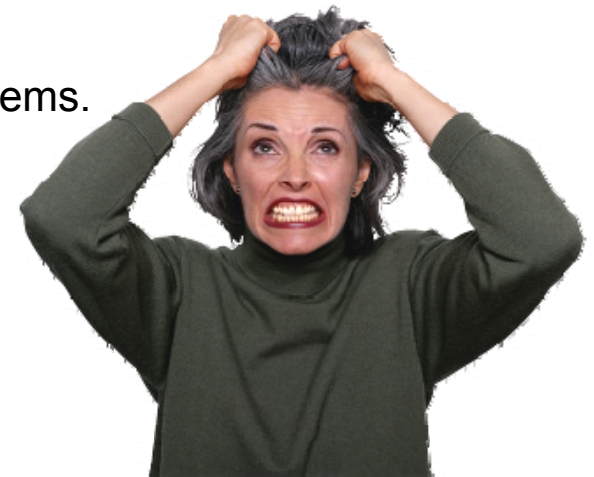
Minimise the cost of doing business with you.

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!

*Adapted from Lean Solutions: Jim Womack and Dan Jones by Stephen Parry*



**Question:**

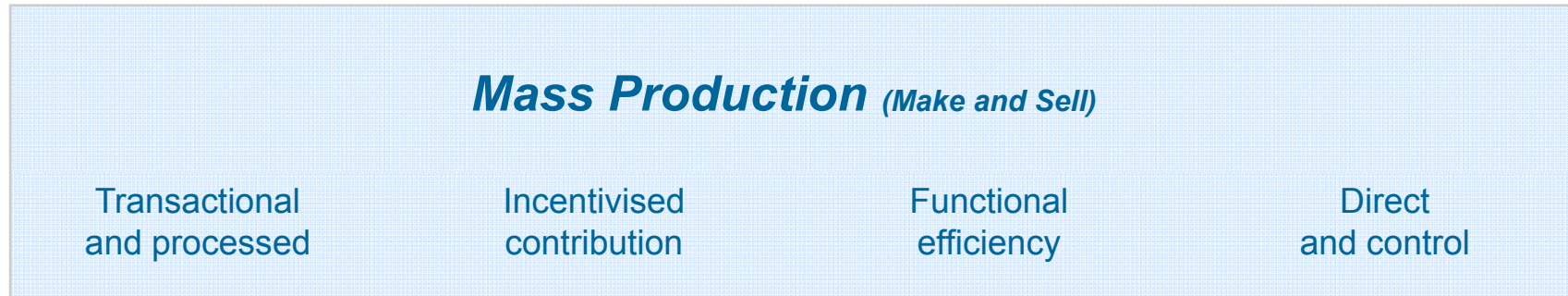
*What would organisations do if they had to pay for all the customer time they wasted?*



*Adapted from Lean Solutions: Jim Womack and Dan Jones by Stephen Parry*

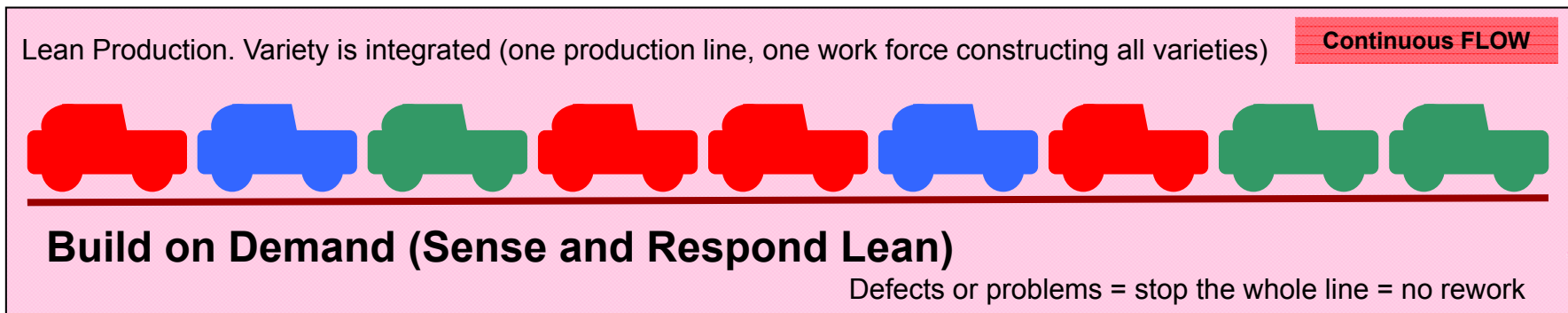
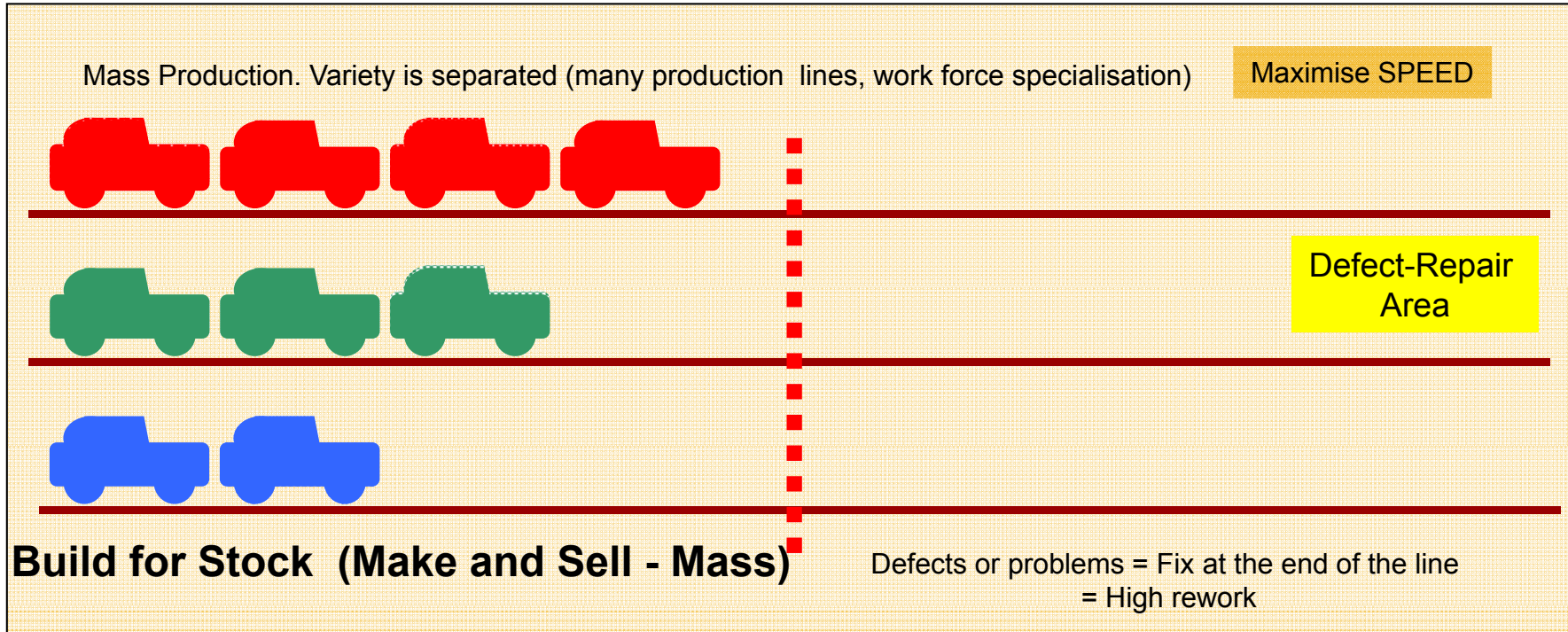
# What type of experience do you create for customers, employees and managers?

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



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

# Build on Demand or Build for Stock?



# **Standardising your delivery approach Mass Production or Lean Production?**

***Comparing a good-traditional approach using batch and  
queue with low variety***

***with***

***an even better FLOW system delivering  
large variety***



## Aligning service provision to customer needs



**Specify value** from the standpoint of the end customer.

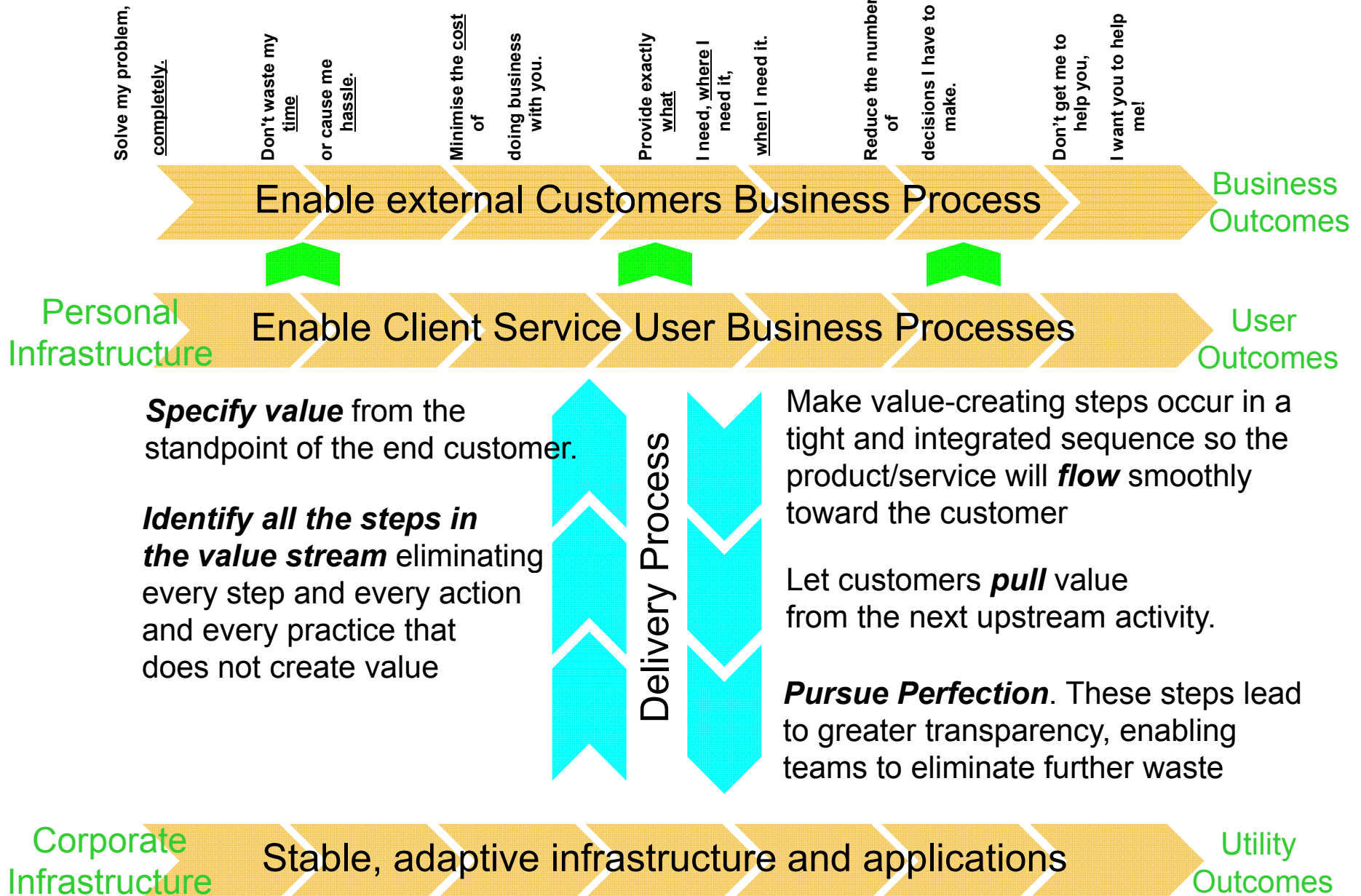
**Identify all the steps in the value stream**, eliminating every step and every action and every practice that does not create value

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

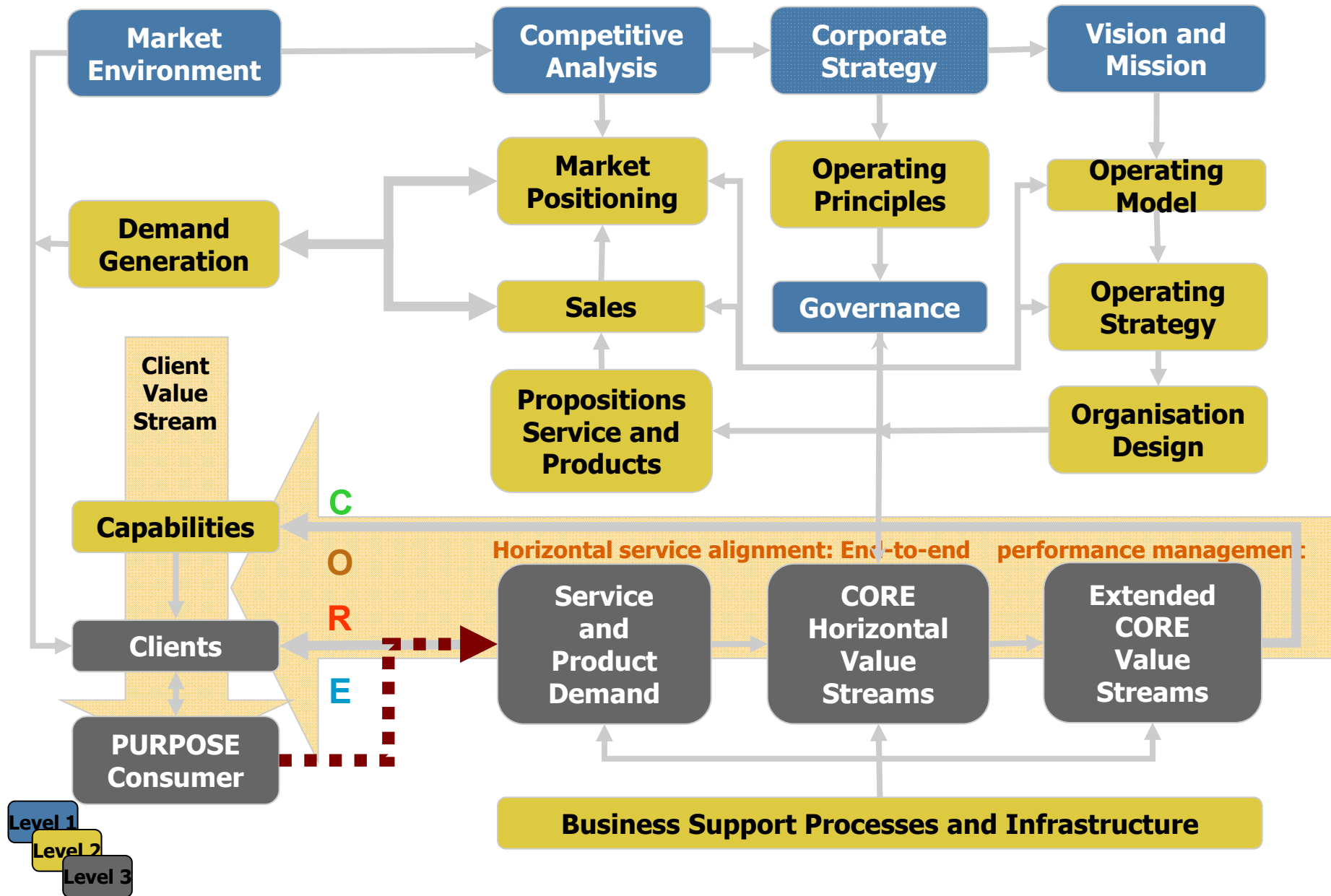
Let customers **pull** value from the next upstream activity.

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

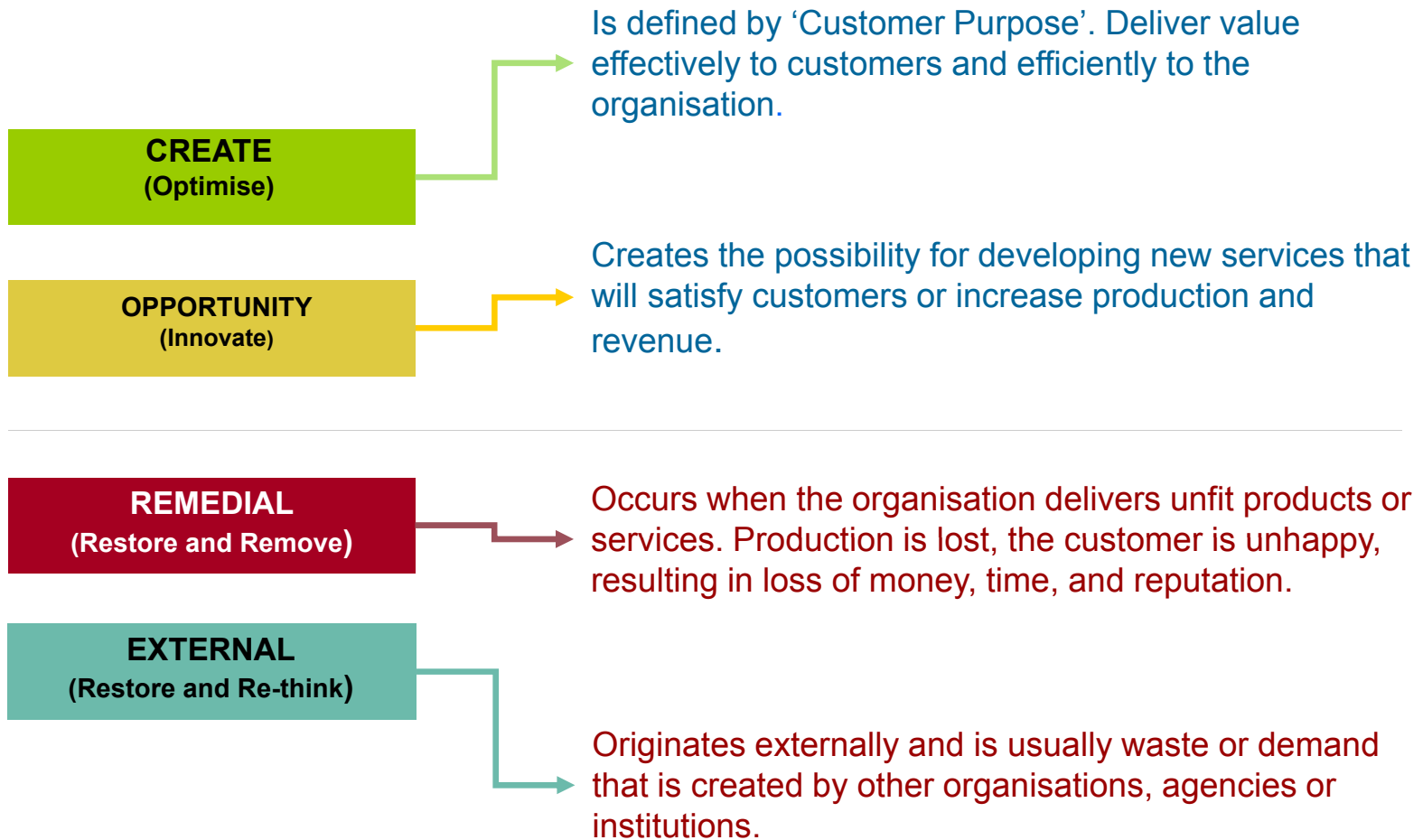
# Don't align IT service provision to the transactional needs of the service user rather to the real world customer outcomes



# Example Description Framework. For 'As-is' and 'To-be'



# CORE Profile: Value definitions



# CREATE VALUE BIN

*Nothing in here because no one was looking*  
**OPPORTUNITY TO CREATE VALUE BIN**

**RESTORE LOST VALUE BIN**

**EXTERNAL LOST VALUE BIN**

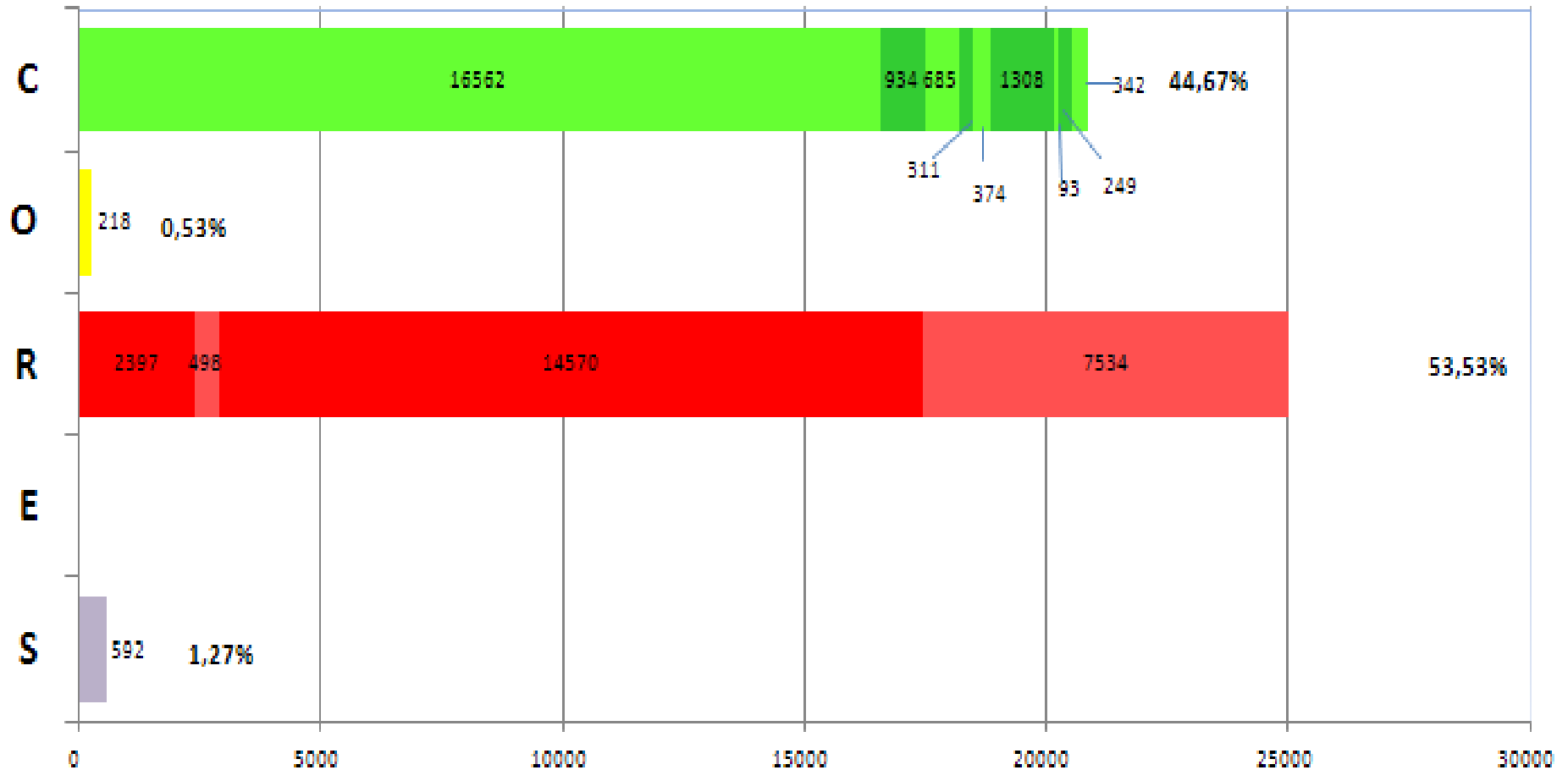
Application Problem			
Progress Chase		Engineer Not arrived	
Provide Quote	3rd Party Can't Supply	Repeat Fault	Installation
Escalation	Slow Network	Computer is not working	Move Equipment

**Customer Purpose Defines Value,**  
**What was once seen as Value is now seen as WASTE**  
**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**

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

CORE Profile for November 2009



# The Lean Operating Model

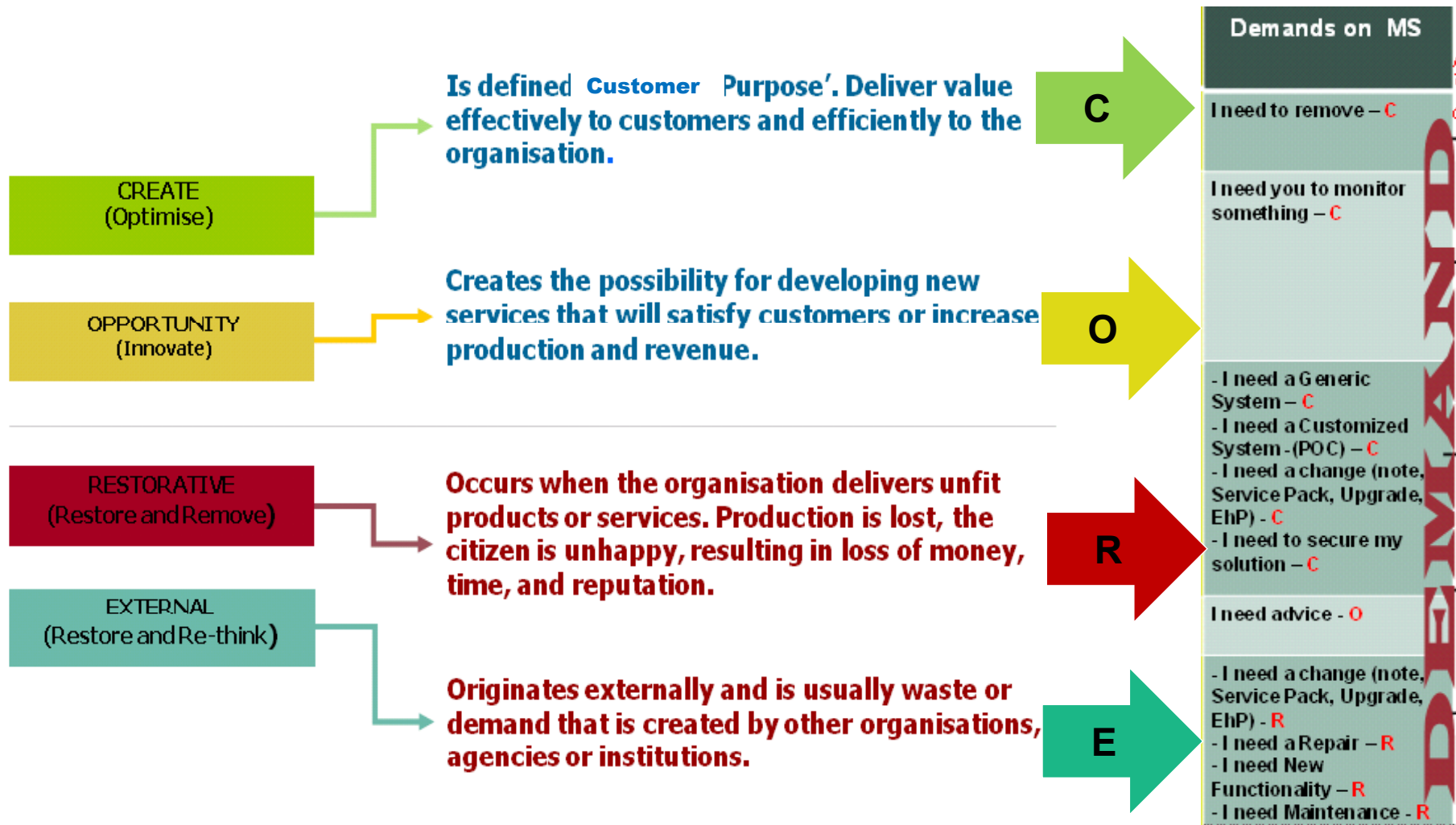
**FSOM**

**Future State Operating Model**



Building up the picture for a new lean operating model for IT Infrastructure services.

# Value Demand and Waste Demand



# Clear role assignments

## Previous Operating Model

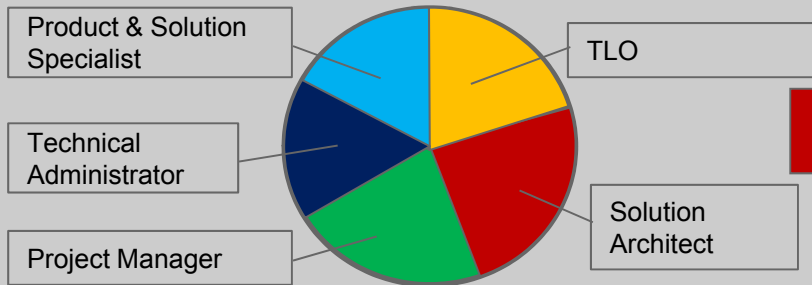
IT Services were being managed by several roles (Delivery Unit Manager, TLO, CSeM)

Delivery Unit Manager

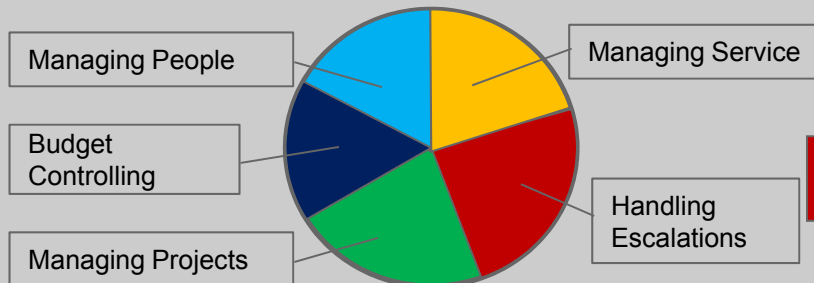
Technical Landscape Owner (TLO)

Customer Service Manager (CSeM)

Current typical tasks of a Employee in a delivery unit



The current tasks of a Manager

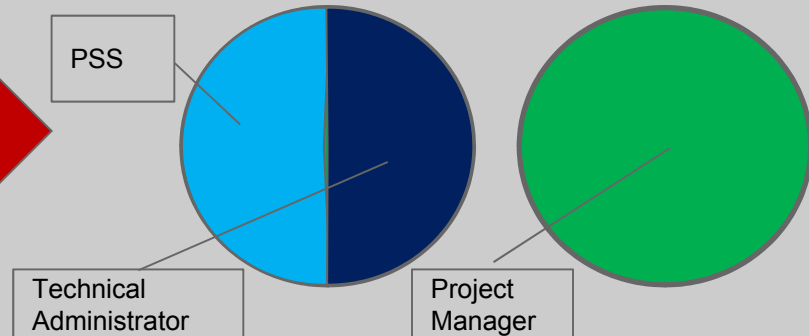


## New Operating Model

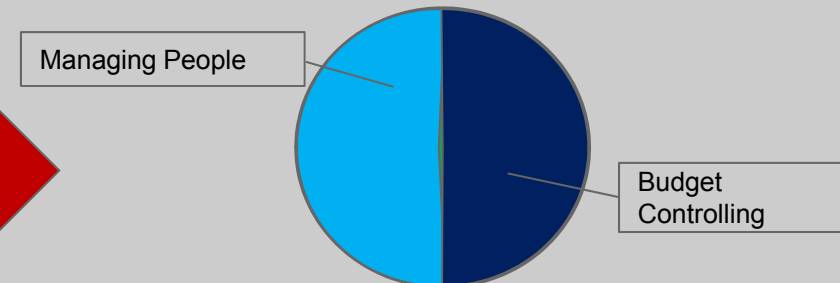
Clear role assignment: Service Manager is responsible for managing the Service

Service Manager

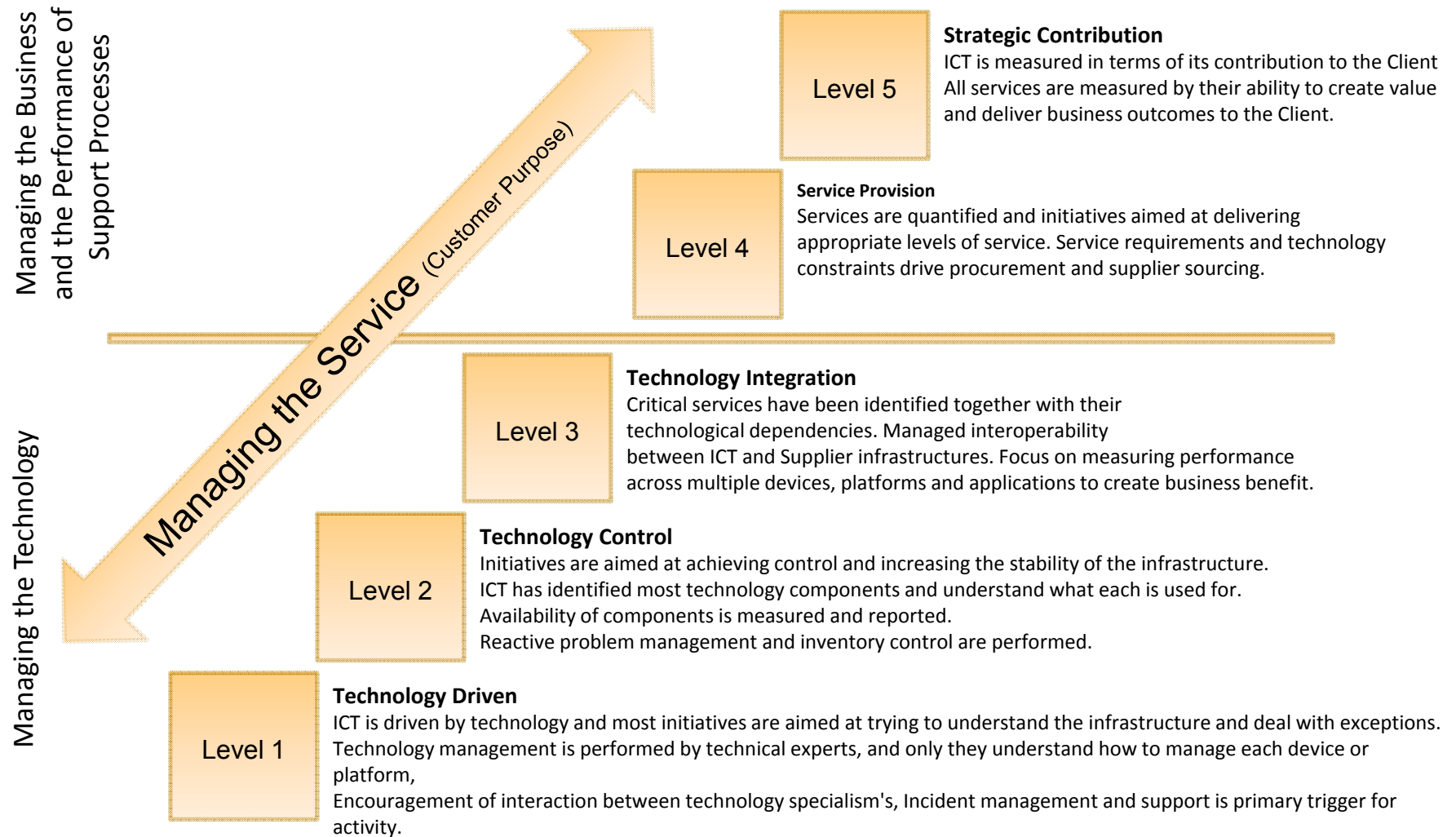
Typical future roles of an Employee in a delivery unit



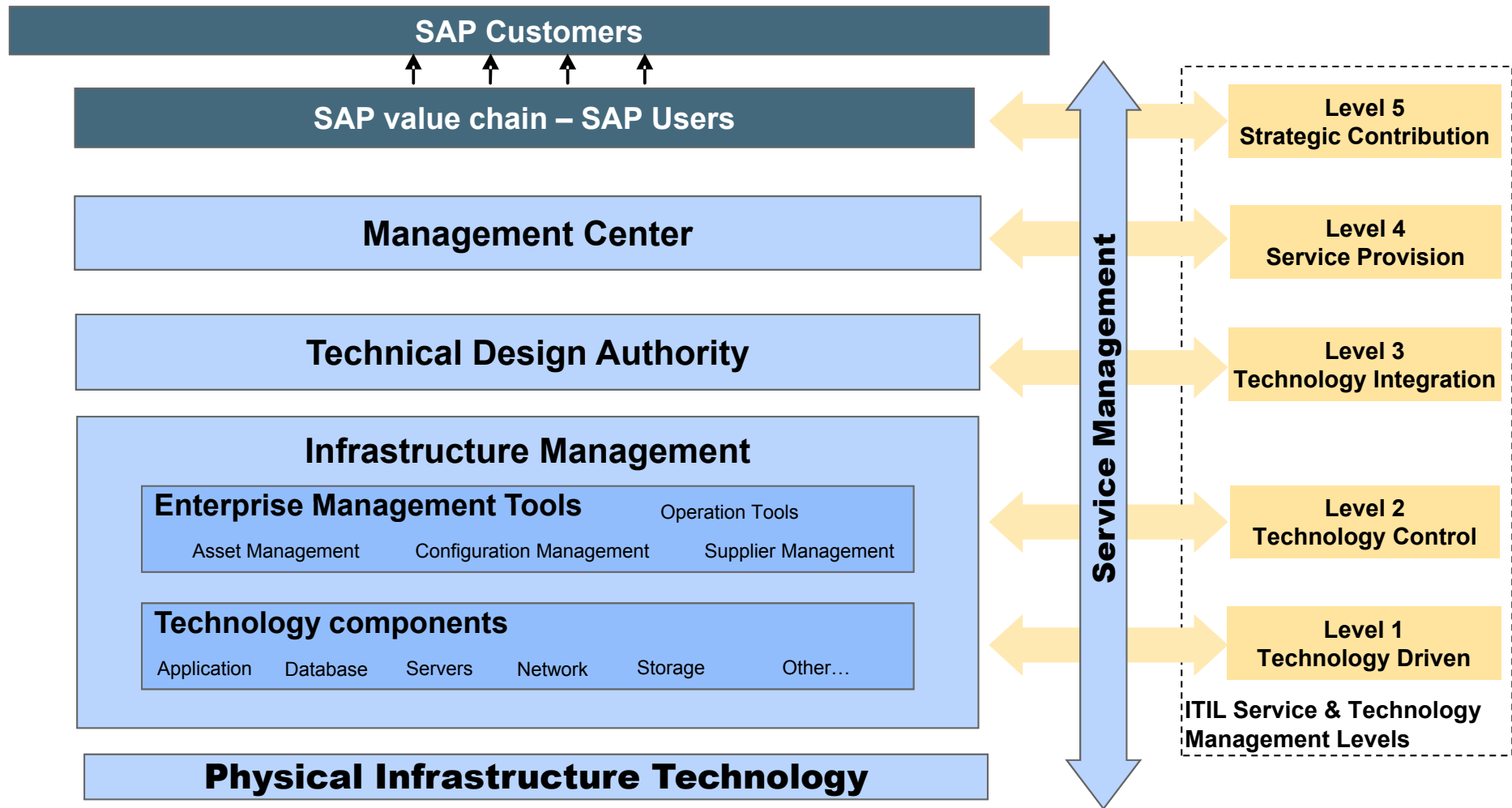
The future tasks of a Manager



# Service and Technology Management Levels

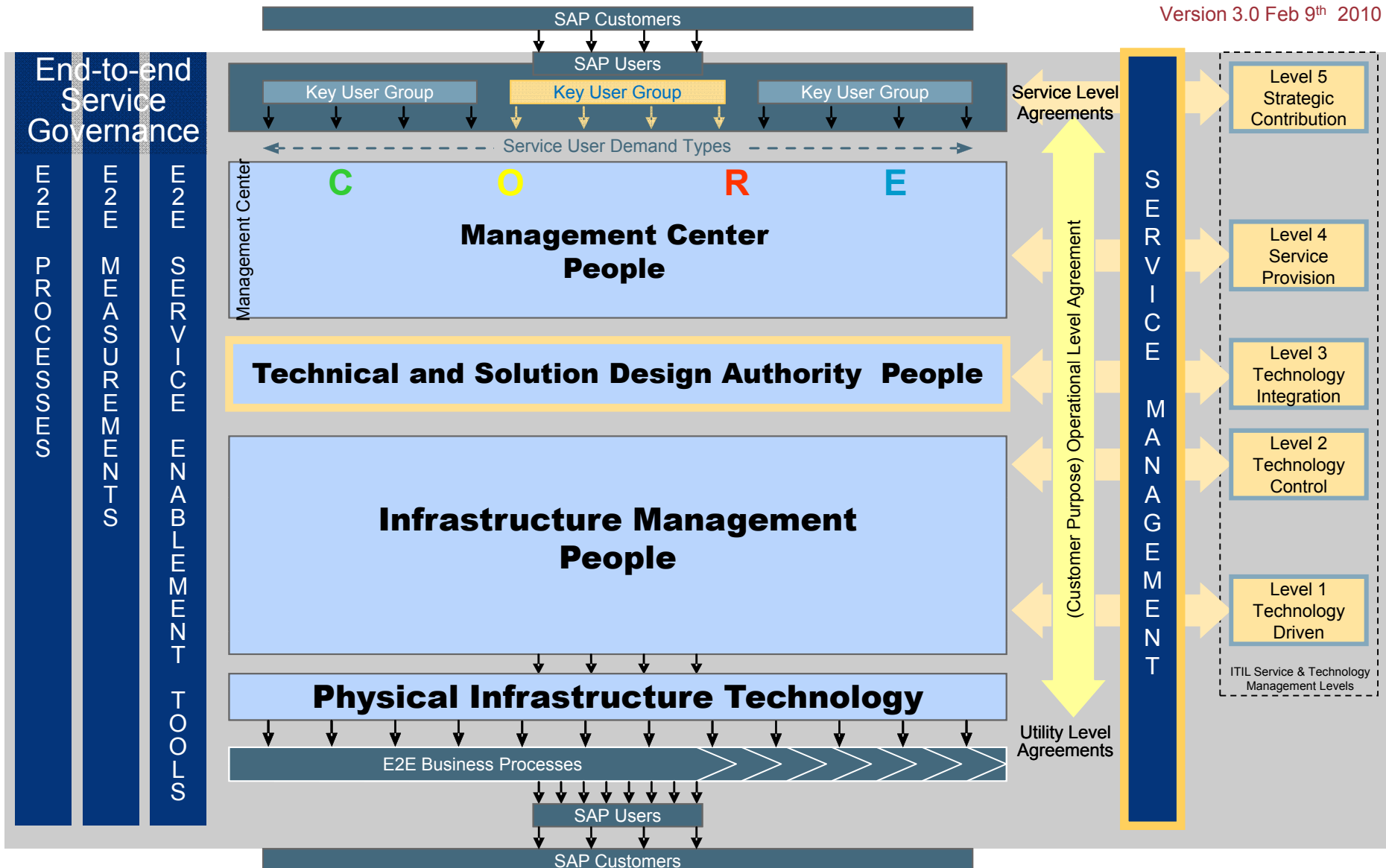


# Flow of Provision Requests from Users



# The reach and effect of functions: TDA function

Version 3.0 Feb 9<sup>th</sup> 2010



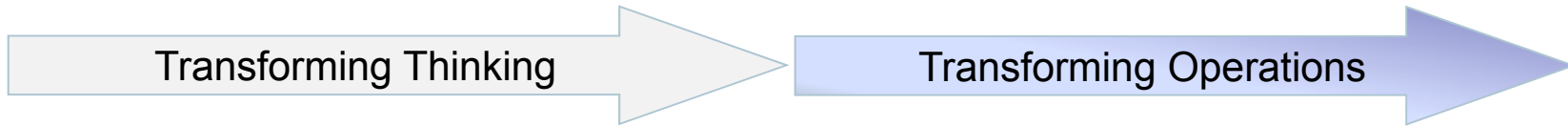
# Sense & Respond Program

## Program Management



A3 Management of the Change Program

A3 Areas and Implementation phases



**Learning  
to  
Sense**

**Re-View**  
*Investigation  
and  
Analysis*

**Re-Mind**  
*Learning  
and  
Education*

**Learning  
to  
Respond**

**Re-Inspire**  
*Leadership  
and  
Coaching*


**Re-Create**  
*Operational Design  
and  
Change Strategy*




















**Building  
A Lean  
Enterprise**

**Phases**  
*PROTOTYPE  
MOBILISATION  
STANDARDISATION  
OPTIMISATION  
INNOVATION*

# S&R Phase III – A3 Overview


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














 Running A3's in this Phase

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

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

 Running A3's in this Phase

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 Rötschke		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 &amp; retires (handover to SM)</i>		Armin Storek	Ron Iannacone	Tim Oppermann Chad Howard Chad Troisi	Joachim Bolz	Greg Pearse
Customer Access Rules		 <i>delayed &amp; retires (handover to SM)</i>		Sushil Dabare	Amit Gupta	Christiane Fischer		Lakshmi K.K.
Process Governance		 <i>delayed &amp; retires</i>		Dagmar Oeldemann	Kathy Balsley	Pallavi Bhanot		Simone Engelhardt

# S&R Phase III – A3 Overview

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



Running A3's  
in this Phase

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

# Customer and People Measures:

