High performance through Lean IT
Work smarter to achieve more

High performance. Delivered.
IT organizations are under increasing pressure to improve efficiency, reduce delays and deliver greater strategic value to the business. Accenture's Lean IT approach can help address these challenges and deliver measurable improvements—sometimes in a matter of weeks. Accenture works with IT organizations to identify the root causes of persistent service issues. We help improve the flow of IT processes and drive execution discipline. The results include improved quality of IT services, predictable delivery and cost control. This helps build a culture of continuous improvement working towards high performance.
Today's CIO challenge

IT organizations often struggle to deliver value to their businesses. In a multiyear research series, Accenture has surveyed 1,400 chief information officers across 45 countries and, in the most recent survey, more than 250 CIOs reported that:

- Forty-five percent of annual IT projects underperform or are abandoned.
- CIOs’ top three priorities are: Increasing employee efficiency and productivity; Increasing external customer satisfaction and Cutting business operational costs.
- Only 7 percent of CIOs reported that—after completing a new infrastructure related initiative—their organization always verifies, measures and reports whether or not the expected benefits are realized, and that they proactively take actions to improve progress against target benefits. However, 38 percent of organizations identified this as a future goal.
- In 2010, just under one in ten IT organizations measured their IT workforce performance against individual achievement and alignment with business outcomes, but 36 percent want to achieve this objective in the future.


Lean IT to improve change management

Accenture recently worked with a client in a natural resources industry to improve its change management processes. Average lead times for change requests were at 35 days, sometimes extending to 160 days. IT leaders had set a goal of reducing lead time by 50 percent and sought Accenture to provide some “how to” experience to resolve the problem.

Accenture helped the client map processes for change requests from start to finish, which revealed time gaps and low-value activities. The project re-examined the process to prevent “scope creep” and reduce waiting time. New roles and responsibilities with central control and weekly decision meetings helped result in a redesigned change request process.

Accenture helped the client move steadily in 14 weeks from issue to outcome and deliver strong results. By working “smarter rather than harder”, the client cut the lead time even more than the original goal: by 60 percent rather than the initial target of 50 percent.
Lean IT to get the basics right

Lean is a process improvement methodology that calls for the systematic elimination of activities that add little or no value to the business.

There are many examples of low-value activities in IT organizations. Think about time spent on iterations and rework resulting from poorly defined specifications. Or effort spent on testing with wrong test data and incidents in production resulting from poor test coverage. Additional examples include delays and crashes leading to rollbacks in service transitions, and long lead times of service requests, change requests and problem tickets caused by backlog in the process. It is not uncommon for IT organizations to face heavy governance procedures and processes slowing down decision making and disrupting the delivery flow.

Accenture’s Lean IT approach focuses on helping reduce time spent on non-value adding activities and delivering IT services first time right. It is a customer-centric approach, continuously evaluating whether IT services are delivered at the quality, cost and speed that business users expect.

Accenture uses the term Lean IT broadly, expanding the scope of the Lean management philosophy to include Six Sigma methodologies, operational management and change management best practices. Combining Lean with Six Sigma gives companies a wide range of tools to measure, analyze and improve processes.

Focus on 'how' to do it better

Most IT organizations have adopted IT development and Service Management standards such as ITIL, CMMI, ADM, RUP, RAD, AGILE and COBIT to develop, design and deliver IT services. While these frameworks define ‘what we do’, there is often room to improve ‘how we do this’. Complementing these standards with Lean IT adds the emphasis of how to do it better.

Accenture helps Eurasian bank’s Lean IT transformation

This long-established bank held nearly a third of retail deposits, a third of corporate lending deposits and more than a quarter of total banking assets in its home country. In order to face new competitive threats, the bank was transforming itself and generating hundreds of new projects, most of which required changes to IT systems.

The growing IT demand was negatively impacting the quality and timeliness of its release management process. The client called on Accenture to help improve performance with Lean IT. Lean assets such as value stream mapping revealed non-value-added activities in the process and identified root causes of persistent delays.

In four months, Accenture helped the client deliver impressive proof in two areas:

- **Application release management:** Improved process flows enabled the bank to reduce lost sales opportunity by €25 million.
- **Capacity management:** Load testing accuracy increased by 71 percent. The reduction in manual routine work in branches produced a savings roughly equal to the cost of 150 full-time equivalent employees.

The IT organization developed the ability to improve steadily to achieve the bank’s strategic objectives and advance toward high performance.
Essential components of Lean IT

While valuable gains can be achieved rapidly from appropriately targeted Lean projects, achieving and sustaining such results calls for an integrated approach that takes into account a holistic mix of people and processes. Consequently, several components need to be considered before launching a Lean IT program (Figure 1).

Organization and Governance
Leadership from the management team is critical to the success of any Lean project or Lean transformation program. Leaders need to communicate the need for change and provide continuing support of the approach and achievement of project goals.

Diagnostic
Before starting the Lean IT improvement projects, an objective assessment helps to identify high-priority areas for improvement. This to ensure that the projects address issues that have the greatest impact on business users.

Diagnostic tools typically include executive interviews, workplace visits, value stream mapping and data analysis. Project value and effort are estimated and compared, yielding promising projects for early implementation.

We often find that processes that lend themselves well for early Lean IT improvement projects are transactional, repetitive and high in volume, such as change management. Other likely improvement areas include IT governance processes (e.g. project prioritization, release management, capacity planning) and project delivery processes such as development and project management.

The assessment phase can usually be done within a month, providing insight needed to create a project portfolio and a business case for a Lean IT program.

Execution
The execution phase includes systematic research and elimination of non-value added activities to help realize better, faster and cost effective processes. As such, the execution phase is the most crucial for realizing significant change.

Accenture uses a structured approach using proprietary Lean IT assets that help to identify root causes of operational issues and implement solutions. Process analysis and value stream mapping help to identify non-value-adding activities and process bottlenecks. The DMAIC methodology, with five steps—Define, Measure, Analyze, Improve and Control—provides a systematic way for IT organizations to move from issue to outcome to help achieve results, such as improved timeliness, quality and cost control.

Targeting a few “quick wins” in the first weeks of the program can demonstrate the value of Lean IT. Early, visible, concrete project success is especially important to the long-term acceptance of Lean IT as a valuable discipline. It builds confidence for larger mid-term and strategic long term Lean IT projects.

Figure 1: Accenture framework for Lean IT
Operational Management
Sustaining process improvements requires operational management discipline. Consistent reporting, sharing results with teams and meeting with project sponsors all help to validate the way forward.

The line organization needs to take ownership of Lean process improvements. Clear roles and responsibilities, along with weekly and daily measurements reported to management, help to keep programs on track. Visual management tools, part of the Lean IT arsenal, help communicate performance results and increase transparency on how management objectives relate to the day to day activities on the shop floor.

Align Culture and Behavior
The ambition of Lean IT is to work towards a culture of relentless focus on waste reduction and improvement of process efficiency and effectiveness. Accenture can help transfer the Lean IT capabilities to IT personnel to create a process-driven organization and a performance-focused culture. People from top to bottom should engage in the program, questioning the status quo and feeling empowered to suggest ways to remove waste in familiar processes. Targeted training and change management efforts help raise awareness of Lean IT and support the organization in their cultural change. Top management leaders that provide ongoing sponsorship and incentives set the tone for empowerment.

Accenture helps telecommunications IT organization set swift pace toward increasing value

This leading European telecommunications provider serves more than 40 million customers with wireless, wireline voice, broadband, Internet and television services in Europe. The client’s IT group has more than 800 full-time equivalent employees and an annual budget exceeding €185 million.

The IT group in one region sought to reduce complexity in its organization and strengthen customer relationships. However, it found itself locked in “fire-fighting” mode with 5,000 issues to resolve each week. Accenture’s Lean IT approach helped the client move from issue to outcome at a steady pace. Accenture emphasized listening to the “voice of the customer” to understand what was truly valued helping the organization focus on improvements that mattered.

Accenture’s approach blending Lean, Six Sigma, operational management and behavioral change delivered powerful results. Improved IT maintenance processes achieved savings of approximately €6 million in 2010. Effective management structures, reporting systems and coaching helped unlock the full power of the IT organization. Along with cost savings, IT has improved service quality and earned higher marks in service-level agreements. To help sustain the gains, Accenture in 2011 provided support in recruitment, training and coaching.
The ‘Wow’-effect for CIO’s

Accenture has worked with numerous clients in multiple industries, using Lean to improve IT performance. Sample results include:

• Improved IT Development processes at a client in the Retail industry, leading to a 48% defect rate reduction at User Acceptance Testing and annualized savings of $0.5M.

• Resolution time reduced by 80% and productivity per employee increased 140% at the IT help desk of a manufacturing company that was having difficulty keeping pace with the volume.

• Through the development of an industrialization program, an insurance group has achieved a short term reduction of application development costs of 12%. The mid-term target of 20% was also reached.

Accenture’s proven assets in Lean IT, along with deep change management, operational management and process analysis skills, help to accelerate results for clients, as the previous examples demonstrate.


Operational excellence in IT is a valuable differentiator—a way to hold down costs and improve competition position. When managed well, Lean IT programs can help achieve significant and measurable performance improvements. It can contribute to the achievement of operational excellence, enabling IT organizations to become a credible partner to the business.

Accenture has 25 years of experience in Lean methodologies and IT. We are a market leader able to combine a strong knowledge in Lean methodology and extensive experience in IT optimization programs. This combination of capabilities and experience enables IT organizations to accelerate their journeys to high performance.
About Accenture

Accenture is a global management consulting, technology services and outsourcing company, with approximately 236,000 people serving clients in more than 120 countries. Combining unparalleled experience, comprehensive capabilities across all industries and business functions, and extensive research on the world’s most successful companies, Accenture collaborates with clients to help them become high-performance businesses and governments. The company generated net revenues of US$25.5 billion for the fiscal year ended Aug. 31, 2011.

About Accenture Management Consulting, Operations

Accenture is a leading provider of management consulting services worldwide. Drawing on the extensive experience of its 16,000 management consultants globally, Accenture Management Consulting works with companies and governments to achieve high performance by combining broad and deep industry knowledge with functional capabilities to provide services in Strategy, Analytics, Customer Relationship Management, Finance and Enterprise Performance, Operations, Risk Management, Sustainability, and Talent and Organization. Accenture Operations consulting services help clients develop more dynamic, innovative and high performing Supply Chain and service operations capabilities to enable rapid response to changing customer demands and market opportunities.

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