

LEAN Ohio

KAIZEN RESULTS

Maximizing the technology investment:

DAS SAVES MILLIONS THROUGH KAIZEN AND IT CONSOLIDATION

IN BRIEF: It used to work just fine to have different offices within one agency fill their own technology needs. But the growing importance of IT, and the increased use of computer technology, call for a different approach when it comes to managing IT assets.

SIMPLIFICATION: Five processes have been turned into one

CONSOLIDATION: All procurement will be done by one business office instead of three

FASTER RESPONSE: End-user desktop equipment requests will be filled up to 80% faster

BOTTOM LINE: Savings of up to \$4 million could accrue in five years throughout DAS due to better-coordinated bulk purchases of equipment, longer equipment life, standardization of parts and support, and other factors.

Technology is a key to efficiency, but managing that technology can be costly and frustrating.

At the Ohio Department of Administrative Services, big improvements are under way in how the agency manages its inventory of desktops, laptops, monitors, and other IT assets. The changes are streamlining the agency's approach to filling end-user technology needs, tracking inventory, ensuring asset security, extending computer life, and more.

With smarter, simpler processes that move more quickly, the savings could add up to millions of dollars in a few short years.

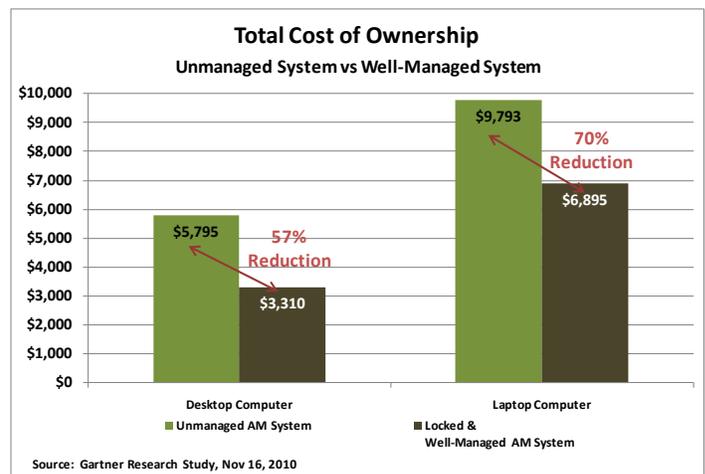
The biggest unfolding change can be summed up in one word: centralization. And the driving force behind this change can be summed up in one word as well: Kaizen.

In February 2011, people from key areas in IT asset management teamed up for five straight days of intense work. This week-long blitz is a hallmark of Kaizen – the approach used by top private-sector organizations to achieve efficiencies, cost savings, and greater customer satisfaction. The aim for the IT team: to analyze the current situation, uncover high-impact improvements, and craft an implementation plan that built on progress to date.

DAS had been managing its IT assets in a decentralized way, with six business offices buying equipment for six different areas of the agency. Each had its own approaches for pricing, tracking,

depreciation, storage, and so on. As the inventory of assets grew, so did the confusion, frustration, and expense.

A partial consolidation brought relief as six offices were turned into three. But more improvement was needed. That's what led to the five-day marathon involving 19 people, three team facilitators, countless cups of vending coffee, and an abundance of determination.



By moving to a well-managed asset management system, it is estimated that the department can save about \$1,400 per desktop and \$2,900 per laptop. The savings will accrue to a total of about \$4 million over a 5 year period.

The team developed a single process for requesting, obtaining, and then tracking desktop assets. To be used by computer users throughout DAS, the streamlined approach replaces five decentralized processes. It's faster too – about 80% faster than before, with some requests being filled in just two or three weeks. There were similar improvements to procurement, with the team's simplified process dropping the time from 60 days to as few as 7.

All procurement will be handled by the Office of Information Technology Business Office, and IT Services will be receiving the internal requests, validating business needs, reviewing the existing inventory and available contracts, and serving as the main point of contact for internal customers.

Consolidation and standardization on this scale can save millions of dollars – as much as \$4 million over five years, according to Gartner, Inc., a leading technology research firm. The savings accrue through bigger bulk purchases of equipment, the standardization of support, smaller inventories of replaceable parts, easier tracking of licensing issues and updates, and longer equipment life.

There are benefits for end users as well. If someone's monitor burns out, they won't waste time trying to figure out where to go or who to contact. They'll "put in a ticket" with one central location, the request will be filled from a list of acceptable equipment, and the replacement monitor will be supplied and linked to that person at their work location. It's a user-friendly process that builds in accountability and security.

The project "was truly a partnership between the divisions' business offices," said Bob Blair, Director of DAS. Included were IT Services, OIT Infrastructure Services Division, OIT Investment and Governance Division, and staff from ODJFS and BWC who had worked on similar projects in their agencies.

The team developed an array of improvements, since so much is involved in consolidating and standardizing IT asset management in a big organization. Implementation is steadily moving forward.

"We can feel proud that DAS is working to maximize our use of Ohio's taxpayer dollars," Blair said



The Kaizen team learns new tools for reducing waste and increasing speed through Lean and Six Sigma.