Kelli Houston, IBM, Agile Transformation Leader
Successful Patterns for Transforming IT Infrastructure Service Delivery
Topics

• Vision: What we wanted to do and why
• Execution Strategy: How we got it done
• Retrospective: What we learned
Great service is the ultimate goal.


IBM MEANS SERVICE

For every business, large or small,
there is an International Business Machines
product or service to help meet the
needs of business administration.

INTERNATIONAL BUSINESS MACHINES CORPORATION
World Headquarters Building, 590 Madison Avenue, New York 22, N. Y.
Office in the principal cities.
IBM’s Agile Journey

Providing best in class service is the goal and agile is the enabler.

IBM Agile
The new way to work

“In everything we all do, it's all about working in an agile way... envisioning an outcome, prototyping, iterating, multi-disciplinary teams... we do that in many parts of IBM today, but we're scaling it at an enterprise level.”

- Ginni Rometty
Our mission:

We are the women and men who design, build and run the foundational systems and services that the world relies on.

The backbone of the world’s economy.

Providing best in class infrastructure services is the goal and agile is the enabler.
Agile@GTS Team
Mission and Goals

Accelerate business outcomes while reducing risk

Create:
- Best in breed infrastructure services
- Culture of innovation and servant leadership

Increase:
- Predictability and productivity
- Client satisfaction and employee engagement

Decrease:
- Cost and risk
- Cycle time/throughput
Agile in IT operations requires a different approach

- Larger in scale and complexity
  - Diverse set of use cases
  - Large number of simultaneous users

- More unpredictable and interrupt-driven
  - Highly variable volume
  - Stochastic demand

- Less tolerant of failure
  - High availability
  - Continuous “run the business” demands
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What is Agile for Services?

AFS drives better **customer ROI** through increased **productivity** and higher **quality** service.

*Agile for Services* is not simply a methodology like “Scrum” or “Kanban.” It is a fit-for-purpose **transformation framework** and **operating model** assembled with expertise of advisors who have successfully transformed large enterprise operations in the past.

AFS includes elements of the following:

- **TRUE DEVOPS**
  - An operating model for products, projects, *and* services that marries development and large enterprise IT (infra/ops)

- **RAPID TRACTION METRICS**
  - Observable behaviors/measurements that track real improvements

- **TOOLS**
  - AFS-friendly tools of record to support global work visualization and optimization

- **DESIGN THINKING**
  - A fun and functional way to identify key issues and feasible solutions at the speed & scale of the modern digital enterprise

- **INNOVATION**
  - Surgically-precise improvements targeted at the constraints within a system
Effective transformation requires balance

People

Process

Tools

Culture, Skills, Community

Practices

Technology
Patterns drive speed, consistency and quality

“Your value will be not what you know; it will be what you share.”

— Ginni Rometty
Agile for Services Patterns

**General:**
- System design process
- Governance model
- Measurement framework

**Transformation-specific:**
- Engagement model
- Improvement patterns

**Skill growth:**
- Learning plans and badges
- Workshops
- Maturity assessments

*Integrate people, processes and tools, making the theory actionable and accelerating results*
System Design Process

To deliver a fit-for purpose service, start where you are and iterate

To accomplish this:
- Measure appropriately
- Repeat to improve, including scaling
Offerings

Leadership Workshop
2 days

Practitioner Workshop
2 days

Stabilization Coaching
4-6 weeks

1. Visualize the work

2. Identify the constraints

3. Elevate or remove the constraints

Kaizen Workshop
2-3 days

Training + Coaching = Sustained Capabilities
Consistently and systematically enable teams to execute the System Design Process and deliver fit-for-purpose services to drive business outcomes!
Example: Execution Wave Model

Leadership Team Engagement

- **2 Days**
  - Leadership Workshop
  - Operating Model defined
  - Leaders educated on use and coaching
  - Deployment plan defined

- **3 Weeks**
  - Stabilization Consulting
  - Operating model in place
  - Leaders prepared to help coach their teams

Practitioner Engagement

- **2 Days**
  - Practitioner Workshop
  - Teams educated on operating model
  - Agile Champion(s) identified

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- **3 Weeks**
  - Stabilization Consulting
  - Operating model in use
  - Outcomes measured

*Training does not equal transformation*
Governance Model

Operational effectiveness and predictability require governance
Measurement Framework

**Business Measures**
- Revenue – How much we are making
- Cost – How much are we spending
- Client Satisfaction – How happy is the client

**Operational Measures**
- Productivity – How much (capacity) and how fast (speed) we deliver
- Predictability – How consistently we deliver
- Quality – The quality of what we deliver
- Capability – What skills we have to deliver
- Climate – How engaged and motivated we are
Tools enhance the team’s ability to execute effectively and efficiently.
Growing and assessing capabilities

- **Individual**
  - Skill levels
  - Learning plans
  - Badges

- **Team**
  - Practice Maturity Model
  - Service Maturity Model

- **Community**
  - Communities for sharing experiences
Skill levels, learning plans and badges

- Consultant
  - Leading transformations
- Champion
  - Mentoring others
- Practitioner
  - Practicing
  - Beginner

AFS badge placeholder
<KB> some external Kanban certification
Learning plan available
1. Indicate when practice was observed

2. Maturity report updated automatically

Practice Maturity Assessment

Organized around System Design Process
Service Maturity Assessment

1. Answer questions related to service delivery

2. Service Delivery Maturity calculated automatically

Based on Kanban Maturity Model
Topics

• Vision: What we wanted to do and why
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What worked

- Positive impact within IBM and at clients
- Selected as *THE* operating model for IBM’s Global Delivery and GTM organization, and supports key IBM agile transformations
- **Increased margins** through both revenue contributions and reduced costs
- **Double-digit productivity improvements**
- **Increased client satisfaction and team engagement**
Agile@GTS Transformation Dashboard - 2018

Account Transformations were the focus of 2018

Teams are engaged, growing their skills and reading communications

2018 Agile Focused Accounts

54
Dec 2018

Total Enabled Accounts since inception

800+
Since 2016 - 2018 Q4

GTS is leading All IBM business units

22K+
Agile Badges (2018 Q4)

Engagement

18K
Agile@GTS Newsletter Views – 2018
**Account Transformations Highlights**

During 2018, Agile@GTS helped clients across the globe, and in diverse industries.

<table>
<thead>
<tr>
<th>Company</th>
<th>Highlight</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial Services Company A (NA)</td>
<td>80% Reduction in manual efforts for SLA reporting</td>
<td>Benefit of 6 FTE saving by reporting automation</td>
</tr>
<tr>
<td>Financial Services Company B (NA)</td>
<td>50% Reduction in vulnerability risk score (from 481 to 167)</td>
<td>Consistent NPS score of 10 - client satisfaction, Global Slack strategy for improved collaboration</td>
</tr>
<tr>
<td>Financial Services Company C (AP)</td>
<td>50% Reduction in Incident Volume (Unix environment)</td>
<td>Leverage AFS to complete large/complex SAM Migration (1,375 servers) with no SLA misses &amp; completed work 40 days ahead of dateline</td>
</tr>
<tr>
<td>Distribution Company D (NA)</td>
<td>57% Reduction in Severity 1 Tickets (28 Sev1 Tickets in 2017 to 12 Sev1 Tickets in 2018 - Q3)</td>
<td></td>
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<tr>
<td>Company E (AP)</td>
<td>46% Reduction in the Customer Lead Time for RFS Server Build requests (13 days to 7 days)</td>
<td>100% patching success rate in IBM and client managed servers</td>
</tr>
</tbody>
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Key Success Factors
“Your organizational potential will always be limited by your leadership maturity.”

– David J. Anderson
“Culture isn’t just one aspect of the game. It is the game.”

- Lou Gerstner, former IBM CEO

Change in mindset:
- Individuals and Interactions vs Processes and Tools
- Collaboration and Negotiation vs Comprehensive Documentation
- Responding to Change vs Following a Plan
- Iterative and incremental vs big bang
Empowered Teams

A culture of leadership at the team level fuels innovation and improves employee satisfaction.

Unlock the intrinsic motivation of the team:
- Give them purpose, hold them accountable
- Give them autonomy
- Provide support
“It’s not about perfect. It’s about effort. And when you bring that effort every single day, that’s where transformation happens. That’s how change occurs.”

- Jillian Michaels
In summary ...
Agile for Services supports scaling

- Coaches
- Champions
- Engagement Owners
- Learning plans
- Badges
- Workshops
- Coaching
- Operating Model (System Design Process, Governance Model Measurement framework)
- Improvement Patterns
- Engagement Models
- Maturity Assessments
- bluesight
- Box
- Webex
- Slack
- Mural

Icons and captions from the 13th Annual State of Agile Survey
Agile for services produces results

• Significant improvements in **productivity**, **quality**, and **predictability** ... all of which leads to **happier customers**.

• Key success factors - **Leadership**, **Culture**, **Empowered Teams** and **Continuous Improvement**.
Resources

Harvard Business Review Analytic Services Audio Interview
IT Can’t Be Slower than the Rest of the Business
- Launched Aug 30, 2018
- Link

IBM Think Blog
How IBM's Biggest Business Unit Got Agile
- Launched May 22, 2018
- Link

Harvard Business Review Analytic Services White Paper
THE NEW, LEAN, AGILE FACE OF BUSINESS
- Launched May 7, 2018
- Link
Any questions?