

Designing Process Ownership Model - distributed or centralised?

In theory there's no difference between theory and practice
In Practice there is.

Yogi Berra

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Why to attend?

1. Real-life case study
2. Establishing process governance in international IT organization
3. Closer focus on
 - Overview of different ownership models
 - Setting process ownership
 - Linking processes to service delivery



Swedbank overview – home markets

Sweden	
Population	9.3m
Private customers	4.0m
Corporate customers	263 000
Organizations	67 000
Branches	315
ATMs	658
Cards	3.8m
Employees	8 201

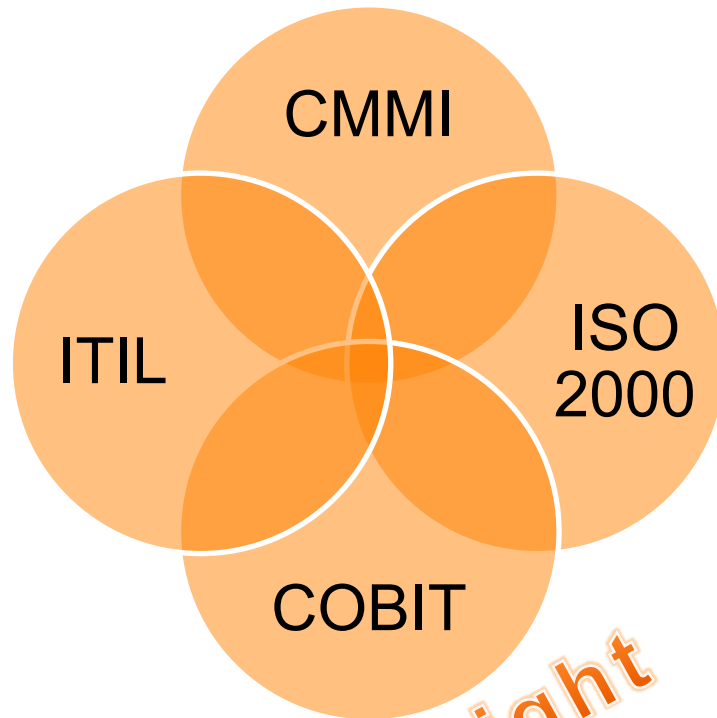
Estonia	
Population	1.3m
Private customers	1.0m
Corporate customers	113 000
Branches	60
ATMs	503
Cards	1.1m
Employees	2 446

Latvia	
Population	2.2m
Private customers	0.9m
Corporate customers	74 000
Branches	59
ATMs	394
Cards	0.9m
Employees	1 759

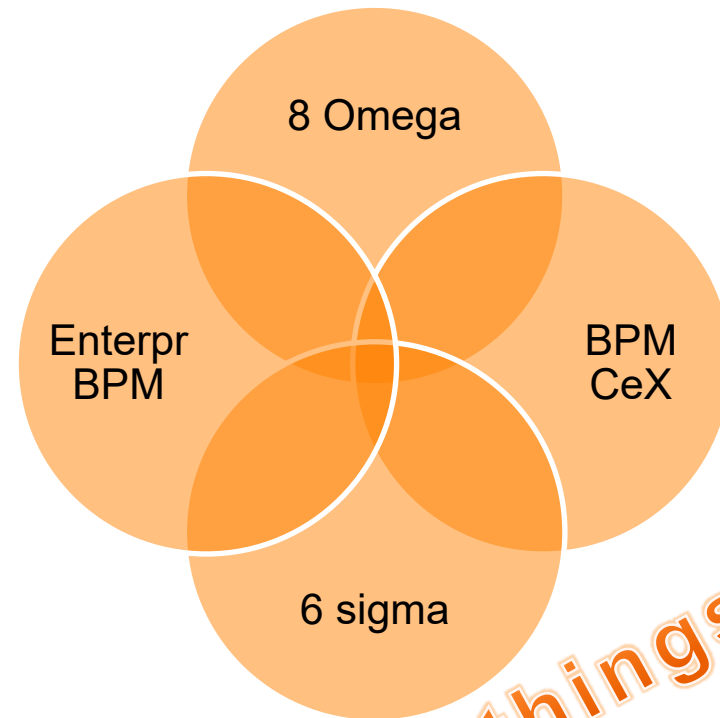
Lithuania	
Population	3.3m
Private customers	1.9m
Corporate customers	81 000
Branches	84
ATMs	488
Cards	1.8m
Employees	1 992



BPM and IT – working together



Doing right
things



Doing things
right

Swedbank IT process journey

- In the beginning(60-s to 90-s)
 - Process is a tool
- Beginning of the century
 - Process is a defense weapon
- Now
 - Processes is an armored tool



Results by 2010

- Lot of experience with process management
 - Distributed and centralised
 - 60+ processes in the list
- Sweden
 - Distributed
 - Constant 3-5% yearly operational cost decrease
- Baltics
 - Centralised
 - Strong cost cut (22.2 -> 18.7 IT cost/op cost)
 - Supporting for 50% development growth



Group Consolidation and Process Improvement Program

Purpose of the program is to implement consolidated Group IT processes in order to:

1. Enable Group IT consolidation and value realisation
2. Enable Group IT transformation to become Business Partner
3. Improve quality of delivered IT services
 - Delivery according to service targets
 - Stable service delivery (reduced downtime, reduced number of incidents, etc.)

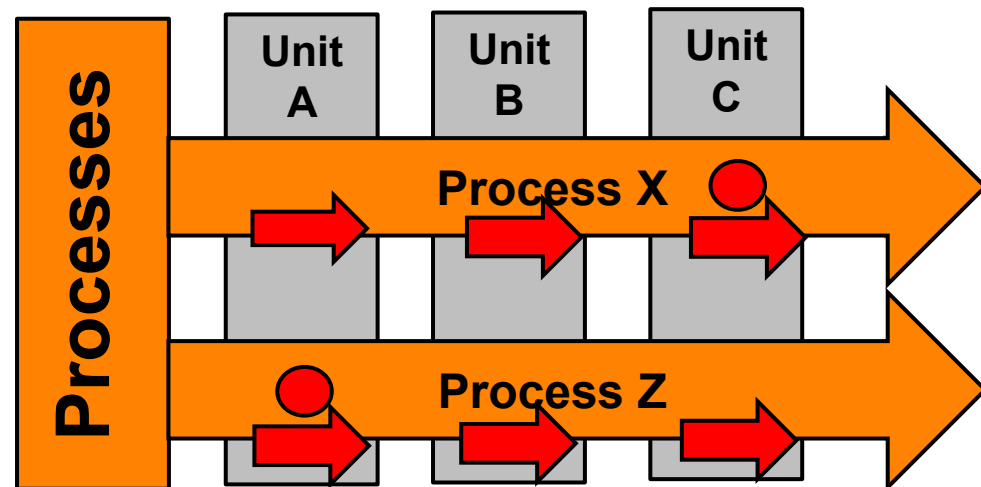
Scope of the program – Focus Processes 2011:

Incident Management, Problem Management, User Request Fulfilment, Change Management, Service Asset and Configuration Management, Service Level Management, Resource Management, Testing.



Process ownership – distributed or centralised?

1. Function-dominated
2. Process-dominated, centralised
3. Process-dominated, distributed
4. Balanced matrix – future or dream?



There's nothing more difficult than to take lead in the introduction of the new order of things
Machiavelli, The Prince

Process framework

- **Set of rules and standards to design, implement and manage IT Processes**
 - Purpose and goals, relations
 - Clear responsibilities
 - Process Ownership
- **...to ensure efficiency and effectiveness of IT through:**
 - Avoiding redundancy;
 - Transparency and optimization
 - Better process acceptance

Governance



Ownership

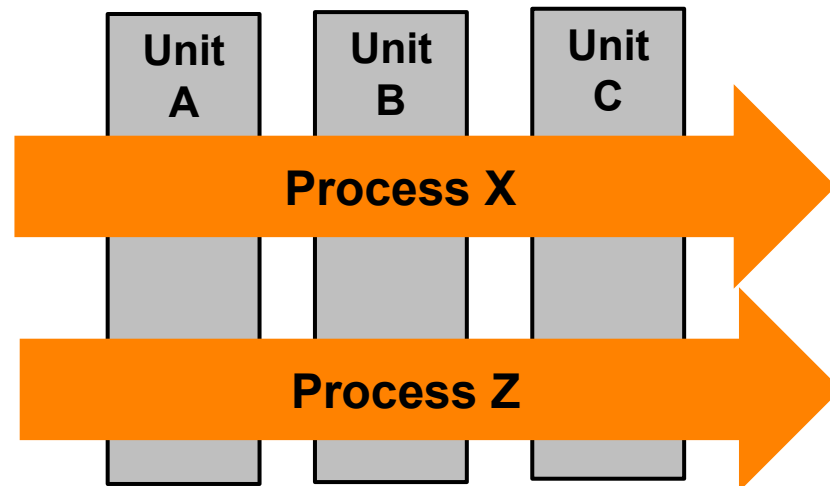


Management



Main principles

- There is a Process Owner and a Process Manager for every Process
- Processes is way of working across units to deliver value (IT service) throughout IT Service Lifecycle

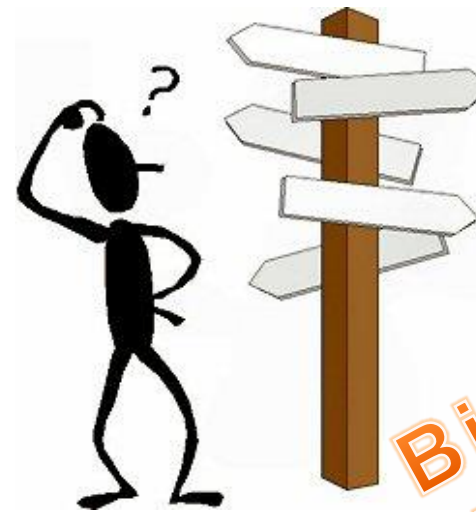
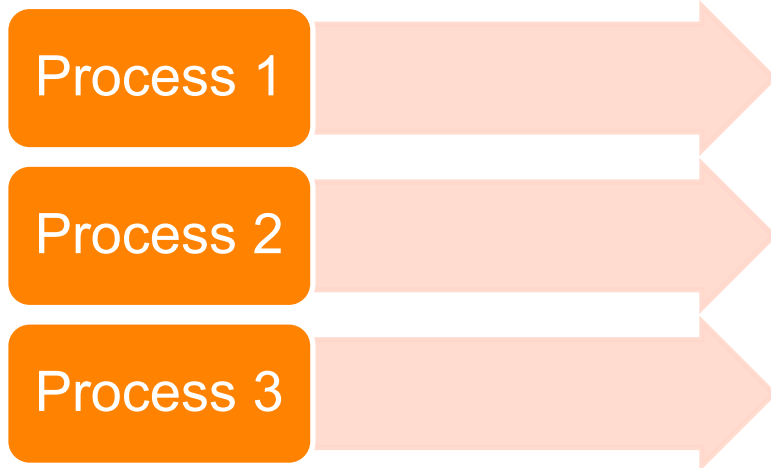
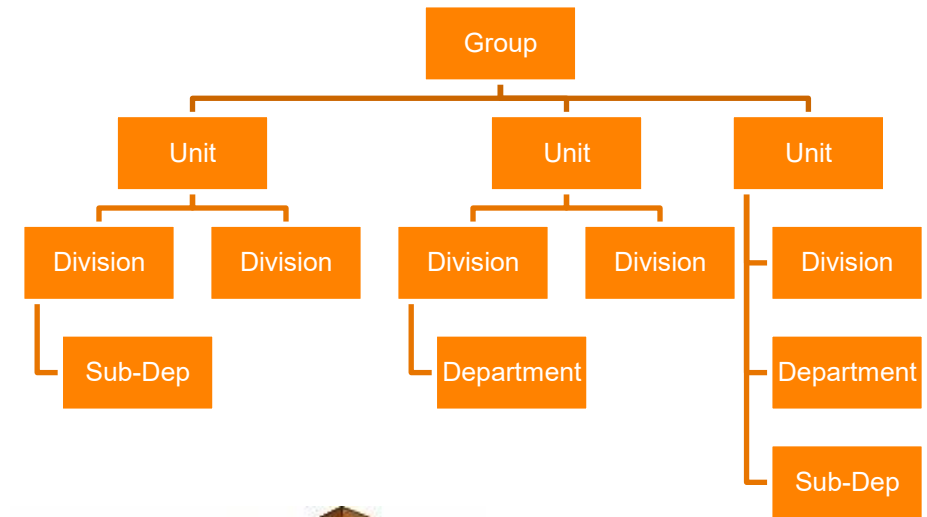


The most important thing going forward is to break boundaries between people so we can operate as a single intelligence

A. Einstein

Linking processes to service delivery

~ 70 departments
~ 30 processes to manage



**Big change =
Big resistance**

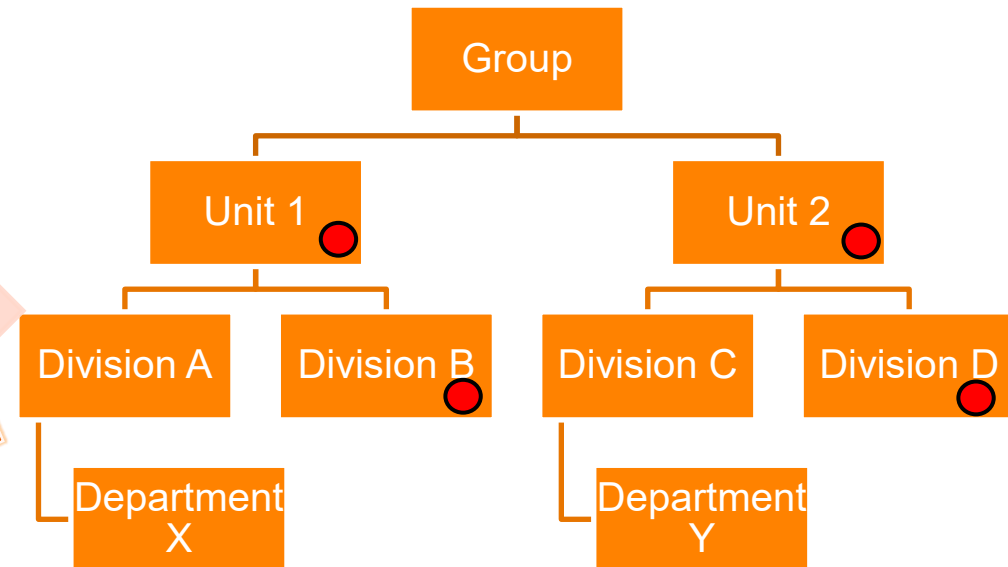
Manage change: involvement and teams

Manage resistance	Increase Effort
<p>No understanding x</p> <p>No benefit x</p> <p>No trust x</p> <p>Wrong values</p>	<p>Resource x</p> <p>Commitment</p>

Process
Team

- Person A– 0,2 FTE
- Person B – 0,1 FTE
- Department C– 3 persons

Measured by
Process KPI



People don't resist change. They resist being changed!
Peter Senge

Conclusion - Process is an armoured tool!

- Centralize to establish, distribute to optimize
- Win people to manage change!

More questions?

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