

Managing Production Systems

hpug
The Independent
HP User Group

**Dennis Adams
associates**

The HP User Group
in partnership with
Dennis Adams Associates Ltd.

**“Managing Production Systems:
Fire-Fighting and MOPS”**

January 2006

Agenda

09:30 Registration
09:55 Welcome – HPUG chairman
10:00 The challenges of managing IT Production then & now.
The “MOPS” strategic approach.
11:00 Refreshment Break
11:15 Metrics and Operational Tools
12:30 Lunch
13:15 Processes, Procedures and Standards
14:15 Refreshment Break
14:30 Bringing it together – creating and implementing a
Production Strategy.
15:30 Open Forum.
16:00 Seminar Ends

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**“Managing Production Systems:
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**Bringing IT together -
Creating and implementing
an IT Production Strategy**

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HOW could we get there ?

- ANALYSE existing IT Production under the following headings:
 - Metrics
 - Operational Tools
 - Processes and Procedures
 - Standards
- IDENTIFY the gaps
 - under each of these headings
- PRIORITISE
 - from IT Production perspective, but also....
- ENGAGE with Sponsors and Business
 - Talk about what we are doing, and why
- CREATE an IT Production Strategy
 - owned by all stakeholders
- INCREMENTALLY role out changes to the way the department works

Where do you want to go Tomorrow?

Phased Approach to creating an IT Production Strategy

- **IT Production Audit**
 - Organisational Structure
 - MOPS Analysis of existing environment
- **Define IT Production Strategy**
 - Analysis of MOPS matrix
 - Determine the gaps, and prioritise
 - Costings and timescales
 - Presentations of Strategy to Stakeholders
- **Incremental Implementation**
 - Introducing specific Metrics Reporting
 - Tools deployments
 - Process documents and implementations
 - Creation of Standards workgroups

MOPS Auditing

- **Metrics**
 - What methods are in place for collecting and publishing Activity key performance indicators, including man-hours ?
 - What method are in place for collecting Technical metrics (such as CPU, disk utilisation etc.) ?
- **Operational Tools**
 - What tools are in place for collecting the metrics, above ?
 - What tools are in place for delivering the Support function (e.g. Unicenter) ?
 - To what extent are the tools integrated (Help Desk fed from Asset Management, into Time Tracking etc.) ?
 - Do they have historical analysis (e.g. help-desk should include problem resolution), so that trends can be detected and lessons learnt. ?

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MOPS Auditing (2)

- **Processes and Procedures**
 - How do the existing processes and procedures facilitate the day-to-day running of IT Production ?
 - How do they facilitate the relationship with the Business Sponsors and IT Development ?
 - What processes are in place to support the changes to Production Standards (hardware & O/S upgrades etc)?
- **Standards**
 - Are there Technical standards within IT Production against which developers should develop solutions?
 - Are there Baseline Configurations & Configuration control ?
 - How are these Standards updated? What processes are in place for engaging with other technical teams to discuss emerging technologies?

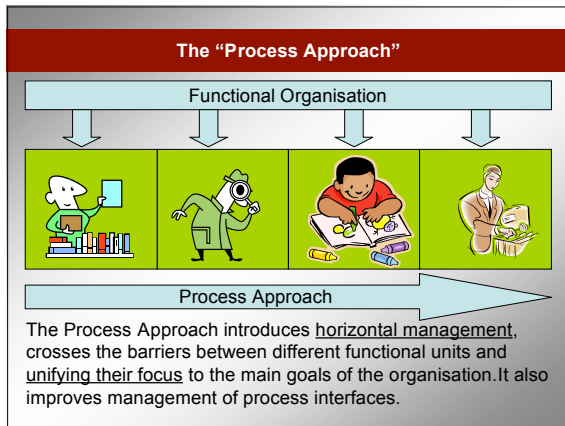
Implementing a Strategy

- **Assist IT Managers in Implementing Strategic Steps**
 - Dealing with Tools suppliers.
 - It is essential that anyone implementing an IT Production Strategy understands the culture of IT Production
 - IT Production is a risk-averse culture
 - Any Changes need to be implemented Incrementally.
 - No disruption to the day-to-day running and support of existing Infrastructures
 - Essential to have clearly documented "light" processes.
 - The primary focus of the technical teams must remain on the technical support of Infrastructures.

The Challenge of Organisation and Process

- Organisations are usually hierarchically organised "vertically" by Functional units:
 - E.g. Unix/Window Engineers, DBAs, Network, HelpDesk etc.
- Actions are usually focused on the function of the unit.
- Problems that occur at the interface between units are often given less priority than the goals of the unit itself.
- The "end customer" is not always visible to all involved.
- E.g. a problem application arrives at Help Desk, and is passed between each team in turn, all of whom pass it on as "not a problem from my perspective"
- One solution is to create a multi-discipline SWAT team to address the problem holistically.
- The "Process Approach" introduces horizontal management.

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Using the "Process Approach"

- "The Performance of an organisation can be improved through the use of the process approach. The processes are managed as a system, by creating and understanding a network of the processes and their interactions." (ISO 9000 Introduction and Support Package)
- The consistent operation of a "network of processes" and their interactions is often referred to as the "system approach to management"
 - (Not to be confused with the management of systems !)
- Outputs from one process may be inputs to other processes and interlinked into the overall network of processes.

Using ISO 9000 Guidelines

- The ISO 9000 guidelines suggest the following steps can be followed to identify the processes within an organisation:
- Define the Purpose of the organisation.
- Define the Policies and objectives of the organisation.
- Determine the Processes in the organisation.
- Determine the Sequence of the processes.
- Define process Ownership.
- Define process Documentation.

The result of this activity would be a "Process Landscape", which would show us what processes are already in place, and help us identify the gaps.

From an IT Production perspective, we should have a clear understanding of our purpose, policies and objectives, so we need to concentrate on the "Gap Analysis"

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WHERE do we WANT to be ?

- **Visibility of Activity** to identify the "problem applications" that take a disproportionate percentage of support effort.
 - This enables the Business as a whole to understand the true lifecycle costs of all Applications.
- **Predictable Cost growth** (such as headcount), and Infrastructure costs (such as CPU, memory, disk storage etc.)
 - so that resources and infrastructure can be purchased in good time, with appropriate cost savings.
- **Clear Infrastructure Standards and Service Levels**
 - So that IT Development can understand what technologies can be supported by IT Production, and at what costs.

THE DREAM of Strategic IT Production

- **Smooth deployment of Projects**, as a result of clear handover procedures to IT Production, and IT Production's involvement with Projects at Initiation side, to ensure that Support is viable.
- **Justify the IT Production Budgets** against clearly agreed Performance Metrics.
- **Engage with the Business** sponsors, and successfully argue the case for increasing IT Infrastructure Investment, rather than fighting up-hill budget reduction policies that don't take into account Infrastructure needs.
- Function as a "**Managed Team**", rather than just event-driven "fix-it".

Using a Strategic Approach, IT Production Managers can make their teams more Pro-Active more Client-focused, and be in a better position to justify IT Infrastructure Investment

SOME imaginary CASE STUDIES

- Metrics
- Operational Tools
- Processes & Procedures
- Standards

How Does IT WORK in Practice?

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Case Study: Improving IT Production with Business

- Become Client-focused - a strategic goal.
- Collect Metrics on all IT Production current Activities
- Provide Costing breakdowns by Application:
 - man-hours
 - Activities - help desk calls etc.
 - capital costs
 - Consumption of Infrastructure Resources (CPU, disk etc.)
- Work with the Business to arbitrage Application costs.
- e.g. If the Business can see that Application "X" is having a big impact on bottom-line costs, they are motivated to address the costs involved.

Case Study: How to Justify IT Infrastructure Investment

- Make existing IT Production Costs Transparent to the Sponsor
 - Shows IT Production as secure place to invest.
- Provide Historical Trending of Metrics
 - If the Business and other teams are already receiving regular reports on Historical Trends, then a request for further funding will not come "out of the blue".
- Provide a Breakdown of existing Costs on a regular basis.
- Improve the credibility of IT Production, in advance, by making sure that Sponsors know that IT Production are measuring (and therefore controlling) current costings on a regular basis.

Case Study: How to Manage New Technologies

- Define Production Standards
- Implement Processes for dealing with Standards changes
- Create a Production Architecture team responsible for defining the "menu" technical choices for Production.
- Work with the IT Development team to have agreed Standards, and agreed implications for not following those standards.
- Use agreed processes and "workgroup" approach to examine the implications of new Technologies from both the perspective of Business, IT Development, AND IT Production.

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Case Study: The Outsourcing Threat

- Outsourcing of IT Production is often motivated by:
 - 1) A desire to Reduce Costs, AND
 - 2) IT Department itself is unable to identify HOW to reduce costs.
- Key Issue:
 - Visibility of Costs and Activities enables an organisation to more easily justify what it is currently doing.
- A Client's IT Production team can potentially obviate the Outsourcing threat by:
 - Becoming Client Focused
 - Creating Metrics on Activity and Costings for Business Units
 - Engage with Business Units on processes and Procedures
 - Becoming the "Insourcer of Choice"

LIFE after GO-LIVE: How to MANAGE IT Production

- Without a Strategic Approach, IT Production can become "Fire-Fighting"
- The Key Elements for a Strategic IT Production Approach:
 - METRICS
 - OPERATIONAL TOOLS
 - PROCESSES AND PROCEDURES
 - STANDARDS
- Approach:
 - ANALYSE WHERE YOU ARE NOW
 - CREATE AN IT PRODUCTION STRATEGY
 - IMPLEMENT INCREMENTALLY

REMEMBER PRAGMATIC COMMON SENSE !

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The Independent HR User Group

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Discussion And Questions (and some Answers ?)

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Some possible Topics...

- Is “MOPS” necessary and sufficient for IT Production to be well governed ?
- What should the priorities be ?
- How do we integrate Business Planning and IT Planning ?
- How to roll out change so it is not disruptive ?
- How to get “buy-in” to change ?
- Are we ignoring the “human element” ?

IT and Business Planning

- Classic View of IT and Business Strategy Planning...
- Business Strategy ==>
 - Business Plan ==>
 - IT Strategy ==>
 - IT Business Plans
- In Practice...
 - Modern Life is not like that !
 - Businesses rarely have such long-term planning profiles
 - The speed of commercial change means that business needs to be able to react quickly to new challenges and opportunities
 - IT needs to be able to mirror this speed to response
- There are two types of demand on IT Systems
 - Organic (“Planned”) growth in demand
 - Unplanned Demand driven by external events
 - We need to have processes that account for both of these.

I.D.E.A.	What is needed:	Without it there is:	People say:
Investigate	<ul style="list-style-type: none"> •Recognize and accept the need for change. •Identify the appropriate dynamics and approach to change. 	<ul style="list-style-type: none"> •No will to change. •No clear understanding of what is needed and how it is to be achieved. 	<ul style="list-style-type: none"> •Is there any need for change ? •What are we trying to achieve?
Decide	<ul style="list-style-type: none"> •Create a clear shared vision. •Ensure the will and power to act. 	<ul style="list-style-type: none"> •A false start that collapses. •Disorder and frustration. 	<ul style="list-style-type: none"> •Why are we doing this? •Where are we going? •Nobody seems able to act. •We can't do anything.
Enable	<ul style="list-style-type: none"> •Maintain trust and drive out fear. •Procedural Justice. •Capable people and sufficient resources. •Suitable rewards, measurements and accountabilities. 	<ul style="list-style-type: none"> •Suspicion and fear. •Lack of engagement. •Helplessness. •Low commitment. •Feeble efforts. 	<ul style="list-style-type: none"> •What are they up to? •Who will lose out this time? •Why should we support this? •It's their initiative, not ours. •We can't do that with what we have. •Why should we bother? •Will it work?
Act	<ul style="list-style-type: none"> •Effective communication. •Actionable first steps. •Embed the changes. •Create a climate of continuous revitalisation and learning. 	<ul style="list-style-type: none"> •Confusion and doubt. •Haphazard efforts. •False starts. •Slide back. •Complacency and freeze. 	<ul style="list-style-type: none"> •How can we start? •The old ways are fine.

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PDCA methodology

- "Plan"
 - Establish the objectives and processes necessary to deliver results in accordance with customer requirements and the organization's policies;
- "Do"
 - Implement the processes;
- "Check"
 - Monitor and measure processes and product against policies, objectives and requirements for the product and report the results;
- "Act"
 - Take actions to continually improve process performance;"

Plan
What to do and how to do it.

Do
Do what was planned

Check
Did things happen according to plan?

Act
How to improve next time?

Don't Forget the Human element

" [The man of system] seems to imagine that he can arrange the different members of a great society with as much ease as the hand arranges the different pieces upon a chess-board; he does not consider that the pieces upon the chess-board have no other principle of motion besides that which the hand impresses upon them; but that, in the great chess-board of human society, every single pieces has a principle of motion of its own, altogether different from that which the legislator might choose to impress upon it."

Adam Smith: The Theory of Moral Sentiments, Part VI, Section II, Chapter 2

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Thank You

<http://www.dennisadams.net/event200601hpug.htm>


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