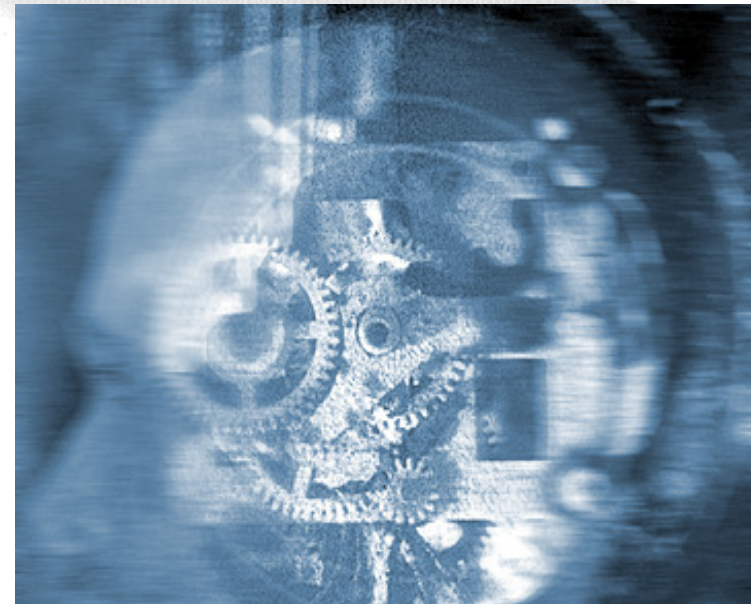# Transformationsmanagement

Managementdisziplin in volatilen Zeiten

VDE

Vortrag

München, November 2013

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Content

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„**Value Through Transformation**" **–** In global markets**,** the increasing importance of the 'How' (Business Innovations) as opposed to the ‚What' (Product Innovations) makes transformation management a core competence by itself

In global markets, sustainable **competitive strategies do increasingly depend on superior business systems**: Collaboration, Speed and Flexibility are decisive differentiators along with otherwise more and more similar market offerings.

This is where dprp together with its customers starts to develop a winning strategy - **self-financed new strategic direction and restructuring by effective transformation management**. For an economically feasible transformation concept, the programmatic integration of the ICT Management is crucial.

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3

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The Transformation Imperative: Restructuring at simultaneously giving a new strategic direction on a self-financed basis, requires an integrated, tractional approach

1 **Globalization** accelerates the growth of productivity – by new market ideas or by efficiency increases

2 **Volatile competitive environments** do require increased decision competencies as well as flexible business systems

3 **Leaders with fast, flexible and collaborative business systems** do gain market shares, also in mature markets

4 The strategic development of superior business systems as well as their **coordinated implementation by process design and ICT capabilities** gains importance in the competitive strategy of firms

5 **Current complexities** within organizations and ICT structures do limitate the available options for business innovations. **Restructurings are additionally required for renewal**

6 This constitutes '**Transformation Management**' not only as an extraordinary, singular capability within a corporate project but also **as a basic core competence** to the enterprise

Transformation
Imperative

4

VDE

CEO and CIO do stand together in a constantly and accelerating change of the competitive environment – dp designs concepts, enables and accompanies your organization

dp enables uniquely for the **Management Traction between Strategy, Business System and ICT[1] Management**. Thereby employees and business partners do understand, where you would like to go, and your competitors will determine, where you have been.

dp offers a comprehensive set of consultancy, experienced professionals and validated, pragmatic methodologies, from ideation and concept development to implementation support, so as to enable goal attainment straight forward, without deviations.

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5   1) ICT: Information & Communication Technology

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dp enables uniquely for the **Management Traction between Strategy, Business System and ICT[1]:** Consultancy content, developed methodologies and consultant profiles are focused and delivered within integrated project approaches

Strategy & Organization

- Strategy: New business rules, business system strategies, long term decision making under extreme uncertainties
- Organization: Governance, Restructuring, Carve In/Out, Shared Services
- Process Engineering: Modeling and implementation, new capabilities, benchmarking
- Strategic Controlling & Balanced Scorecard

Business Transformation

- Transformation Management: Mobilize, Execute, Sustain
- Multi-Project-Management
- Change Factory
- Integrated Project Management
- Situational Problem Solution and Decision Making: AAA (Analyze, Act, Appreciate)

ICT Management

- Value Add of the ICT[1] organization
- Service Portfolio Management
- Optimized value chain, Make-or-Buy
- Contract- and Claim Mgmt.
- ICT[1] Efficiency Program

1) ICT: Information & Communication Technology

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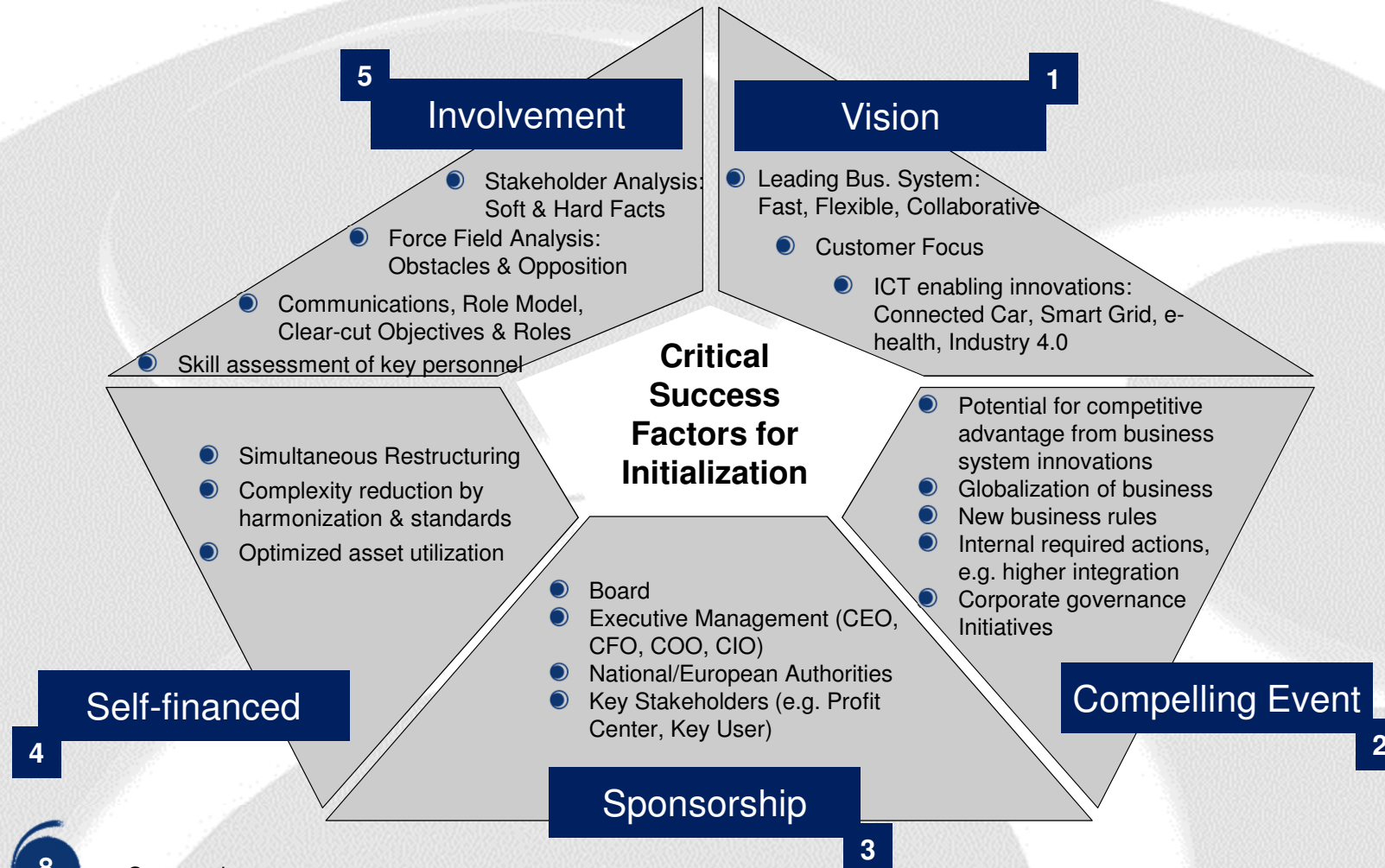
01 **Profile of dp:** Management Traction between concept and implementation

02 **Transformation Challenge:** Mobilizing strategy and leadership, Clear acting at will

03 **Practices for Transformation Effectiveness:** An integrated consultancy set to support the management team

04 **dp References within Strategic Transformations**

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With major transformations, there is only one shot: Thus before taking initiative, responsible management should be convinced that 5 key success factors are fulfilled

5 Involvement

◉ Stakeholder Analysis: Soft & Hard Facts
◉ Force Field Analysis: Obstacles & Opposition
◉ Communications, Role Model, Clear-cut Objectives & Roles
◉ Skill assessment of key personnel

1 Vision

◉ Leading Bus. System: Fast, Flexible, Collaborative
◉ Customer Focus
◉ ICT enabling innovations: Connected Car, Smart Grid, e-health, Industry 4.0

Critical Success Factors for Initialization

◉ Simultaneous Restructuring
◉ Complexity reduction by harmonization & standards
◉ Optimized asset utilization

◉ Potential for competitive advantage from business system innovations
◉ Globalization of business
◉ New business rules
◉ Internal required actions, e.g. higher integration
◉ Corporate governance Initiatives

Self-financed
4

◉ Board
◉ Executive Management (CEO, CFO, COO, CIO)
◉ National/European Authorities
◉ Key Stakeholders (e.g. Profit Center, Key User)

Compelling Event
2

Sponsorship
3

8 Source: dp

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**Furthermore,** responsible management should consider 8 leadership actions for successful change

1 **Establish a Sense of Urgency :** Identify the forces driving the need for change. Link them to customers and broader business challenges. Highlight that the price of staying the same is higher than the price of change.

2 **Clarify and Share the Transformation Vision :** Translate the sense of urgency, or business case into a compelling picture that draws people toward the future state. Define new people, process, and technology requirements aligned with the strategy. Specify new behaviors for the future state.

3 **Increase Change Capability :** Provide a framework to manage change & create self-sufficiency within the business for leading continuous change. Capture and transfer learning from past experience. Create increased ability to adapt and thrive on change via learning and professional development.

4 **Communicate for Buy-in:** Use varied means to communicate throughout the entire organization. Hold leaders accountable for communication. Encourage two-way communication.

5 **Involve stakeholders:** Involve stakeholders in problem solving. Keep stakeholders informed of status towards organizational objectives. Act on feedback from stakeholders. Mobilize the right resources at the right time to adopt the implementation initiative.

6 **Engage Leadership at All Levels :** Identify leadership roles and behaviors required for success. Establish clear accountability for fulfilling responsibilities. Set strategies for existing support and leadership of key people and initiatives.

7 **Implement Project Integration :** Fully integrate technology, process, and people components. Anticipate external and internal events that may impact the project. Ensure sufficient flexibility is present in implementation plans.

8 **Enhance Performance & Organization Alignment :** Drive the behaviors needed for new process, technology, and people performance. Create an environment where desired behaviors are modeled, developed, measured, and rewarded. Reinforce, sustain, and reshape desired performance over time?.

Leadership Action

dp Practice_Transformation & PMO

9 Source: dp

VDE

Effective transformations depend heavily on the set up of different characteristics within the core team; this requires to understand the transformation's nature

Fit for Excellence	Fit for Growth
Unternehmenssituation: •überlegene Wettbewerbsposition **Aufgaben:** •Kundennutzen übertreffen •interne Kundenorientierung etablieren **Struktur des Transformationsteams:** •(Dienst-)Leistungsträger •Innovatoren •interdisziplinäre Teams	**Unternehmenssituation:** •(an-)organisches Wachstum **Aufgaben:** •interne Kooperation verbessern •Prozesse integrieren **Struktur des Transformationsteams:** •Commitment Champions •inoffizielle Führungskräfte •interdisziplinäre Teams
Fit for Turnaround	Fit for Optimization
Unternehmenssituation: •Sanierungsfall **Aufgaben:** •Überleben sichern •Abwanderung verhindern **Struktur des Transformationsteams:** •Leistungsträger •Vertrauensträger in alle Ebenen •hard-core Widerständler	**Unternehmenssituation:** •erfolgreich, aber nicht zukunftssicher **Aufgaben:** •Benchmarking und Chancen ermitteln •aktuelle Verhaltensmuster aufbrechen **Struktur des Transformationsteams:** •Wissens- und Erfahrungsträger •Bedenkenträger auf allen Ebenen •hard-core Widerständler

Entire Corporation

Transformation Empathy

Management Only

Revolution   Evolution

Transformation Characteristic

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Source: FH Wismar, Prof v. Schubert in collaboration with dp

The transformation management team's leadership style is decisive for the team's motivation to deliver on promise; different measures dependent on people behavior

Source: dp

dp Practice_Transformation & PMO
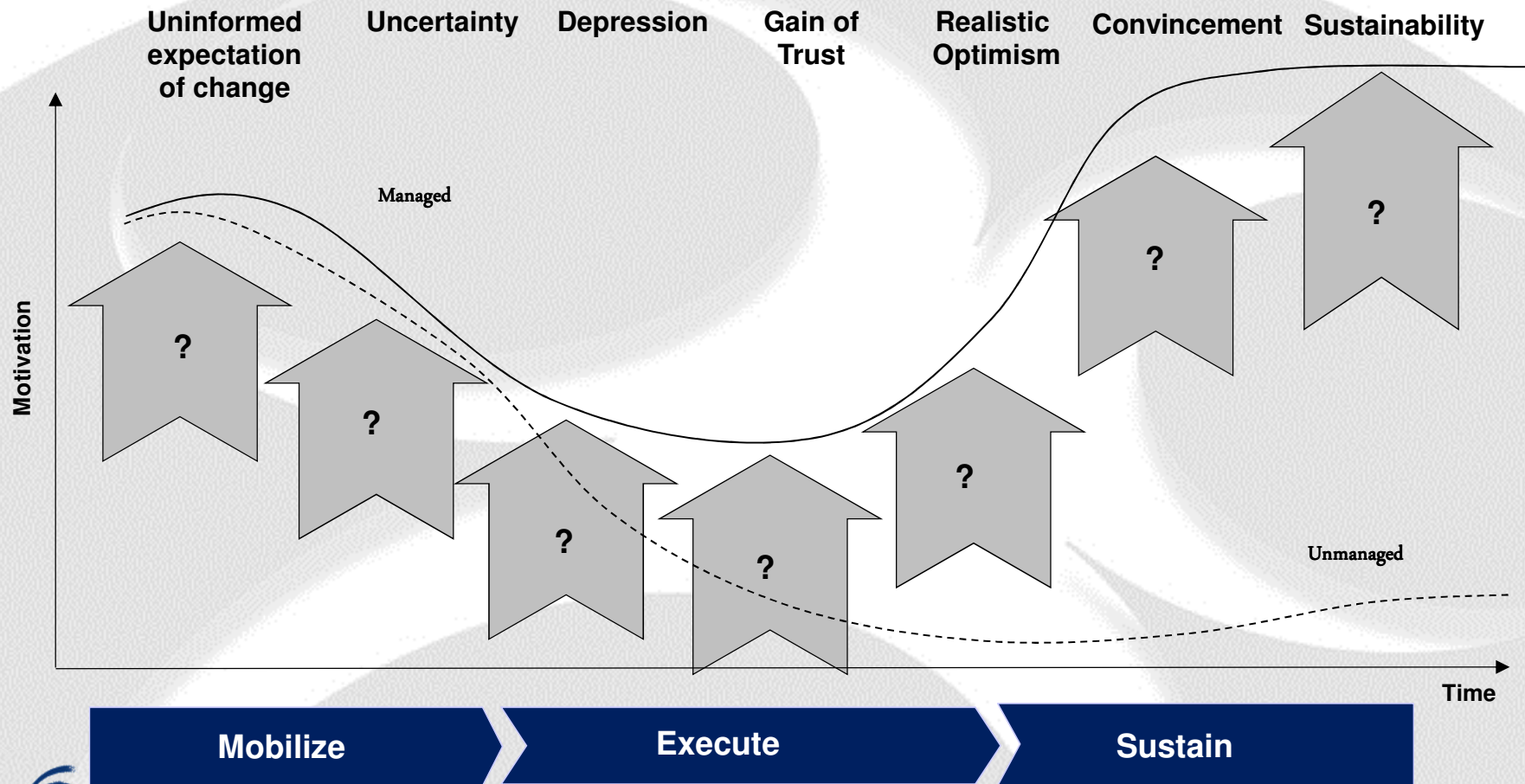
To ensure a successful transformation, a project office can deliver value on 6 levels

1 **Mobilize:** Analyze stakeholders, detect & resolve problem areas, structured kick - off & develop pace

2 **Build governance:** Establish clear structures, roles & responsibilities and project management processes

3 **Ensure planning quality:** Develop, deploy and coach mission specific templates: project definitions, granular work plans, schedule & resources, Business case

4 **Status reporting & communication**: Develop reporting templates: Earned Value in combination with transformation scorecard including early warning indicators; Deployment: Requesting, collecting, analyzing individual reports to compile program report and communication

5 **Ensure transformation progress:** Coaching of project teams, proactive launch of corrective measures, neutral facilitation, problem solving and decision support methodology, timely escalation

6 **Develop & execute communication concept:** Build portal as 'Shared Information Plattform', employee information
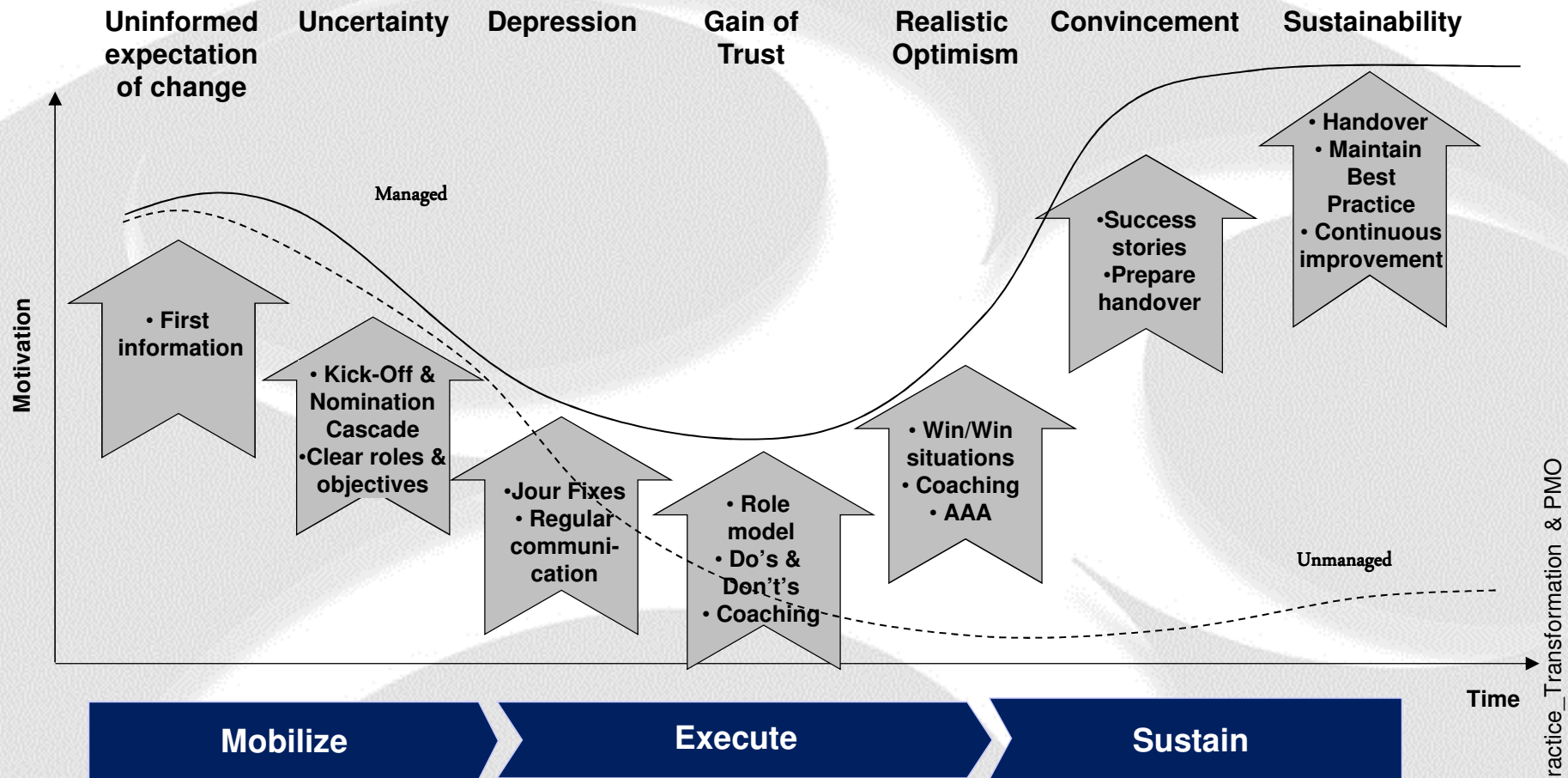
Project Office

Call for action

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01 **Profile of dp:** Management Traction between concept and implementation

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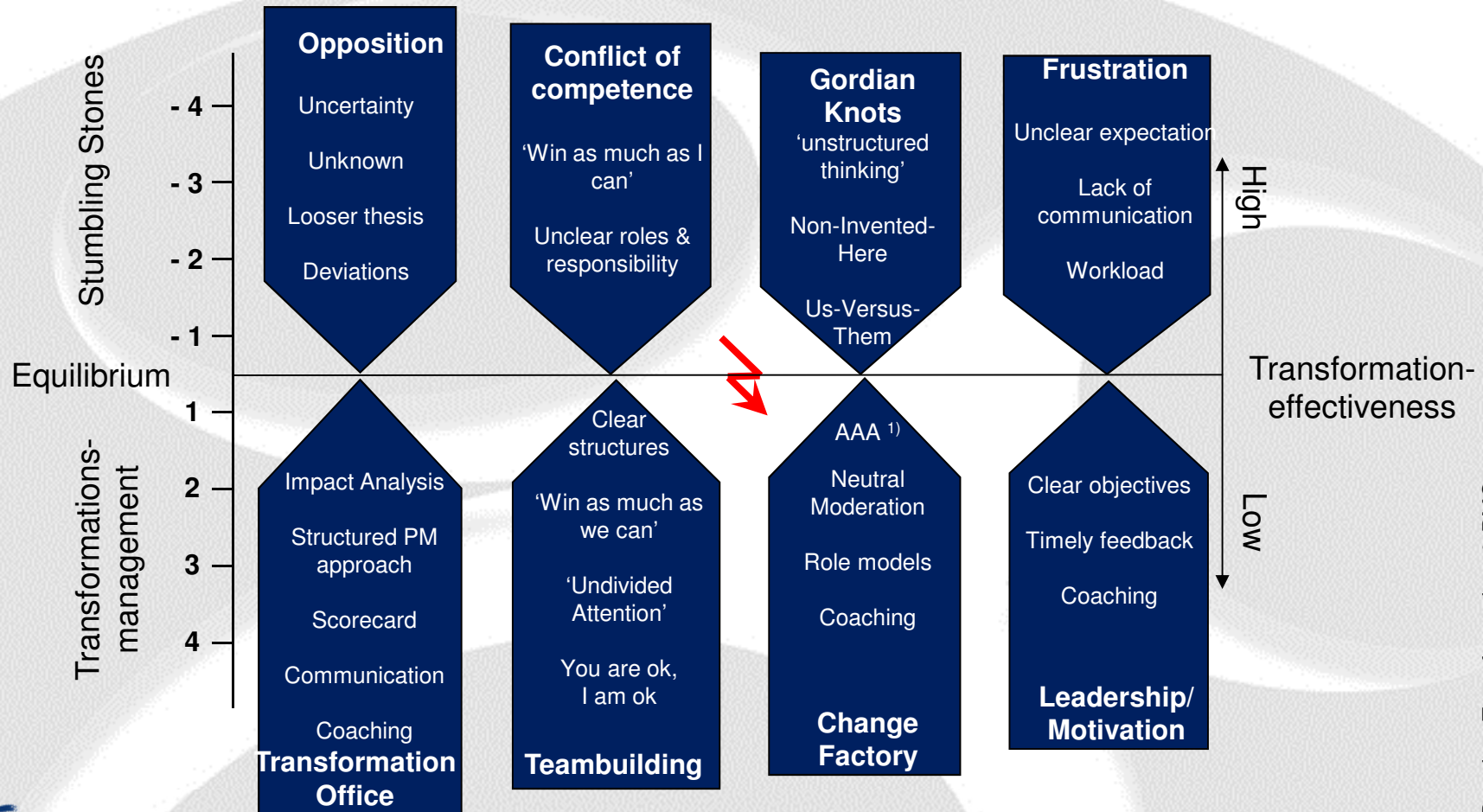**04** **dp References within Strategic Transformations**

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Transformation is **conscious acting at will**. Mobilization, Execution and Sustainability must proceed from top management

Leadership & Transformation Management

Mobilize

- Convince your board and get approval
- Commit all relevant stakeholders to the concept and mobilize them to play supportive roles, inclusive works councils
- Identify high performing personnel and assign them to key positions in the transformation
- Setup of TMO (Transformation Management Office) to support project management during the operative controlling of transformation projects
- Provide perspectives to this personnel within the target organization
- Kick Off the transformation and start employee communication

Execute

- Live and sustain the role model with your management team
- Keep transformation speed → too many get stuck
- Setup of risk management to proactively assess and prioritize project risk and initiation of counter measures (AAA) including impact appreciation
- Establish value management to optimize the allocation of scarce resources in alignment with assessed and prioritized value potential

Sustain

- Intensive Communication and workshops to cascade the know how through the enterprise
- Keep line management in operational responsibility while conducting the project
- Fix problems, don't postpone them
- Plan for transition of transformation tasks to line management
- Introduce performance measurement and continuous improvement
- Focus external support to provision of methodologies, neutral facilitation & mediation and enablement of internal staff

14 Source: dp

dp Practice_Transformation & PMO

Conscious management and control of motivation and behavior through leadership, clear objectives and neutral facilitation on the basis of an integrated system of project- and change management

Motivation

Uninformed expectation of change · Uncertainty · Depression · Gain of Trust · Realistic Optimism · Convincement · Sustainability

Managed

- First information

- Kick-Off & Nomination Cascade
- Clear roles & objectives

- Jour Fixes
- Regular communi-cation

- Role model
- Do's & Don't's
- Coaching

- Win/Win situations
- Coaching
- AAA

- Success stories
- Prepare handover

- Handover
- Maintain Best Practice
- Continuous improvement

Unmanaged

Time

Mobilize · **Execute** · **Sustain**

dp Practice_Transformation & PMO

Source: dp

VDE

Recognize transformation barriers upfront: Early identification of stumbling stones to ensure effective transformation by timely planning & deploying counter measures

Stumbling Stones

Transformations-management

Equilibrium

Transformation-effectiveness

High

Low

Opposition
Uncertainty
Unknown
Looser thesis
Deviations

- 4
- 3
- 2
- 1

Impact Analysis
Structured PM approach
Scorecard
Communication
Coaching
Transformation Office

1
2
3
4

Conflict of competence
'Win as much as I can'
Unclear roles & responsibility

Clear structures
'Win as much as we can'
'Undivided Attention'
You are ok, I am ok
Teambuilding

Gordian Knots
'unstructured thinking'
Non-Invented-Here
Us-Versus-Them

AAA [1]
Neutral Moderation
Role models
Coaching
Change Factory

Frustration
Unclear expectation
Lack of communication
Workload

Clear objectives
Timely feedback
Coaching
Leadership/ Motivation

Source: dp

1) Integrated methodology for situational analysis, problem solving processes and decision making

dp Practice_Transformation & PMO

The quality and structure of your work plans sets the foundation for manageable and controllable transformation projects (1)

Calender:
Months and associated calender weeks as foundation for the time scheduling. (read only field)

Activity field:
A red coloured cell expresses when the associated work package has been planned and should be perfomed by the assigned project team member(s). (mandatory field)

Milestone:
An orange coloured cell with pattern expresses a planned milestone where some clearly defined deliverable is available (e.g. a concept, an approval or a software installation). After the cell the deliverable(s) are briefly described in verbal form. (mandatory field)

	Oct 06				Nov 06				Dec 06				Work Breakdown Structure
39	40	41	42	43	44	45	46	47	48	49	50	51	52

- 1000 - Sub Project A
- 1100 - Work Package A1
- 1200 - Work Package A2
- 1190 - Milestone A1M1
- 1191 - Milestone A1M2
- 1290 - Milestone A2M1
- 1300 - Work Package A3
- 1400 - Work Package A4
- 1390 - Milestone A3M1
- 1490 - Milestone A2
- 1500 - Work Package A5
- 1600 - Work Package A6
- 1700 - Work Package A7
- 1590 - Milestone A5M1
- 1690 - Milestone A6M1
- 1790 - Milestone A7M1

Acceptance test approved
Go Live

- 2000 - Sub Project B
- . . .
- . . .
- 9000 - Project Management
- 9100 - Project Coordination
- 9200 - Project Controlling
- 9300 - Project Reporting
- 9310 - Project Review 1
- 9320 - Project Review 2
- 9330 - Project Review 3
- 9340 - Project Review 4
- . . .
- . . .
- 9900 - Project Shut Down
- 9910 - Final Report
- 9910 - Lessons Learned Workshop

Project Review 3
Project Review 4
Knowledge base has been updated

Sub-project:
A sub-project is a self-contained part of the overall project having significant size (i.e. duration, effort, costs, importance) and thus, depending on the specific scenario, could allow a sub-project leader and sub-project plans. Basically, a work plan can be defined with or without sub-projects.

Work Package:
A work package is a clearly defined unit of work which is assigned to a project team member who is responsible for managing and/or performing the unit of work. This assigned team member can include other team members. A work package is typically the most detailed level of a work breakdown structure. However, where reasonable, a work package could be further divided into specific tasks (which can also be assigned to team members).

Milestone:
A milestone is a clearly defined and measurable result delivered by a work package. A work package can contain several milestones. Each work package should be concluded with a milestone. When a work package is long running (i.e. more than 4 weeks) or when a work package contains critical tasks, then several milestones must be included (e.g. every 4 weeks one milestone) to document critical interim results. Note: status is reported against milestone completion within the project status report.

Scheduling
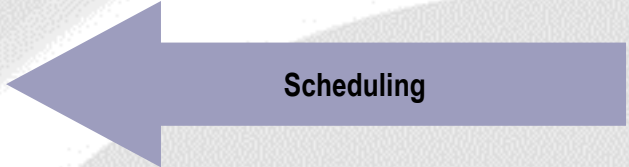
Granular work packages:
Functional, Resources, Manageability, Milestones [1]

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The quality and structure of your work plans sets the foundation for manageable and controllable transformation projects (1)

Granular resources
Functional, Resources, Manageability

Volumes
Resource allocation, Roles & Responsibility.

Work Breakdown Structure	Resource Impact				Financial Impact			Personnel Allocation, Roles & Responibilities							
					Earned Value [K €]			Core Team				Subject Matter Experts			
	Estimated IMS Personnel [days]	Estimated BU Personnel [days]	Estimated external service costs [Euro]	Estimated external other costs [Euro]	Agreed Gross Margin Increase [€]	Recurrent Savings Secured [€]	Non Rec. Savings Secured [€]	Mr. X	Mr. Y	Mr. B	Mr. C	Mrs. X	Mrs. Y	Mrs. A	Mrs. B
1000 - Sub Project A	0	0	0												
1100 - Work Package A1	10	5	0	15.000	20.000				5	5					
1200 - Work Package A2	0	10	5	5.000								2	3		
1190 - Milestone A1M1	20	5	0						20						
1191 - Milestone A1M2	0	0	0			20.000	10.000								
1290 - Milestone A2M1	0	0	0												

Estimated Core Team Personnel:
Sum of estimated core team personnel effort in days as planned in the section "Personnel Assignment Core Team" on the right side. (calculated field)

Estimated Expert Personnel:
Sum of estimated expert personnel effort in days as planned in the section "Personnel Assignment, Experts" on the right side. (calculated field)

Estimated external service costs:
Please enter the estimated costs for external services in Euro as planned on the level of work packages. (optional field)

Estimated external other costs:
Please enter the estimated other external costs, e.g. for hardware or software, as planned on the level of work packages. (optional field)

Agreed Gross Margin (GM) Increase:
Please enter the estimated business benefit by enabled extension of business activities by GM Increase by additional revenue - cost of sales or by GM Increase by insourcing of formerly external activities

Recurrent Savings Secured:
Please enter in this column recurrent savings as planned on the level of milestones

Personnel Assignment Core Team:
Please enter names of involved resources and associated planned working days at the level of work packages. (mandatory field) Please enter also their roles: I (Initiative), E (Execution), D (Decision), tbi (to be

Non Recurrent Savings Secured:
Please enter in this columns (on recurrent savings as planned on the level of milestones

Personnel Assignment, Experts:
Please enter names of experts and associated planned working days at the level of work packages. (mandatory field) Please enter also their roles: I (Initiative), E (Execution), D (Decision), tbi (to be informed), tbc (to be consulted)

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The bi-weekly Status Reporting of all sub-projects is the solid basis for program management and controlling based on leading and lagging indicators

Milestone:
Please identify (using "M#" where #=1, 2, ...) and denote the milestones which are defined in your corresponding project work plan. (mandatory field)

Sub-Project:
Please enter once the name of your project. (mandatory field)

Period Ending:
Please enter the last calender week of the reporting period. (mandatoriy field)

Cost Performance Index (CPI):
CPI = Earned Value / Actual Cost (BCWP / ACWP)
If CPI > 1, potential saving
If CPI < 1, over expenses

Author:
Please enter once your name. (mandatory field)

Description of overall project status:
Please enter a summary of the overall project status at least covering major issues with respect to the project timeline, project costs and the project scope and any other important issues that the CoC head should be aware of. (mandatory field)

:Status timeline
Please enter your forecast of the milestone completion with respect to the end date as planned in your current official work plan including all authorized change requests. (mandatory field)

Status cost:
Please enter your forecast of the milestone completion with respect to the total cost including IMS personnel man days, BU personnel man days, costs for external services and other costs (e.g. for hardware or software) as planned in your current official work plan including all authorized change requests. (mandatory field)

Status scope:
Please enter your forecast of the milestone completion with respect to the scope as planned in your current official work plan including all authorized change requests. (mandatory field)

Major work results of the reporting period:
Please enter any major work results which have been completed during the last reporting period together with corresponding deliverables and an identifier of the milestone which is directly supported by that work result. (mandatory field)

Current project risks and affected milestones:
Please identify (using "R#", #=1,2,...) and enter any known project risk together with a short description of the relevant background and an identifier of the milestone(s) which is directly affected by that project risk. (mandatory field if project risks have been identified)

Schedule Performance Index (SPI):
SPI = Earned Value / BCWS (BCWP / BCWS)
If SPI > 1, better than initially planned
If SPI < 1, delay

Date:
Please enter the date of your project status report creation. (mandatory field)

Overall project status:
Please enter the overall project status, which is a consolidation of all milestone stati and summarizes the overall "health" of the project especially with respect to time, cost and scope when compared to the performance as planned in the project definition or in your project work plan after successfully passing a change request. (mandatory field)

Additional highlights or comments:
Please enter any possitive or negative issues which have significant impact on your project and are not covered by other report fields. (optional field)

Implemented risk prevention activities:
Please enter the activities which are planned and implemented to prevent the associated project risk. (mandatory field for every existing project risk)

Potential impact of project risk:
Please enter the potential impact of the associated risk on the project, especially with respect to time, cost and scope performance. (mandatory field for every existing project risk)

DS IMS 21 Project Status Report | Cost Performance Index (CPI) | 0,9 | Schedule Performance Index (| 50
Sub-Project: Consolidation of XYZ | Period Endi: CW 33 | Author: NN | Date: 16-Aug-05

Milestone:	Status time	Status cost	Status scope	Description of the overall project status:
M1: xxx	On Target	On Target	On Target	Comments on overall project timeline: ...
M2: yyy	Early	creased C	creased Sco	Comments on overall project cost: ...
M3: zzz	Delayed	creased C	creased Sco	Comments on overall project scope: ...
...				

Yellow

Major work results of the reporting period:	Significant work results in next reporting period:	Additional highlights or comments:
xxx	xxx	xxx
yyy	yyy	yyy
zzz	zzz	zzz

Current project risks and affected milestones:	Potential impact of project risk:	Implemented risk prevention activities:
R1: aaa (M2)	ddd	ggg
R2: bbb (M3)	eee	hhh
R3: ccc (M3)	fff	iii
...	...	...

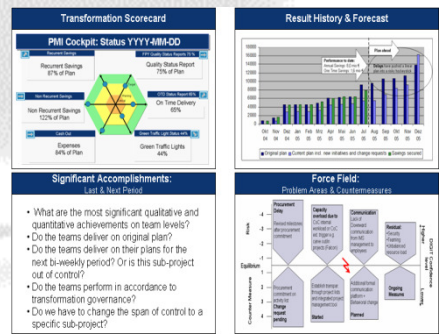dp Practice_Transformation & PMO

Clear, concise and straight forward reporting on all management levels: 1) Steering Committee, 2) Transformation Review and 3) Status Reporting (each Sub-Project)
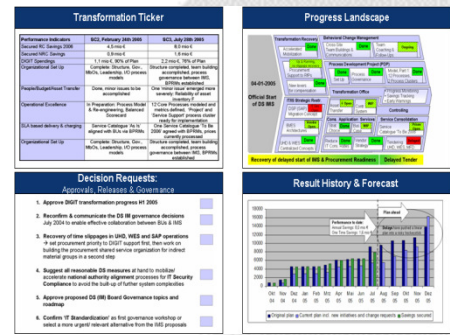

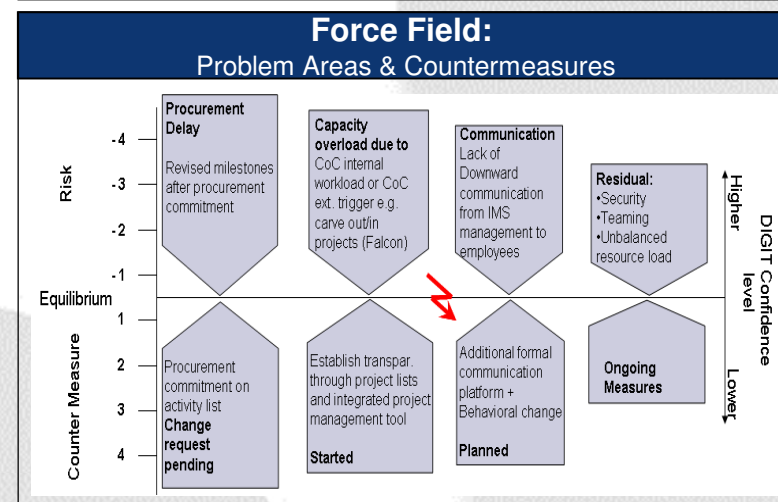| Project Level	Program Level	Board Level
Status Reporting	**Transformation Review**	**Steering Committee**
bi-weekly	bi-weekly	quarterly
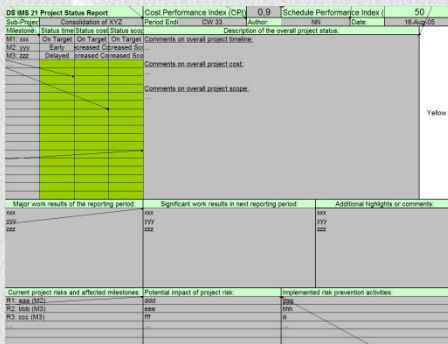
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The Transformation Review provides transparency about program progress and anticipated risk to the management team & enables for pro-active management

Transformation Scorecard

PMI Cockpit: Status YYYY-MM-DD

Recurrent Savings
Recurrent Savings
87% of Plan

FPY Quality Status Reports 75 %
Quality Status Report
75% of Plan

Non Recurrent Savings
Non Recurrent Savings
122% of Plan

OTD Status Report 65%
On Time Delivery
65%

Cash Out
Expenses
84% of Plan

Green Traffic Light Status 44%
Green Traffic Lights
44%

Target / Warning / Critical

Result History & Forecast

Plan ahead

Performance to date:
Annual Savings: 8,0 mio €
One Time Savings: 1,6 mio €

Delays have pushed a linear plan into a risky hockeystick

Okt 04, Nov 04, Dez 04, Jan 05, Feb 05, Mrz 05, Apr 05, Mai 05, Jun 05, Jul 05, Aug 05, Sep 05, Okt 05, Nov 05, Dez 05

■ Original plan ■ Current plan incl. new initiatives and change requests ■ Savings secured

Significant Accomplishments:
Last & Next Period

- What are the most significant qualitative and quantitative achievements on team levels?
- Do the teams deliver on original plan?
- Do the teams deliver on their plans for the next bi-weekly period? Or is this sub-project out of control?
- Do the teams perform in accordance to transformation governance?
- Do we have to change the span of control to a specific sub-project?

Force Field:
Problem Areas & Countermeasures

Risk: -4, -3, -2, -1
Equilibrium
Counter Measure: 1, 2, 3, 4

Procurement Delay
Revised milestones after procurement commitment

Procurement commitment on activity list
Change request pending

Capacity overload due to CoC internal workload or CoC ext. trigger e.g. carve out/in projects (Falcon)

Establish transpar. through project lists and integrated project management tool
Started

Communication Lack of Downward communication from IMS management to employees

Additional formal communication platform + Behavioral change
Planned

Residual:
•Security
•Teaming
•Unbalanced resource load

Ongoing Measures

DIGIT Confidence level — Higher / Lower

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The Steering Committee Report ensures involvement of key stakeholders, official approval of milestones and should be established as platform for governance and business innovation issues

Transformation Ticker

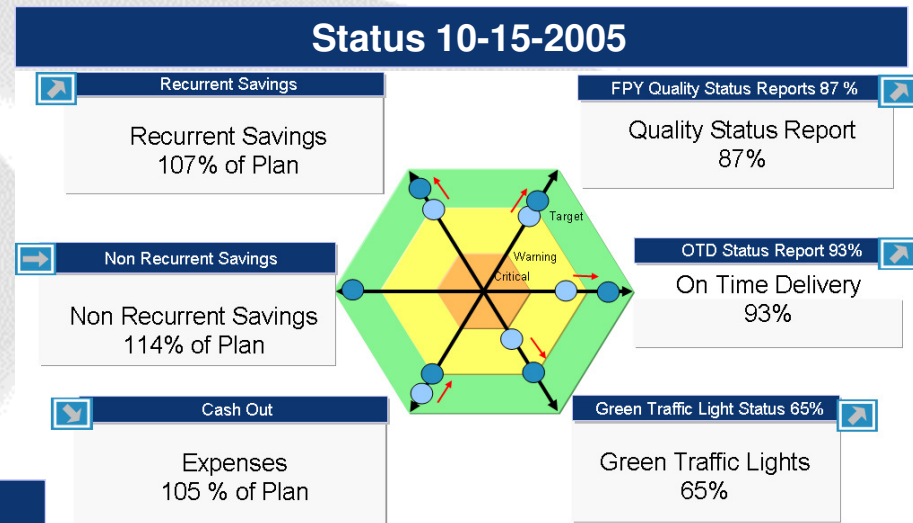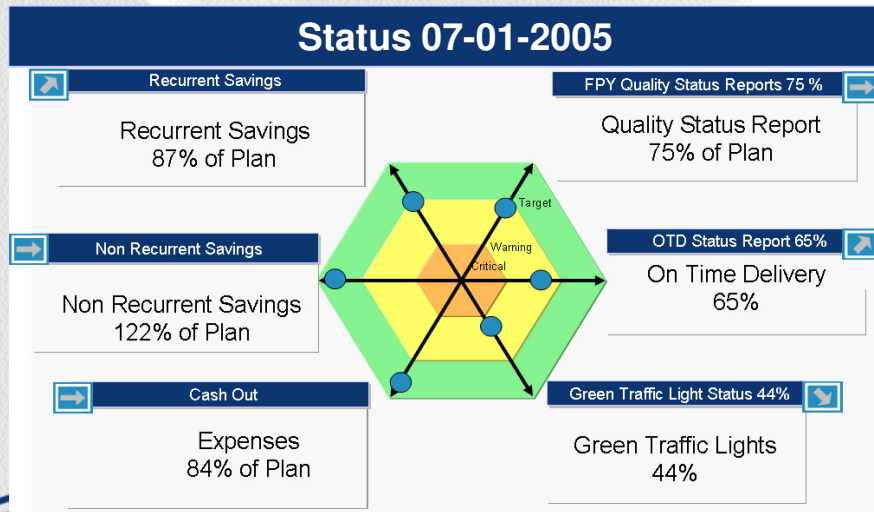| Performance Indicators	SC2, February 24th 2005	SC3, July 28th 2005
Secured RC Savings 2006	4,5 mio €	8,0 mio €
Secured NRC Savings	0,9 mio €	1,6 mio €
DIGIT Spendings	1,1 mio €, 90% of Plan	2,2 mio €, 76% of Plan
Organizational Set Up	Complete: Structure, Gov., MbOs, Leadership, I/O process models	Structure completed, team building accomplished, process governance between IMS, BPRMs established
People/Budget/Asset Transfer	Done, minor issues to be accomplished	One 'minor issue' emerged more severely: Reliability of asset inventory F
Operational Excellence	In Preparation: Process Model & Re-engineering, Balanced Scorecard	12 Core Processes modeled and metrics defined, 'Project' and 'Service Support' process cluster ready for implementation
SLA based delivery & charging	Service Catalogue 'As Is' aligned with BUs via BPRMs	One Service Catalogue 'To Be 2006' agreed with BPRMs, prices currently processed
Organizational Set Up	Complete: Structure, Gov., MbOs, Leadership, I/O process models	Structure completed, team building accomplished, process governance between IMS, BPRMs established

Progress Landscape

Transformation Recovery
- Accelerated Mobilization — Done
- Up & Running, no stoppage recovery / Procurement Support to RfPs
- New levers for compensation — Done

Behavioral Change Management
- Cross-Site Team Buildings & Communications — Done
- Team Coaching & Follow-Ups — Ongoing

Process Development Project (PDP)
- Set Up — Done
- Process Governance — Done
- Model, Part 1: 12 Processes, 2 Process Clusters — Done

04-01-2005
Official Start of DS IMS

IT/IS Strategic Restr.
- DSP (SAP) Migration Concept — IT Sec Open
- BI/ES Architectures — Vendor Open
- UHD & WES Centralized Concepts — Done

Transformation Office
- Asset Transfer — F Open
- Contr. System — WIP
- Progress Monitoring
- Savings Tracking
- Early Warnings

Controlling

Cons. Application Services
- Strat. Choice — Done
- Bus. Case — WIP
- Reduce IT Cons. Rates — Done
- Vendor Strategy — Done

Service Consolidation
- Service Catalogue 'To Be 2006' — Prices Open
- Tendering: UHD, WES, MFD — Delayed

Recovery of delayed start of IMS & Procurement Readiness | Delayed Tender

Result History & Forecast

Performance to date:
Annual Savings: 8,0 mio €
One Time Savings: 1,6 mio €

Plan ahead

Delays have pushed a linear plan into a risky hockeystick

Chart x-axis: Okt 04, Nov 04, Dez 04, Jan 05, Feb 05, Mrz 05, Apr 05, Mai 05, Jun 05, Jul 05, Aug 05, Sep 05, Okt 05, Nov 05, Dez 05

Legend: ■ Original plan ■ Current plan incl. new initiatives and change requests ■ Savings secured

Decision Requests:
Approvals, Releases & Governance

1. **Approve DIGIT transformation progress H1 2005**

2. **Reconfirm & communicate the DS IM governance decisions** July 2004 to enable effective collaboration between BUs & IMS

3. **Recovery of time slippages in UHD, WES and SAP operations** → set procurement priority to DIGIT support first, then work on building the procurement shared service organization for indirect material groups in a second step

4. **Suggest all reasonable DS measures** at hand to mobilize/ accelerate **national authority alignment** processes for **IT Security Compliance** to avoid the built-up of further system complexities

5. **Approve proposed DS (IM) Board Governance topics and roadmap**

6. **Confirm 'IT Standardization'** as first governance workshop or select a more urgent/ relevant alternative from the IMS proposals

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Exemplary effect of measures within a transformation scorecard: Monitoring of early warning indicators in quality of execution awareness helped to determine de-motivation before deterioration of performance measures

Status 10-15-2005

Recurrent Savings

Recurrent Savings
107% of Plan

FPY Quality Status Reports 87 %

Quality Status Report
87%

Non Recurrent Savings

Non Recurrent Savings
114% of Plan

OTD Status Report 93%

On Time Delivery
93%

Cash Out

Expenses
105 % of Plan

Green Traffic Light Status 65%

Green Traffic Lights
65%

Status 07-01-2005

Recurrent Savings

Recurrent Savings
87% of Plan

FPY Quality Status Reports 75 %

Quality Status Report
75% of Plan

Non Recurrent Savings

Non Recurrent Savings
122% of Plan

OTD Status Report 65%

On Time Delivery
65%

Cash Out

Expenses
84% of Plan

Green Traffic Light Status 44%

Green Traffic Lights
44%

23

Source: dp

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By approval of the management team the transformation office may support the project teams in overcoming barriers by structured and neutral facilitation

Step	ANALYZE	ACT	APPRECIATE
		Solve — Deviation	
		Challenge	
		Decide ? !	+
		Safeguard	−
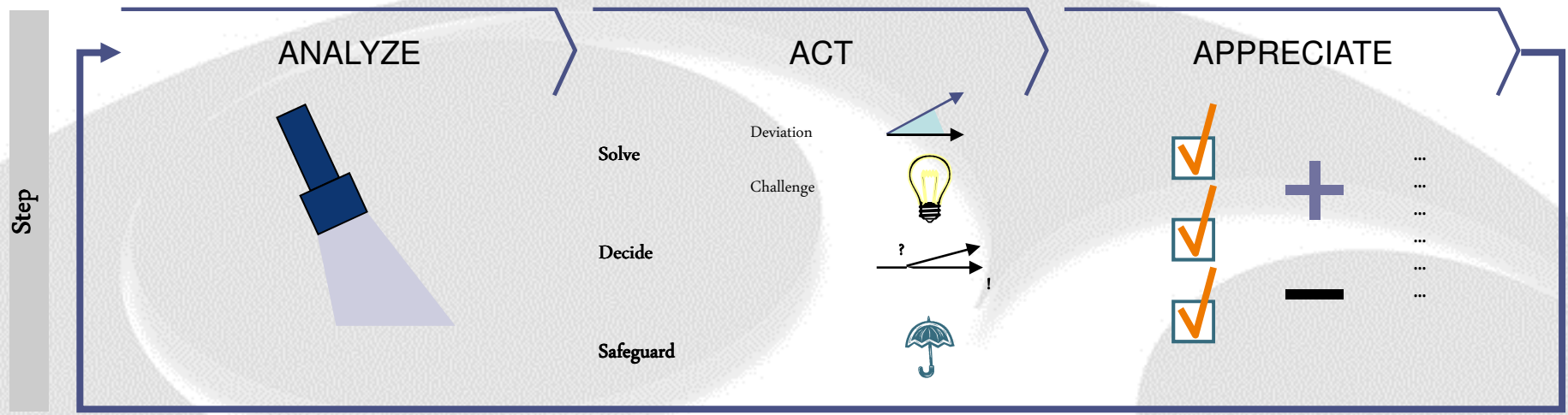
Purpose	**To clarify and dissect a complex situation for**	**To act according to the analysis by**	**To close the process loop for**
	▪ identifying and understanding the underlying issues ▪ defining the required action ▪ ensuring the necessary requirements for successful action ▪ serving as reference for the later process closure	▪ solving past or future related issues (deviation - challenge) ▪ preparing decision proposals ▪ developing safeguarding plans ▪ implementing corresponding measures	▪ confirming closure, impact and resolution of measures ▪ identifying strengths and areas for improvements ▪ feeding back lessons learned

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Source: dp

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Communication should be based on relevant and actual information of this reports. Timely availability influences credibility & reliability of the leaders; information gaps otherwise lead to uncontrolled fill-up

Type of Communic. / Stakeholder	Kickoff Presentation	Marketing				Performance Reporting	Event driven Reporting	Knowledge of Line Organization
		"Promotion"	Organisational Announcement	Success Stories	Newsletter			
External Customers		X					X	
Shared Service Customers — Sponsor								
Shared Service Customers — Division Heads / Board Members						X		
Shared Service Customers — Business Unit Heads		X		X			X	
Shared Service Customers — Divisional CIOs								
Shared Service Customers — Users					X			
Works Councils		X	X				X	X
Support Functions — HR								
Support Functions — Procurement								
Support Functions — Legal	X		X				X	X
Support Functions — Accounting								
Support Functions — Export Control								
Project Organizatio — Transformation Office								
Project Organizatio — Management Team	X		X	X		X	X	
Project Organizatio — Project Teams								
Line Organizatio — Heads of Unit								
Line Organizatio — Heads of Department		X	X	X	X		X	X
Line Organizatio — Employees								
Business Partners / Suppliers		X			X		X	

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01 **Profile of dp:** Management Traction between concept and implementation

02 **Transformation Challenge:** Mobilizing strategy and leadership, Clear acting at will

03 **Practices for Transformation Effectiveness:** An integrated consultancy set to support the management team

04 **dp Selected References within Strategic Transformations**

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Comprehensive and challenging transformation assignments at well-known Blue Chip firms proof our performance; clients are ready to serve as active reference

Customer: DAX 30 Multinational, 200.000 employees, 55 bn € turnover

Mandate: Strategic Restructuring Concept and Implementation Support of one Business Unit

Perimeter: dp assignments in 3 successive years in 3 countries, 40 sites, 3600 employees, 400 consultant days served

Savings: 21 mio € identified, implementation support in 2 countries

Customer: Multinational Company, Division with 22.000 employees, Rev. 7 bn €

Mandate: Conception and implementation of a CIO Shared Services

Perimeter: 4 Countries, 4 Business Units, 350 employees in IM & Business , 1700 consultant days served, 18 months

Savings: 18 mio € realized (recurrent on annual base)

Customer: Major cement company, worldwide > 90.000 employees and 18 bn € turnover, thereof EMEA division 7 bn € turnover

Mandate: Transformation from an IT project group to an integrated IT Service provider in EMEA

Perimeter: EMEA with 17 Countries, 22 Group Companies, ~300 employees in IT, 1400 consultant days served, 20 months

Deliveries: **> 90% of the planned milestones where achieved**

EADS DEFENCE & SECURITY

Holcim

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- Dozenten im Master Studiengang ‚Change Management' an der Donau Universität Krems

- Vortrag ‚Transformationsmanagement', Henley Management College

- Der Standard 01/2012: ‚Neue Managementanforderungen durch IT zentrierte Transformation'

- Der Standard 01/2011: ‚Transformation wird zur Kernkompetenz'

- Personalwirtschaft 01/2007: ‚Auf dem Weg zum agilen Unternehmen', Die Transformation Factory'

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