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mega

BMT Hi-Q Sigma
"Where will our knowledge take you?"

LOCKHEED MARTIN

GCHQ

SyntheSys

JCSys

ATKINS

SCJ SecurityCleared Jobs.com

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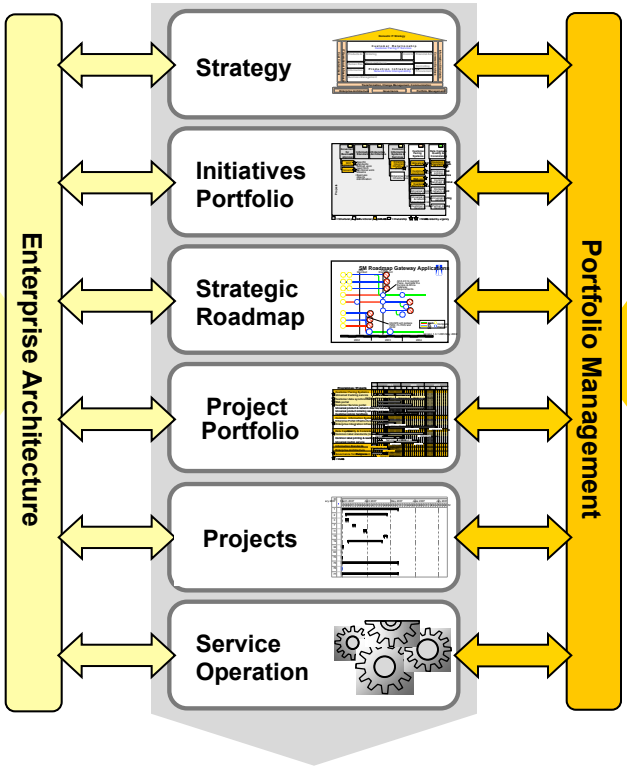
Who We Are

Enterprise Architecture and Portfolio Management are the key Business IT management disciplines required to achieve convergence to target

ADRIAN

Governance around Enterprise Architecture reduces complexity and cost and improves agility



Governance around Portfolio Management ensures benefit delivery and risks are managed

LARRY

From Complexity to Capability

We want to tell you a story about a real world success….

In 2008, as the new DHL acquisitions were ramping down, we found our self in a major dilemma.

1500+ applications in Europe alone, with substantial overlap and complexity.

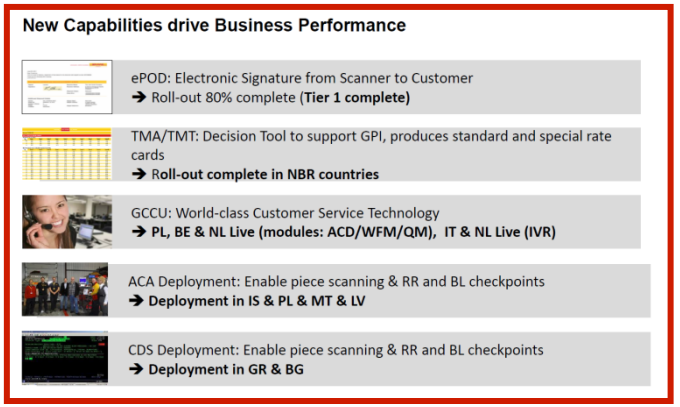
Our target was to reduce the portfolio by 50% by the end of 2012

At the end of 2012, we had sunset 699 applications and we also had a cultural shift in how we thought about and managed the application portfolio

Popular slide from 2008

Complexity

Typical slide in 2012



Capability

DHL Express: The World's Most International Company

> 220 countries/territories served
> 500 airports served globally

Approx. 450 million shipments[1]

Approx. 100,000 employees[2]

Approx. 4,000 Facilities[3]
Approx. 34,000 Service Points[4]

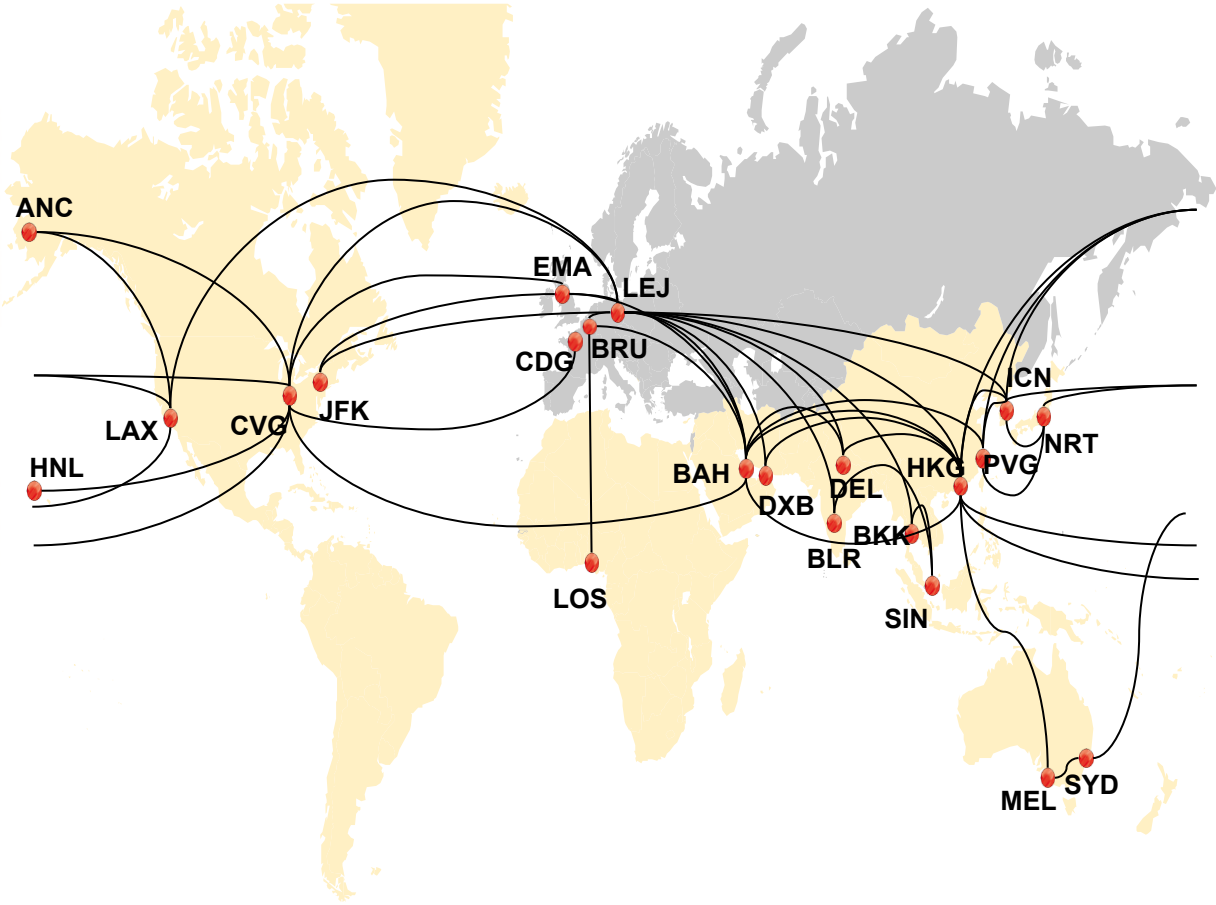
Approx. 2.6 million customers[5]

3 Global Hubs (LEJ, CVG, HKG)
19 Main Regional Hubs

Approx. 29,500 vehicles[6]
Approx. 260 dedicated aircraft

4 Global QCC
(Bonn, Leipzig, Cincinnati, Singapore)
27 country QCC

2 Global IT Centers
(Cyberjaya and Prague)

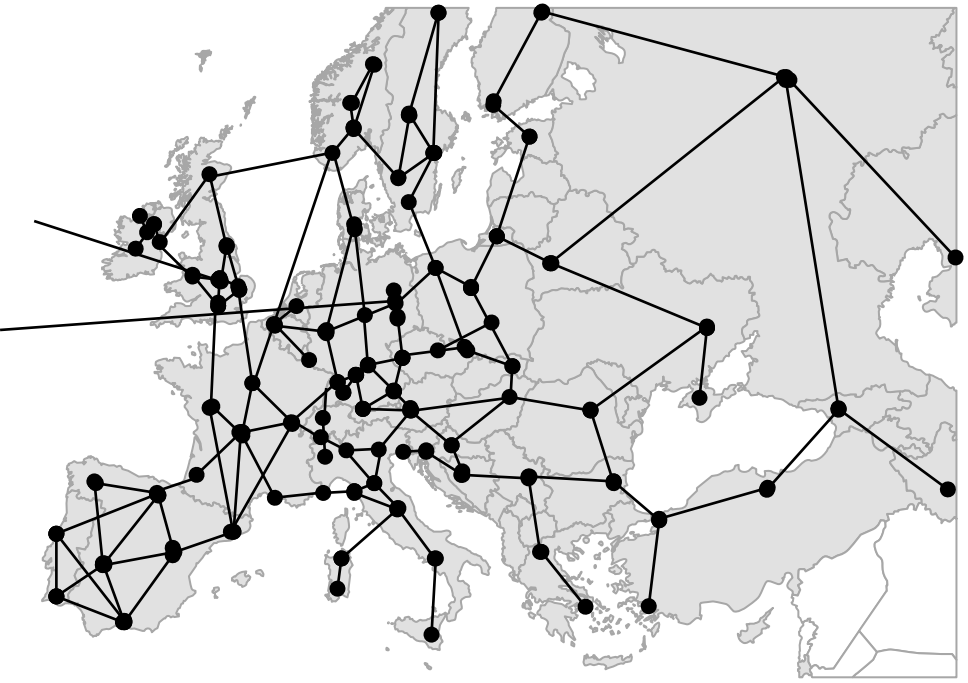


Part of the Deutsche Post DHL Group

1) all products; FY 2011
2) Full-time equivalent employees incl. overtime and temps; Full year 2011
3) Hubs, offices, terminal / service centers, gateway
4) Status end of 2011
5) Active customers in sales portfolio
6) Owned and subcontracted trucks and vans

Decentralized Execution In A Centrally Planned Network

A networked business, where each part of the network understands its dependency upon the rest of the network – Think Global. Act Local. Stay close to the Customer.

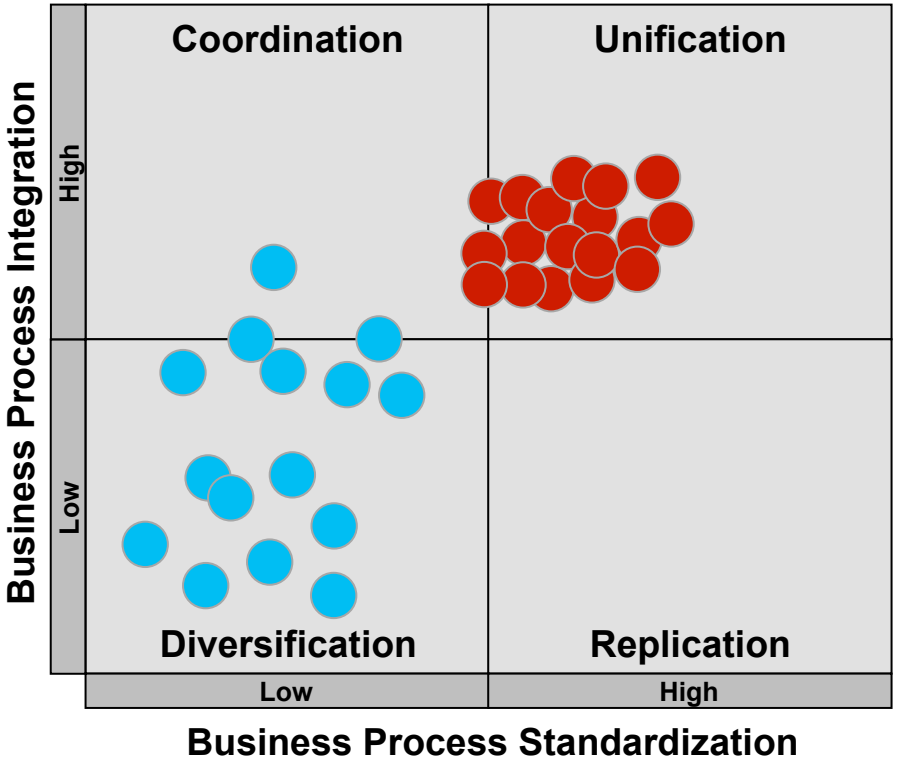


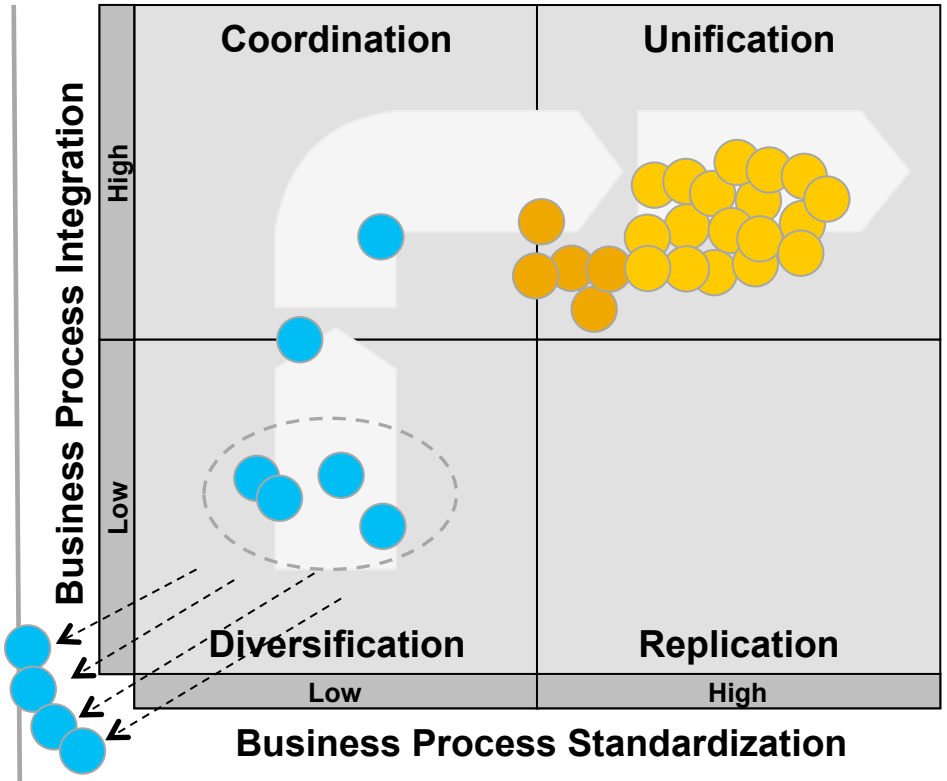
- Historically a high degree of local autonomy
- Standardization around core operational processes and information exchanges to grow the Network
- Globalization increased need for standard processes and systems
- DHL acquired by DP WorldNet along with other acquisitions in early ‘noughties’
- Dramatic increase in complexity of IT landscape
- Business integration efforts helped reduce business and IT complexity, but not everywhere…

Express Europe Business Operating Model Evolution

2008

- Core international business based on 'standard' products, processes and systems
- Not all processes standardized and some systems regionally owned
- Some domestic businesses operating on standard platform with extensions
- Other domestic businesses operating on local platform

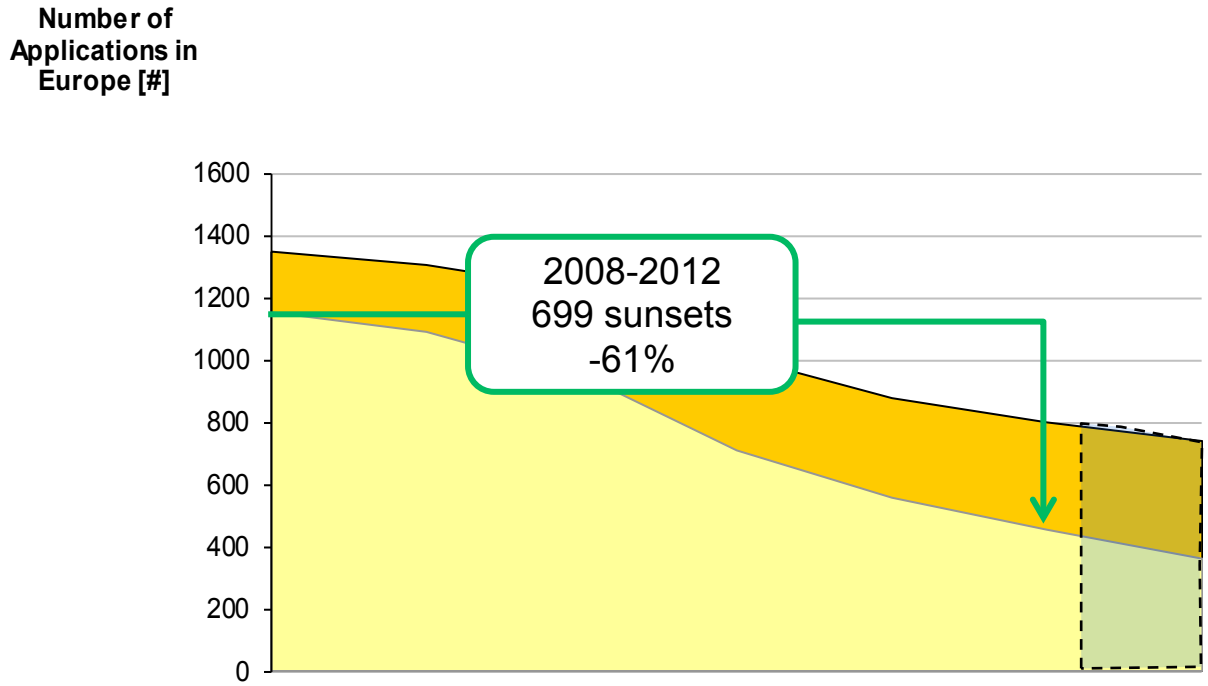




2013

- Regional variance reduced and change initiatives underway for the rest
- Domestic businesses
  - Non-profitable businesses sold
  - Profitable businesses ring-fenced
  - Business transformation initiatives to standard platform

Convergence In the Application Portfolio



	Baseline 2008 Q3	2008	2009	2010	2011	2012	2013
EGAP and Specialist	195	215	275	302	320	345	375
EU Convergence	1153	1090	951	709	557	454	364
Total	1348	1305	1226	1011	877	799	739

The Convergence Journey – A Tale of 50 Countries

Express Global Application Portfolio (EGAP)

But we can tell you what your first destination is.

Before you can start you need to figure out where you are.

Give us more detail on the destination so that we can find our way.

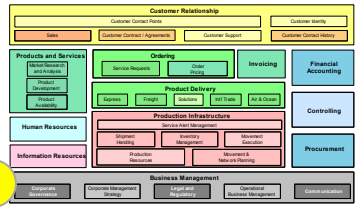
We have all these other capabilities today – we don't find them here!

EGAP+

Progress, we've filled some gaps with existing solutions.

Now the target is coming into view and we need to close our capability gaps

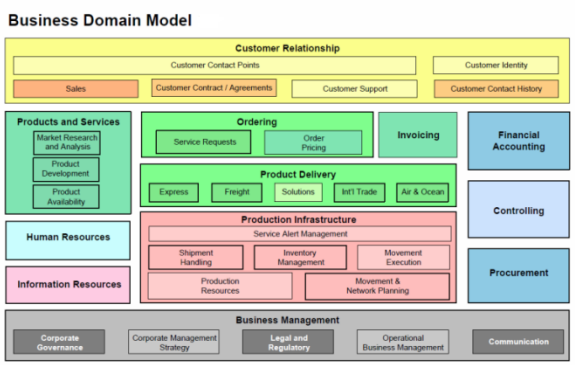
Only seen in outline. But here is the bearing and co-ordinates system.



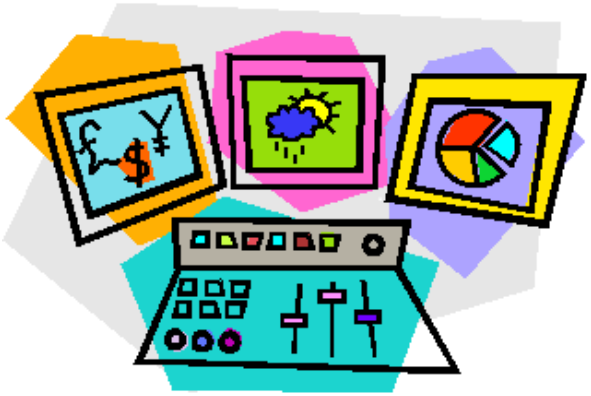
One IT Platform

Success Factors

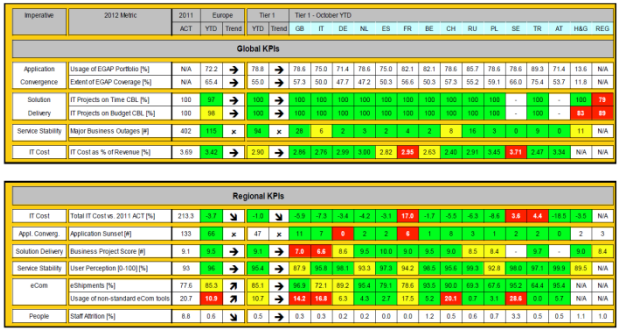
Develop a practical framework



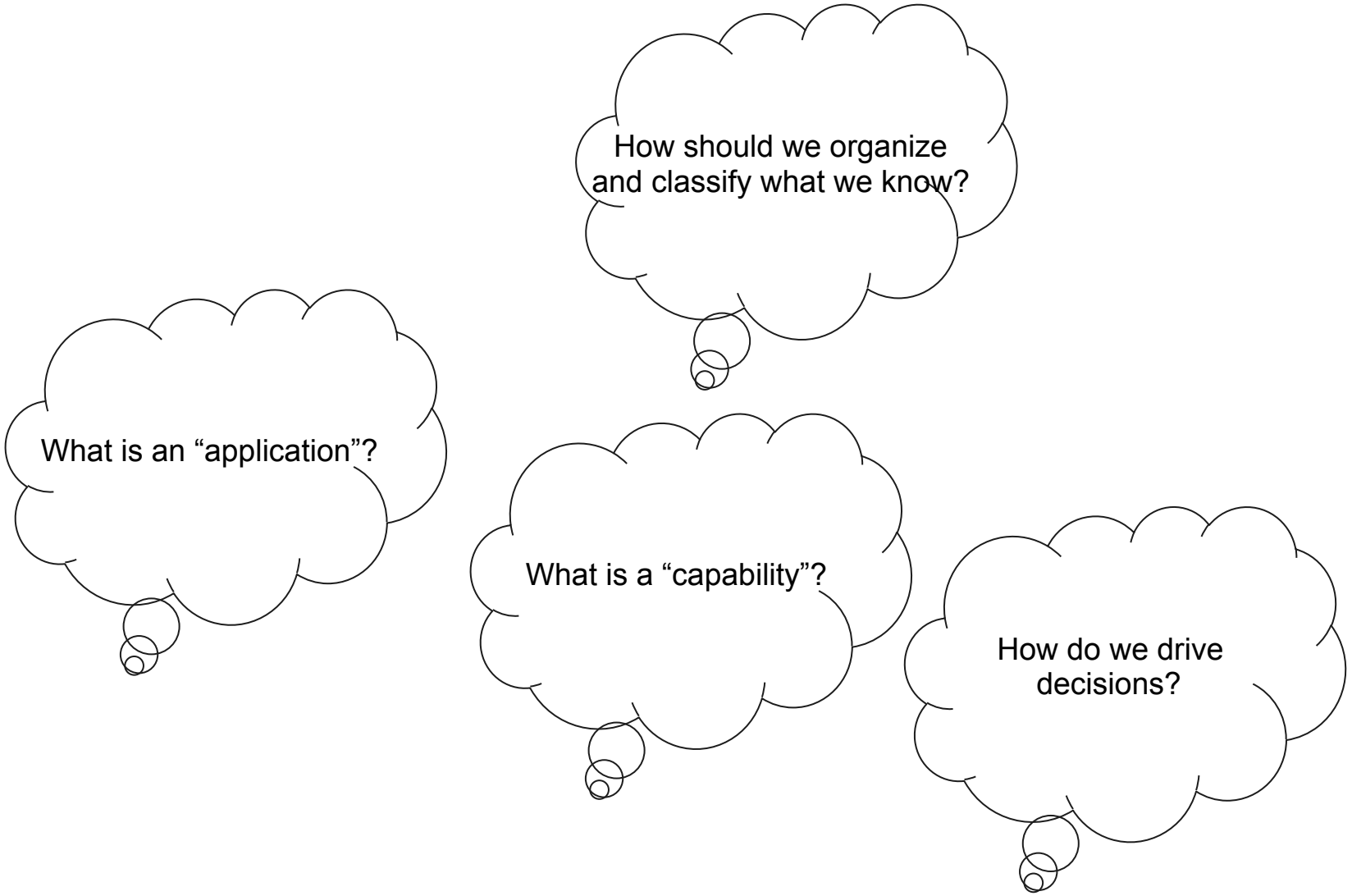
Ensure there is a single accountable source of truth.



Set targets. Measure and report aggressively

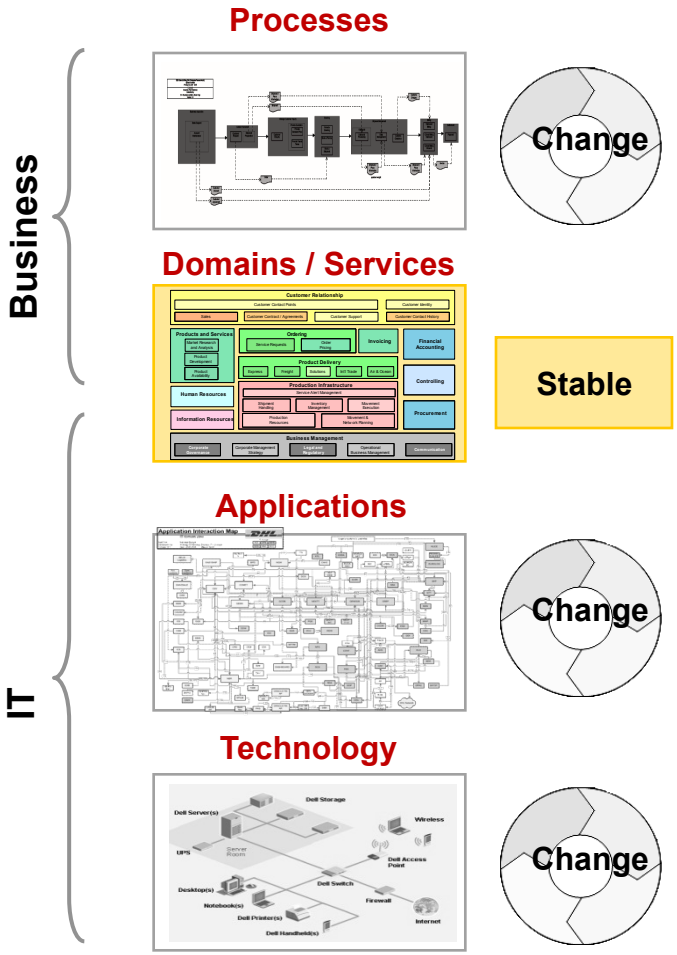


Success Factors - The Framework
Find a practical framework



Success Factors - The Framework
Our Co-ordinates System, The Business Domain Model

Business domains will remain stable and support the management of business and IT change while concurrently enabling business and IT alignment.



What will change?

- Product packaging (i.e. Marketing products)
  - Core services remain relatively stable
- Organization
  - Command and control
  - Job profile / functional responsibility
- Physical Processes (How not what)
- Technology (not just IT)
- Volumes

What will remain (relatively) stable?

- Things (business objects) the business works with
  - E.g. shipments, vehicles, customers
- Core capabilities of the business
  - E.g. booking, pick-up, delivery
- High-level processes
  - E.g. booking to delivery

An IT Landscape Based On The Business Domain Model Will Reduce Redundancies and Address the Gaps

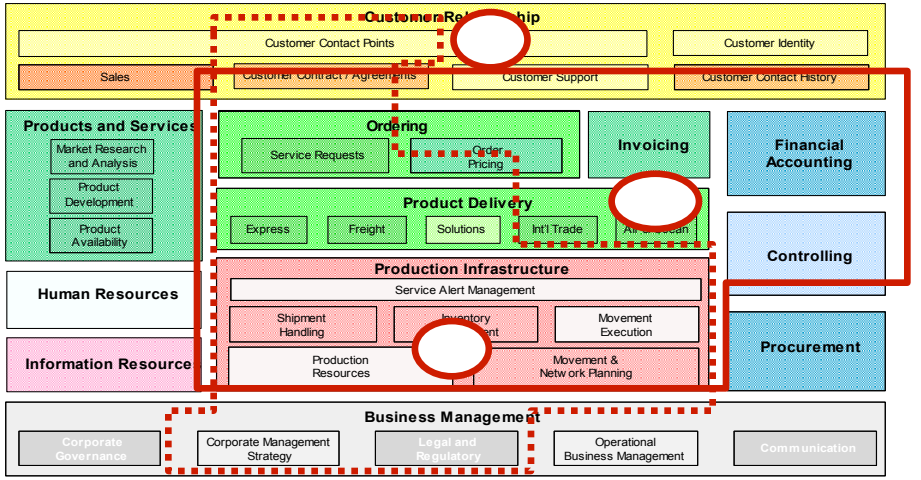
Initial situation:

- Duplication - Country and global applications supporting the same capabilities.
- Gaps - Unstandardized capabilities supported by local processes and applications.
- Inconsistent application partitioning and interfaces

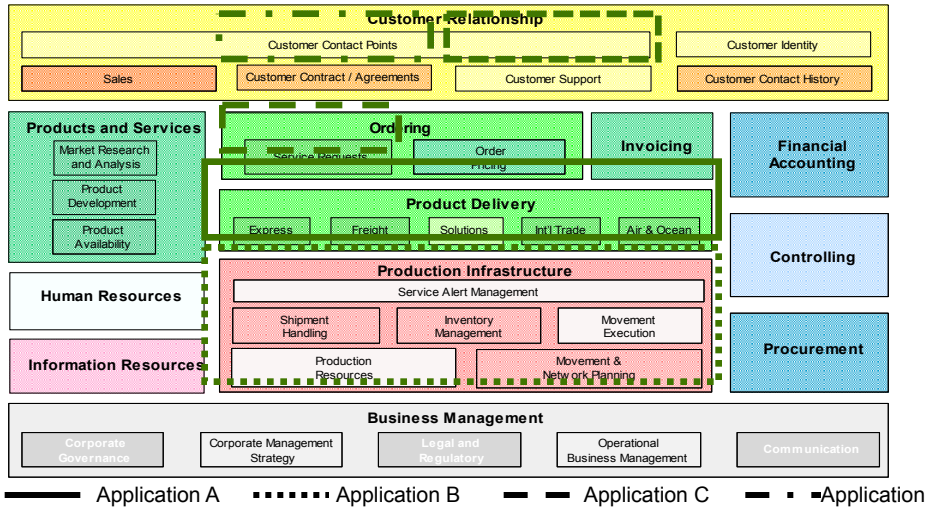
Target Situation:

- Standard capabilities supported by standard processes and applications
- Gaps filled in global processes and application portfolio
- Target applications aligned to standard interfaces
- Reusable, common services

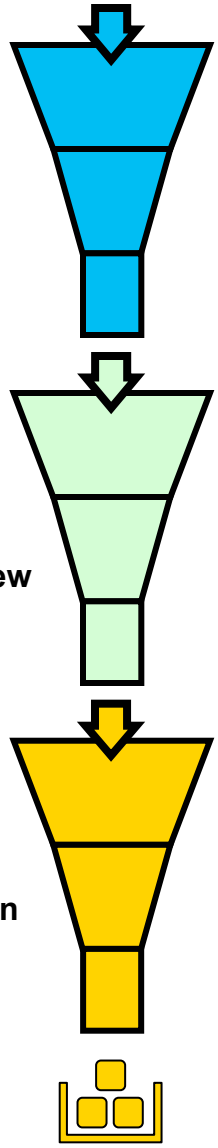
Business Domain Model 1.0



Business Domain Model 1.0

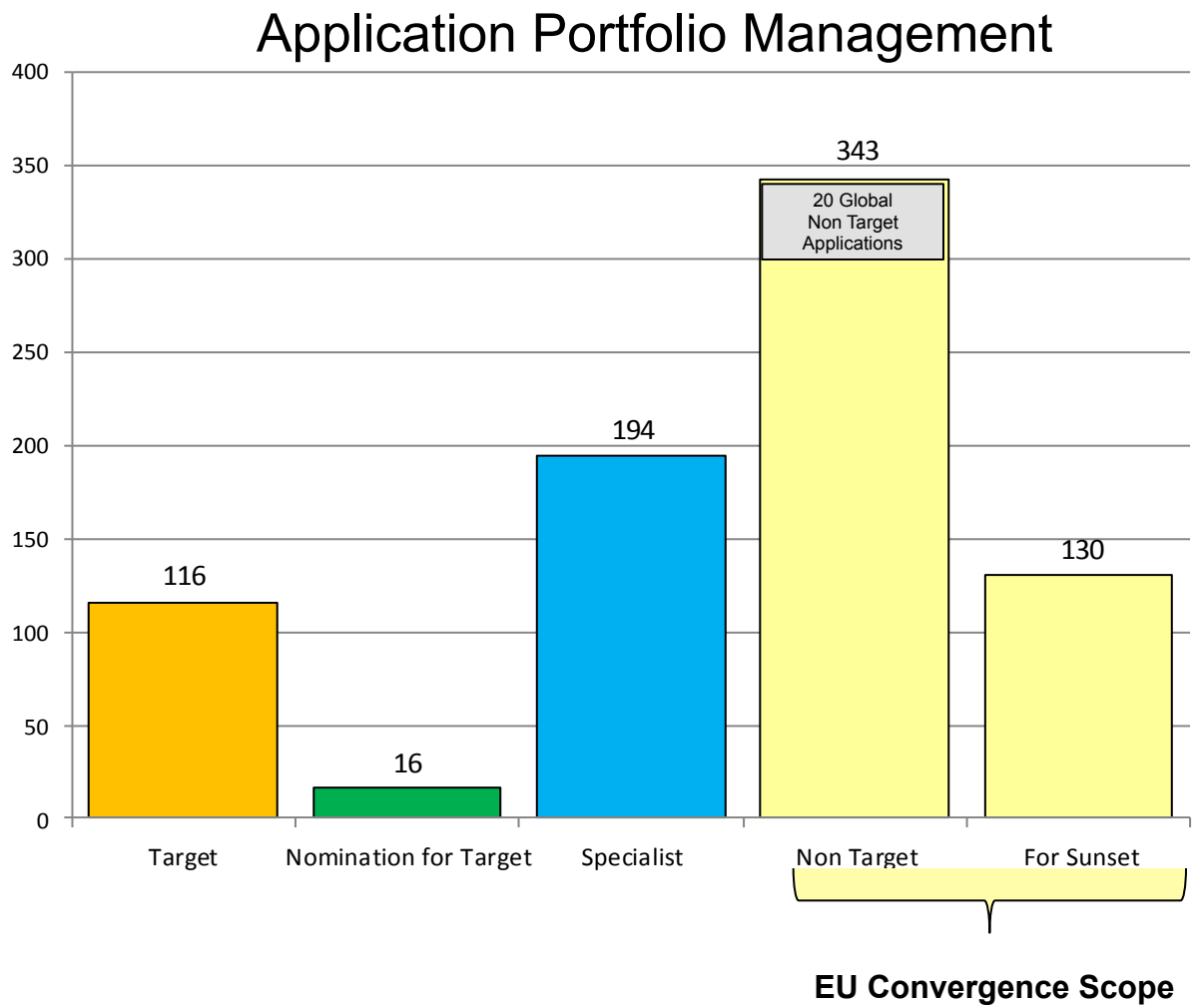


Success Factors - The Framework
Capability Pipeline - Capturing the Key Decisions



Clarification Required	Further clarification or refinement is needed
Proposed	Capability proposed, not yet reviewed by architecture
Analysis	Capability under review by architecture
Under Review	Capability being reviewed/prioritized by business
On Hold	Business has taken the decision that this capability is a low priority and should not be reviewed further at this time
Rejected	Business has taken the decision that this capability is not part of standard processes and therefore should be planned to eliminated
Agreed Exception	Business has taken the decision that this capability will be allowed to continue as an exception to the standard process
Endorsed	Business has taken the decision that this capability should be supported in the target systems
Approach Devised	A high level approach for delivering the capability, including the process and applications that are affected, by Architecture & the respective functions.
Road mapped	High level timing applied and revised once project is approved
Delivered	Capability has been implemented in target architecture/ systems. Ready for full deployment.
Deployed	Capability has been deployed to all areas (functions/countries) as agreed

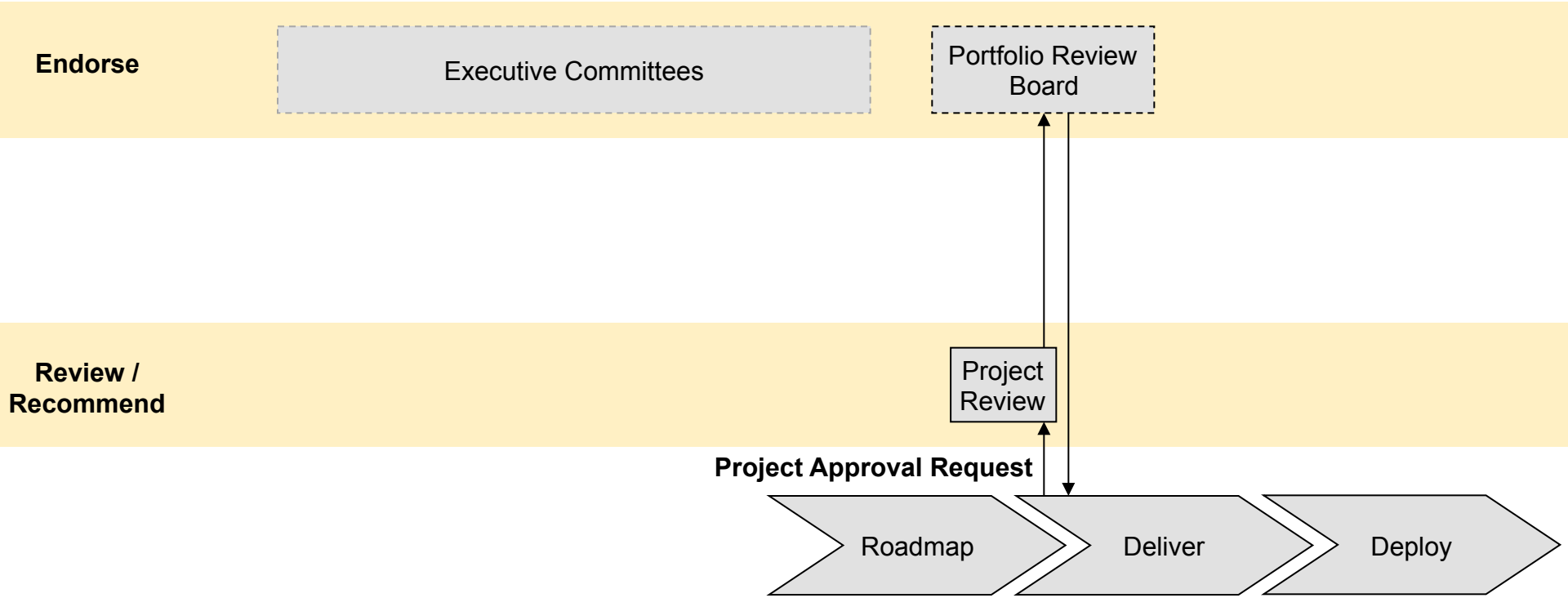
Success Factors - The Framework
Applications used by Express EU



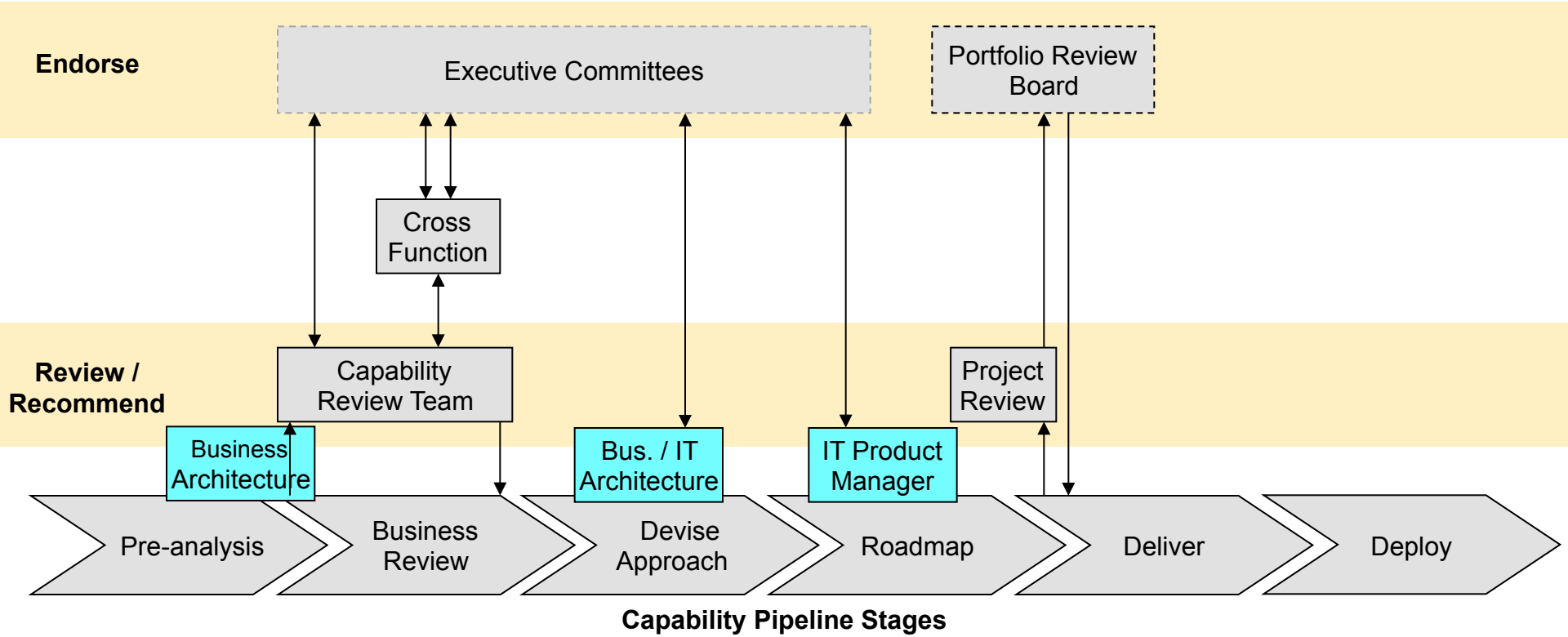
799 Applications

Success Factors - The Framework
Making Tracking Part of The Process

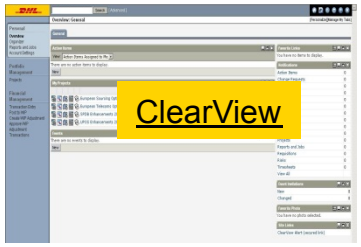
IT project funding is too late to discover the plans for a new capability

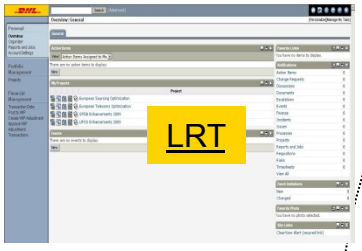


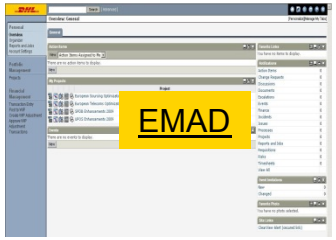
Making the Governance Transparent

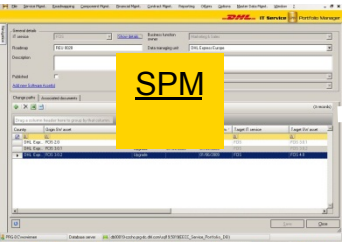


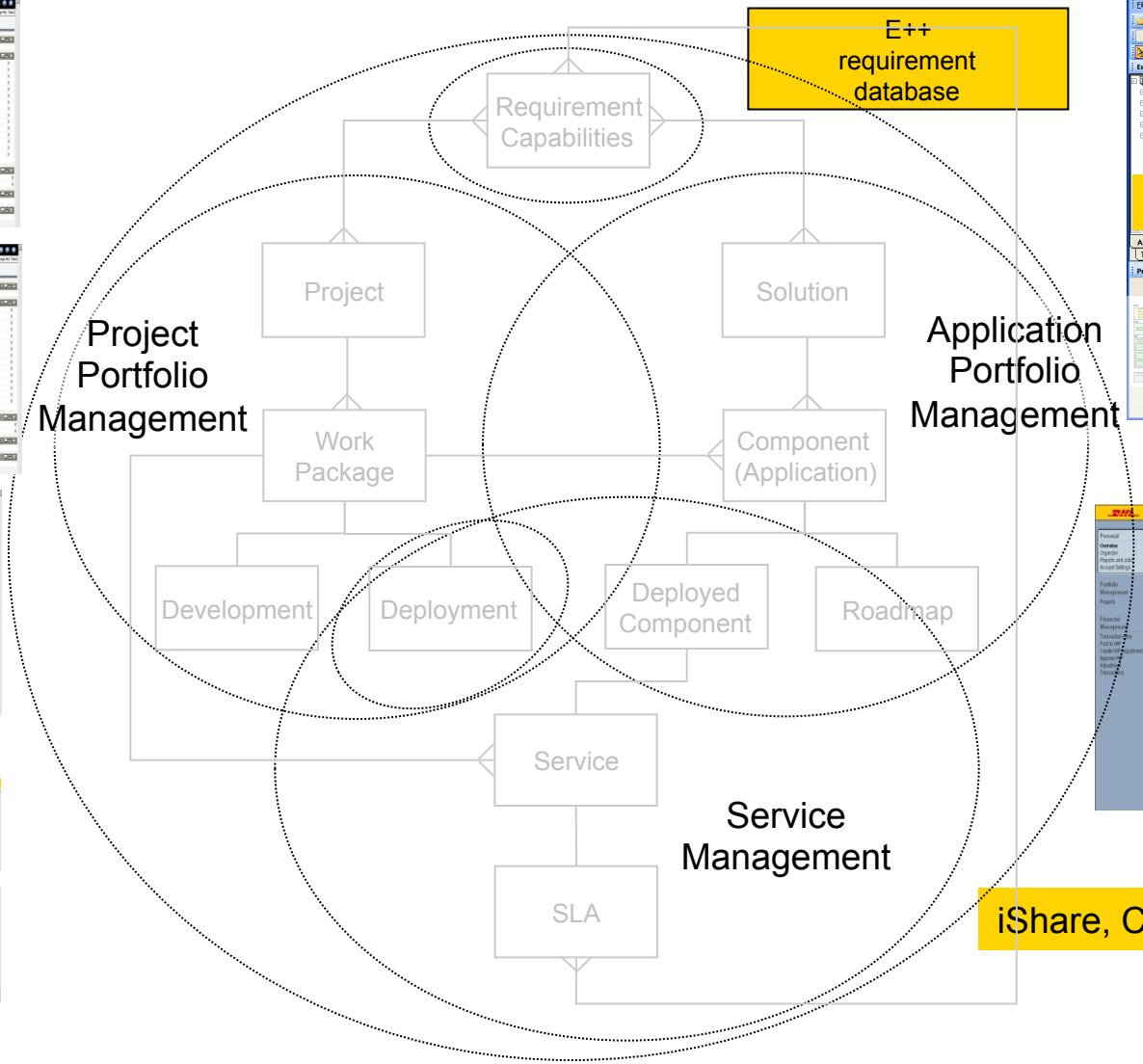
Success Factors – Single Source of Truth
Ensure There is a Single Accountable Source of Truth

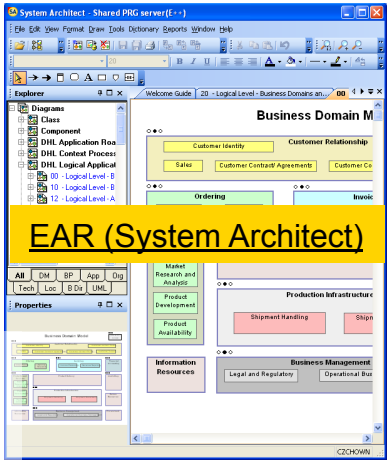


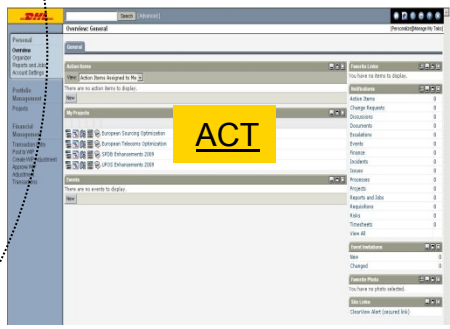












Success Factors – Single Source of Truth
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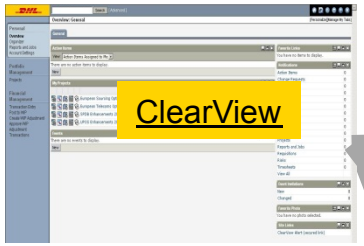
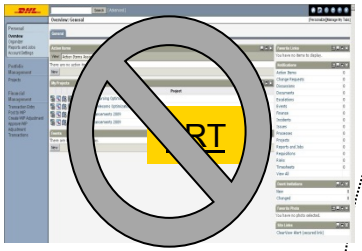
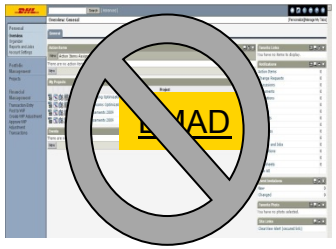






Management reporting

E+ requirement database

Requirement Capabilities

Project

Solution

Project Portfolio Management

Application Portfolio Management

Work Package

Component (Application)

Development

Deployment

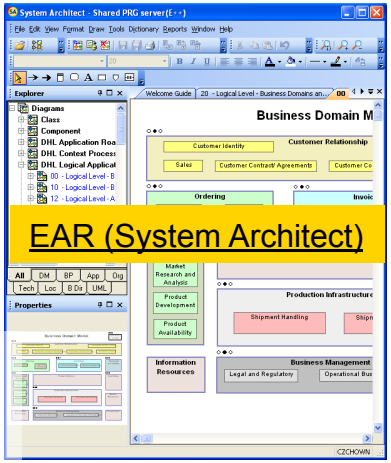
Deployed Component

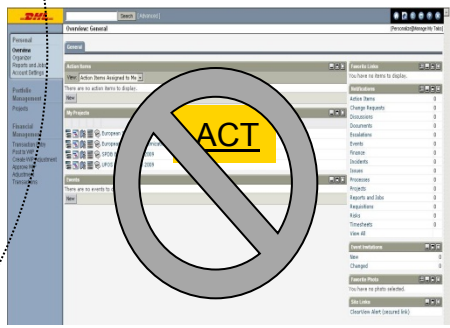
Roadmap

Service

Service Management

SLA





Ensure that the single source is considered the truth
Pick a source, minimize/eliminate all other sources of data..

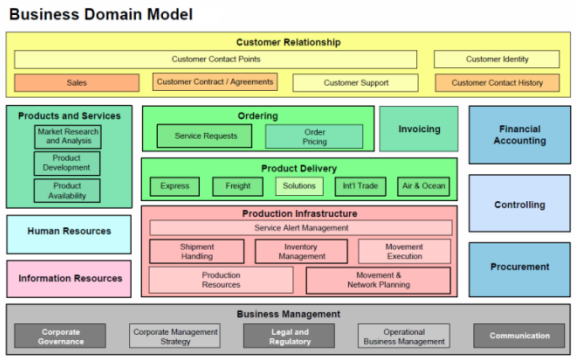
Assign ownership/ accountabilities to each data point
USE the data to encourage self correction

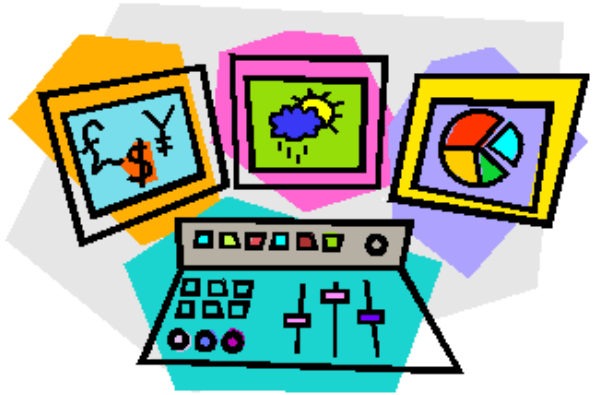
Success Factors – Set Targets And Measure
Application Convergence Scorecard

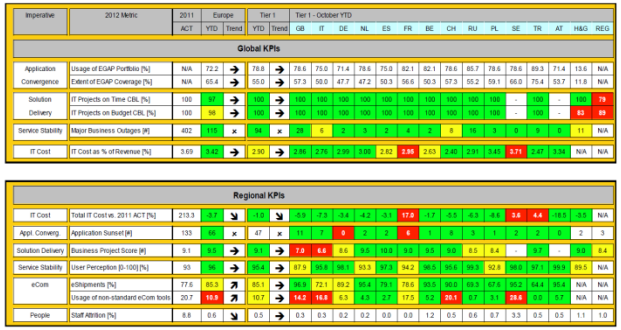
Imperative	2013 Metric	Europe			January YTD										
		2012 ACT	YTD	Trend	ST	AD	FC	GL	BB	DD	AB	EI	IJ	CH	TR	SE
IT Convergence	Application Sunsets [#]	108	9	-	3	0	3	2	0	0	1	0	0	0	0	0
	Usage of EGAP [%]	85.5	86.1	flat	94.8	**90.6**	**73.8**	95.5	81.5	82.9	71.2	93.8	71.9	**89.8**	**66.4**	**94.1**
	Extent of EGAP [%]	67.7	39.8	better	57.8	21.2	**39.8**	**29.3**	**41.6**	**36.4**	**9.7**	**46.5**	60.0	50.9	**30.8**	**25.7**

- Ensure that there are both local/individual and group targets
- Everyone has a vested interest in achieving the group target
- Aggressively track and measure (start EVERY meeting/review with them)

Looking to the Future – Our Principles for Success







Develop a practical framework

Ensure there is a single accountable source of truth.

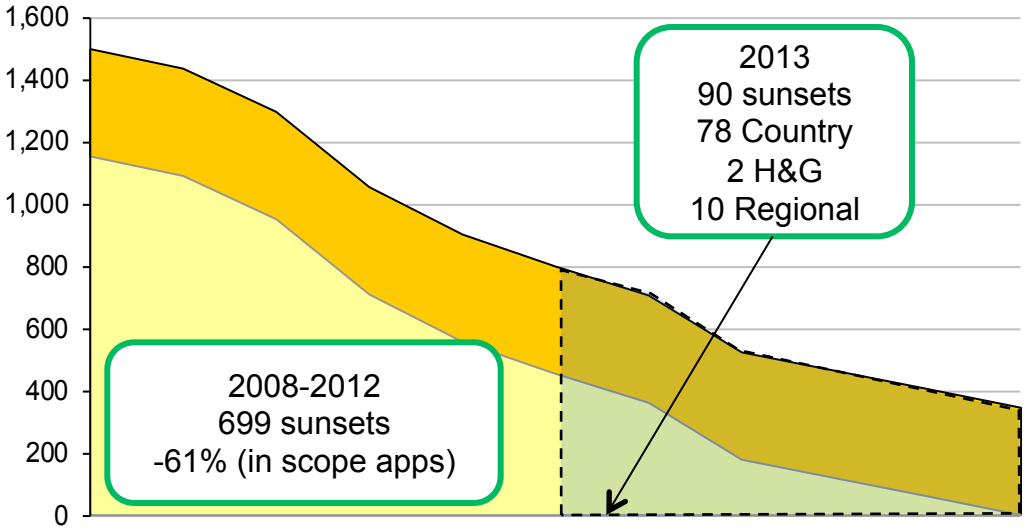
Set targets. Measure and report aggressively

Consistency but be practical and willing to adapt as you go along

- Start (establish framework) and then refine
- Don't get lost in the details
- Practical about data, it will never be perfect
- Big picture benefit vs. individual case. Steer toward the big benefit case, otherwise it will be easy to avoid any change by rejecting each change whether it stands up individually

Looking to the Future - EU Application Convergence Roadmap

Number of Applications in Europe [#]



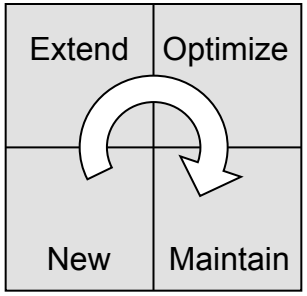
	Baseline 2008 Q3	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
EGAP and Specialist	345	345	345	345	345	345	345	345	345	345	345
EU Convergence	1153	1090	951	709	557	454	364	181	119	60	0
Total	1498	1435	1296	1054	902	799	709	526	464	405	345

OMP 19 /GRE 18
BICC 24 /H&G 112

The Journey Continues Through Managed Evolution

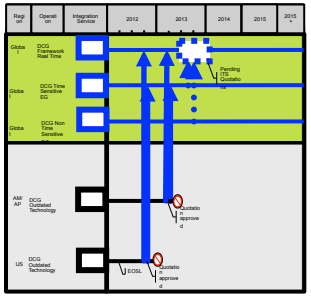
Establish capability management and planning around the capability lifecycle.

Prioritize



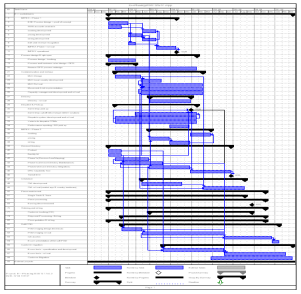
Devise
High-Level
Solution

Roadmap



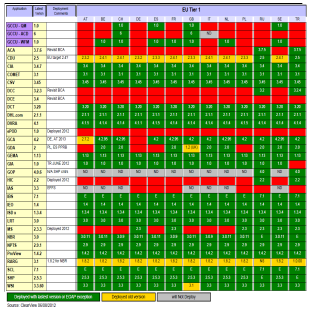
Project
Definition
And Initiation

Implement



Capability
Rollout.
Sunset non-standard
Implementation

Operate



Monitor
and Analyze
Capability Performance

Target Architecture and
Dependencies