

The Role of Lean Six Sigma in Enterprise Business Transformations

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About Amy

- 24 years in IT
- Last 7 years leading complex IT transformations for large commercial corporations and federal agencies
- Certifications: LSS MBB, ITIL SM, PMP
- Texas Aggie!

Overview of Presentation

- What is involved in an enterprise-wide “Business Transformation” and how does LSS fit?
- Different from presentations that show how DMAIC phases can be used as implementation phases
- Different from presentations that show how LSS begins to be used at the Continuous Improvement phase

Transformation Components



***Industry Standards prescribe “What”
LSS prescribes “How”***

Step 1: BT Strategy and Vision

- Establish a strategy for levels of authority
- Publish and aggressively campaign BT strategy, internally and externally
- Draw threads of continuity across all messages

***Change terminology to overcome
negative affiliations***

Step 2: Stakeholder Management


- Over-Communicate!
- Over-Communicate!
- Over-Communicate!
- Over-Communicate!
- Over-Communicate!



***LSS tools: Stakeholder Management,
Communications Plan***

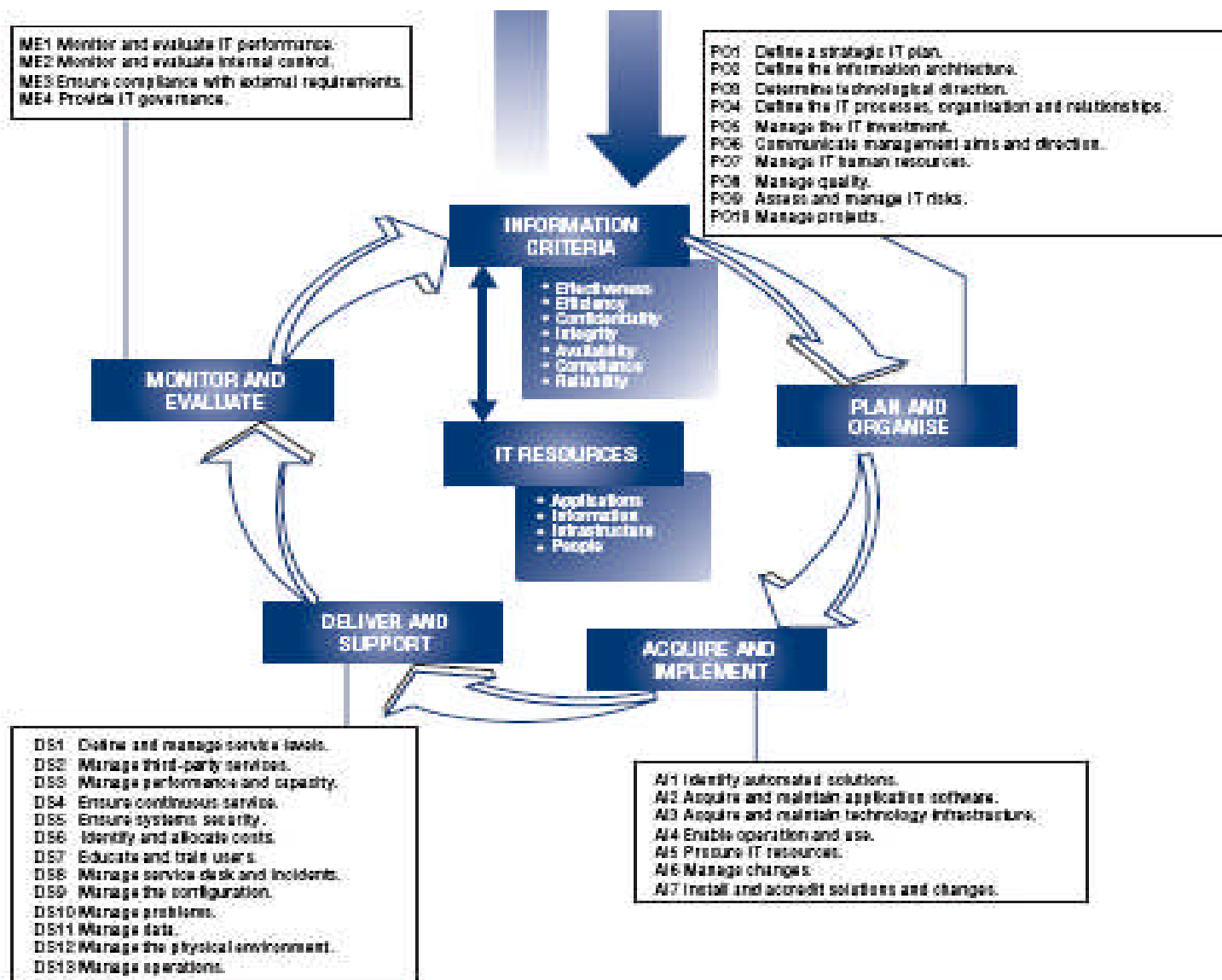
Step 3: Process Framework

- Architectural blueprint for business transformation
- Foundation for all BT activities
- Provides common terminology
- Organized by related sets of activities



***Gain Acceptance of
Framework before
proceeding***

CobIT[®] 4.1 Process Framework




ITIL® V3 Process Framework

Service Strategy	Service Design	Service Transition	Service Operation
Portfolio Mgmt	Service Catalog Mgmt	Support & Transition	Event Mgmt
Financial Mgmt	Service Level Mgmt	Change Mgmt	Incident Mgmt
Demand Mgmt	Capacity Mgmt	Asset & Configuration	Problem Mgmt
	Availability Mgmt	Release & Deployment	Request Fulfillment
	Continuity Mgmt	Validation & Testing	Access Mgmt
	Information Security	Evaluation Mgmt	
	Supplier Mgmt	Knowledge Mgmt	

Continual Improvement

Step 4: Process Teams

- Designate one Process Owner per process
- Training: ITIL/CobiT and Green Belt
- One Green Belt per process, one Black Belt per Process Category




Leadership must Empower both Authority and Accountability



LSS Tools: Process Team Charters, Scoping Tools (eg. In Frame/Out Frame)

Step 5: Process Engineering

- Forget everything you've been taught about base-lining As-Is processes
- Start with end state vision - then build implementation plan to get there
- Establish baseline after you've implemented your new process



**Leave Generic –
Do not
Pre-customize**



***LSS Tools: Swimlane, SIPOC,
Interrelationship Matrix***

Step 6: Functional Roles

- Define functional roles and responsibilities
- Map functional roles to process activities



**Do not
Consider
Current
Organizational
(HR) jobs**

LSS Tool: RACI Matrix

Step 7: Performance Management

- Select Process Key Performance Indicators
- Select Personnel measures
- Create multi-generational implementation plans to capture data & report valuable information

***LSS tools: CTQ Houses of Quality,
Data Measurement Plans***

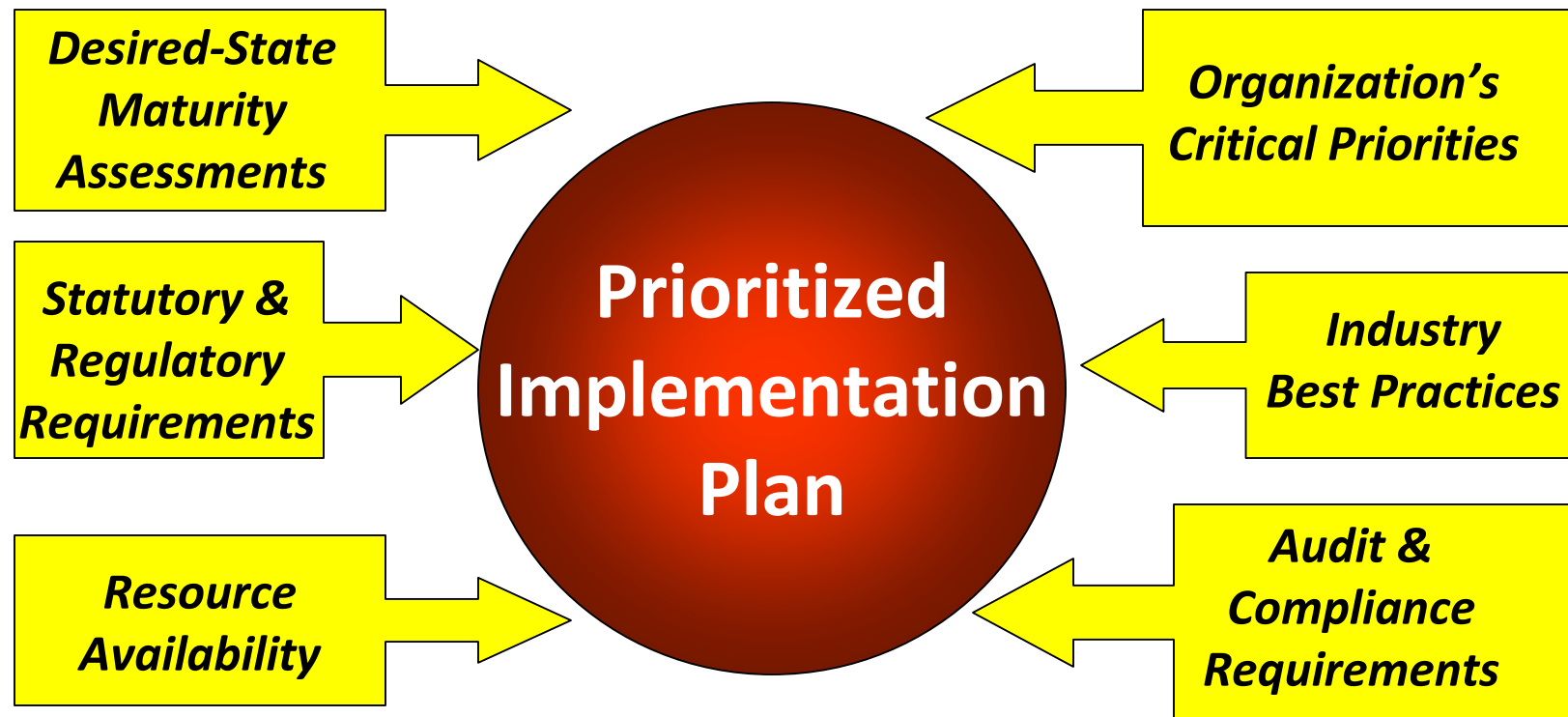
Step 8: Organizational Realignment

- Construct Org Design based on functional roles
- Calculate workforce sizing based on work loads
- Determine where tasks are done today & identify work not currently being done
- Realign personnel from other areas, then hire new



***Strengthen governance
Before realigning people***

Step 9: Implementation Plan



LSS prioritization tools: C&E Matrix, Benefit/Effort Matrix, Affinity Diagrams

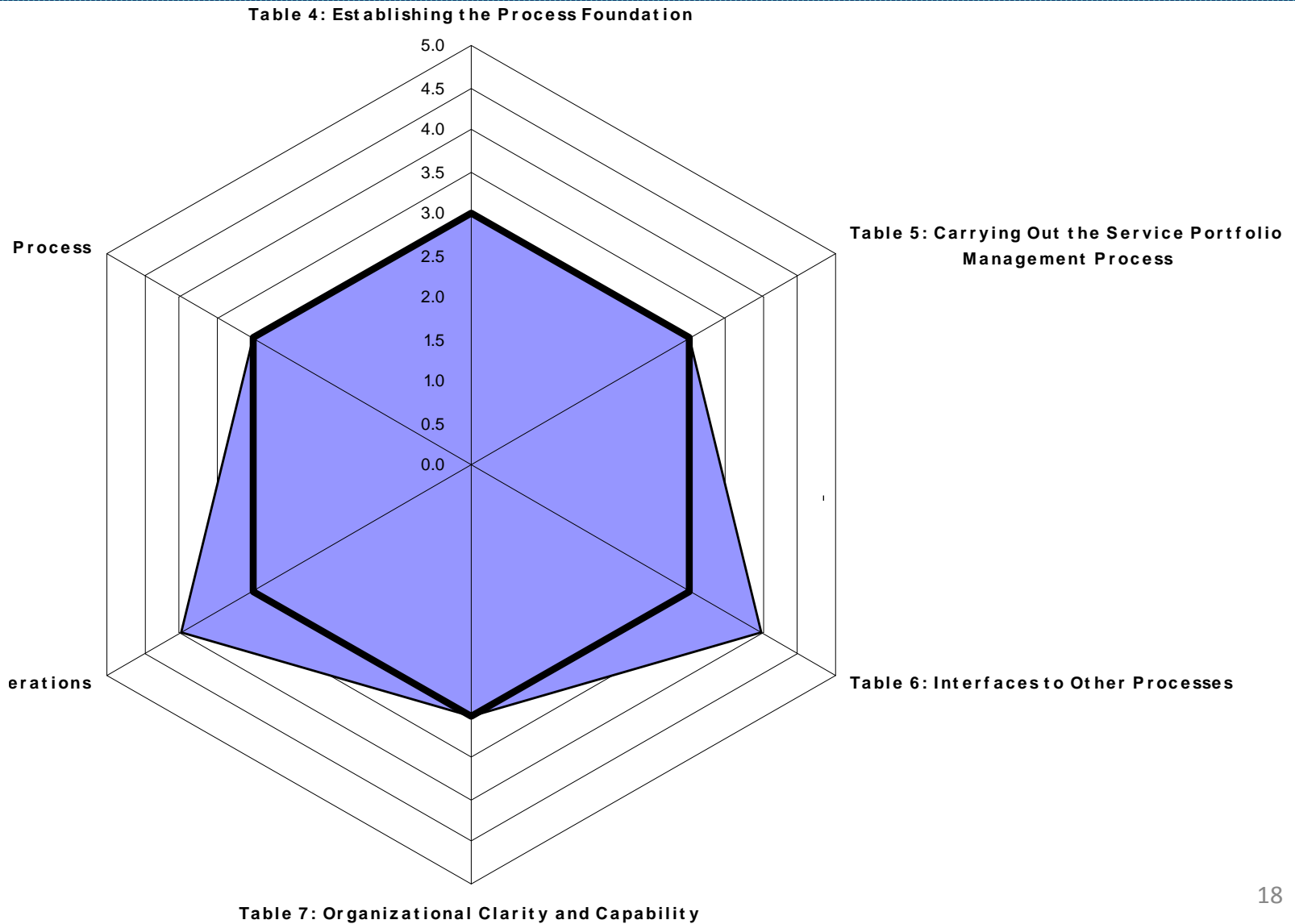
Instantis Maturity Model for Six Sigma Deployment

	Institutionalization			Culture Transformation
Culture Change				Org DNA -> partners.
Beyond DMAIC			Scale Replication	IT, New Pdt Dev
Strategy Maturity	Launch	Early Success	Maps, Goals	Full Closed-Loop
Software		Excel, Stats	Project Tracking	Strategy + Portfolio
Reporting	Anecdotal	Aggregate, Average	Hyper Analysis	Multi year History
Financial Impact	Ad hoc	Cost Reduction	Consistency	General Ledger
Project Selection	Burning Platform	Low Hanging	Copy Success	Formalized Eval
People	Driven Few	More Believers	Career Development	Majority
Training	Champion, Exec	External, BB/GB	External, Custom	Internal, Specialty
Leadership	1-2 Visionaries	Validated	Cross-Org	Ingrained
	Level 1	Level 2	Level 3	Level 4
	3-9 Months	6-18 Months	12-36 Months	24-48 Months
				36+Months

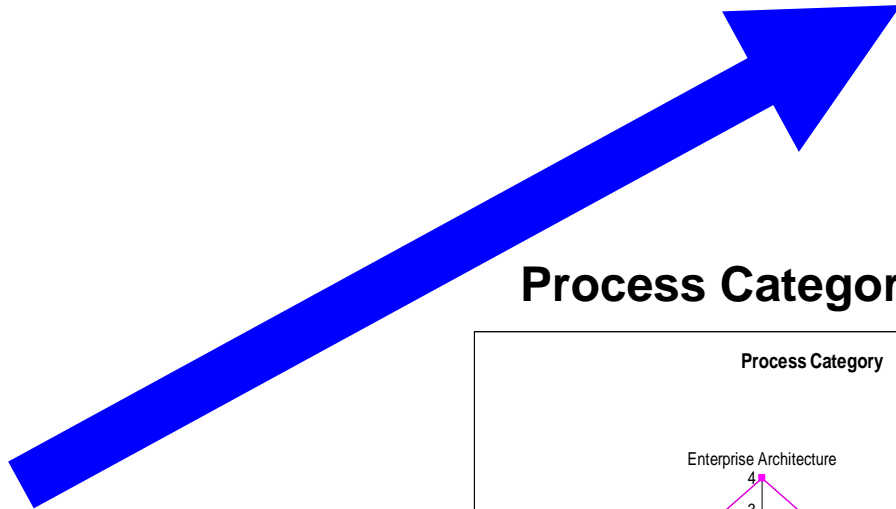
IT Infrastructure Library (ITIL)[®] Process Maturity Model

General IT Process Maturity Levels	
Maturity Level	Description
1: Ad-Hoc	<ul style="list-style-type: none"> - Redundant activities and manual efforts are prevalent within the process and/or service lifecycle - Agreement on how to achieve consistent process performance is not in place - Documentation is lacking, outdated or non-existent
2: Repeatable	<ul style="list-style-type: none"> - Stakeholders involved in performing process and/or service activities have been identified - Some agreement exists relative to a more consistent approach to process activities - Documentation exists relative to the process and/or services
3: Defined	<ul style="list-style-type: none"> - Processes and/or services are documented and standardized - Process has been communicated and is pervasive across the organization - Some automation is in place for process related activities
4: Managed	<ul style="list-style-type: none"> - Process metrics have been identified and are routinely collected - Process measures have been baselined and are routinely collected - Tools / automation is leveraged to add efficiency to process functions
5: Optimized	<ul style="list-style-type: none"> - Process is pervasive, consistent and meets all operating and service level requirements - Continuous process improvement is enabled and is aligned with business objectives - High degree of automation exists within and between processes and/or services

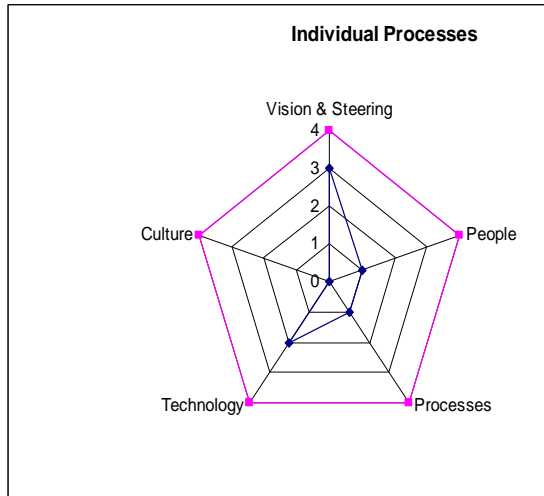
Maturity Model Radar Chart



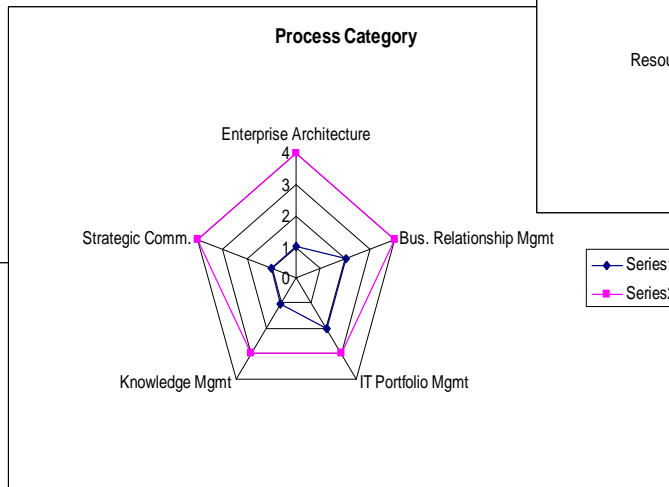
Radar Chart Rollup Views



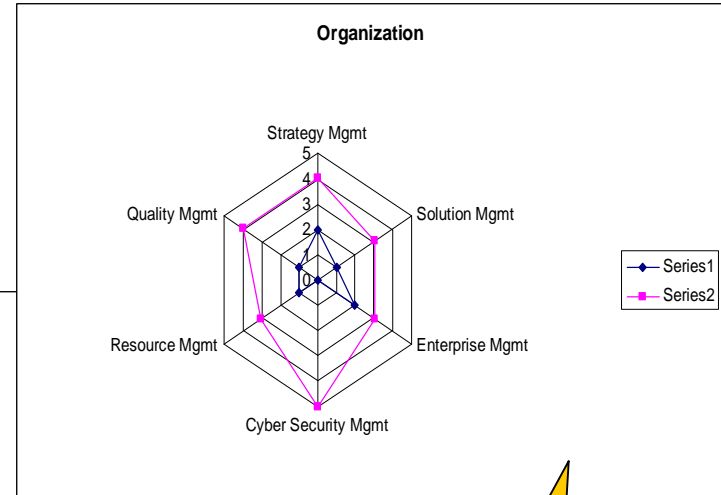
Individual Processes



Process Categories



Entire Organization



Variation Analysis between Assessors

Dimensions						
	N	Min	Mean	Mode	Max	Stand. Dev.
Vision & Steering	9	1.00	2.11	2.00	5.00	1.27
People	9	1.00	1.78	1.00	5.00	1.30
Processes	9	1.00	1.67	1.00	5.00	1.32
Technology	7	1.00	1.14	1.00	2.00	0.38
Culture	7	1.00	1.29	1.00	3.00	0.76

*LSS Tools: Standard Deviation,
Regression Analysis, MSA*

High variation
May require
an MSA

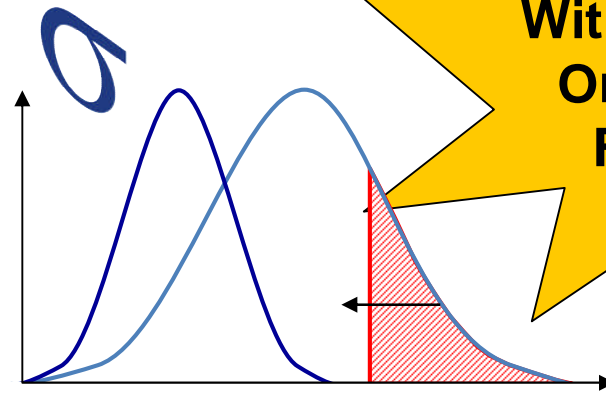
Step 10: Continual Improvement

Define
Measure
Analyze
Improve
Control

» Improve existing processes, products, services

Define
Measure
Explore
Develop
Implement

» Create new processes, products, services



**Razor-sharp focus,
With applied rigor
On Quick Wins
From Step 1**

***LSS tools: RIEs, Kaizens, DMAIC/DMEDI,
Value Stream Analysis***