

Department of Administrative Services



DAS IT Asset Management

Kaizen Event

February 14 - 18, 2011

Report - Out February 23, 2011

Team 'Organized Chaos'



The Team

- Alexander, Connie - Fiscal Specialist, Dept. of Administrative Services
- Boggs, Wendi - Project Manager, OIT
- Breinich, Venus - ODJFS
- Coleman, Glen - Administrator, Department of Administrative Services
- Critchley, Alexis - Intern, Department of Administrative Services
- Cunningham, Jim - BWC
- Daugherty, Debra - Department of Administrative Services
- Efthimiou, Anni - Fiscal Officer , Department of Administrative Services
- Green, Stacey - Business Operations Mgr, Dept. of Administrative Services
- Howard, Holly - ODJFS
- Johnson, Tammy - Fiscal Officer, Dept. of Administrative Services
- Jones, Steve - Dept. of Administrative Services
- Keppler, Andrew - Administrative Assistant, Dept. of Administrative Services
- Kuzma, Jane - Administrative Assistant, Dept. of Adm. Services
- Powell, Al - Desktop Services, Dept. of Adm. Services
- Quappe, Dorothy - Inventory Supervisor, Dept. of Adm. Services
- Rogers, Aron - Network Admin Supervisor, Dept. of Adm. Services
- Sowry, Erika - Administrative Assistant, Dept. of Adm. Services
- Williams, Matt - IT Architect , Dept. of Adm. Services

Facilitators: Bill Demidovich, Gloria Calcara, Sue Kirby & Steve Wall



Background

The Department of Administrative Services (DAS) is organized into six functional divisions that are supported by 3 separate, embedded business offices that purchase and track IT resources and desktop software (decentralized).

DAS IT Services (ITS) provides front line IT helpdesk, hardware/software support, application development/maintenance, web support and LAN/networking support for the DAS divisions, Boards and Commissions and the Governor's Office.

ITS is responsible for DAS Microsoft Enterprise Agreement (EA) contract and contract renewal every three years.

Reasons for improving this process

- Inventory is not maintained in a single tracking system for SW purchases or installations.
- Responsibility to maintain records of transfers and retirements of IT equipment are divided across multiple business functions.
- Smaller peripherals are not tracked in current asset management systems.
- Microsoft EA renewal is difficult without an accurate software and inventory count for all IT equipment.
- We wanted to improve customer service
- We all need to cut costs

The following IT assets will be centralized for the entire DAS Agency:

- Laptops
- Desktops
- Monitors
- Mice
- Keyboards
- Smart Phones
- USB Flash Drives
- Software (Desk Top Software, MS Server Software, etc.)
- Thin Client Appliance

The following assets will not be centralized during this project:

- Non-Microsoft Server Software
- Server/Networking Hardware
- Desk Phones
- Cell Phones
- Contracts for Smart Phones
- Miscellaneous Peripherals (Scanners, Web Cams, etc.)
- Printers
- Projectors
- Service Offering for Governor's Office, Boards and Commissions and Enterprise

Scope of Event

The process begins when an asset is requested (either verbally, through e-mail, or through the structured process) and ends when the asset is disposed of at end-of-life.

Note: the actual procurement process is not included in the scope of this event.

Out of Scope

Areas that will not change as a result of the Kaizen event are:

- State statutory and rule items such as time requirements and items required for application including public notice and participation
- Federal requirements/mandates
- No employee loses a job because of Kaizen event, but duties may be modified
- No IT solutions until after process is streamlined

Goals & Objectives

Establish IT End User Asset Management Plan inclusive of:

- Centralized procurement (leveraged purchasing);
- Centralized inventorying/tracking (accountability and transparency);
- Centralized asset retirement (accountability and transparency).

Reduce processing time for the Enterprise Agreement development and implementation.

Reduce the time from request to deployment for all in scope items.

Baseline Data

FY10 In-Scope Buys

FY 2010 IT Purchases		
Item	Number	Total Cost
Smart Phones	12	\$691.94
Laptops	20	\$24,733.55
Desktops	149	\$104,381.44
Monitors	157	\$38,940.51
Total	338	\$168,747.44

Baseline Data

Plan and division budget DAS 12/13

Proposed	FY12	FY13
Total Software Purchases	\$2,500.00	\$18,300.00
Total Hardware Purchases	\$167,764.00	\$148,000.00

This would allow for the purchase of 143 desktop/laptop computers at an average cost of \$1,173 each (based on FY 2010 average)

Baseline Data

Current Inventory

Desktops							
	Count	Average Age in Months	< 1 year	1 year - 2 years	2 years- 3 years	>3 years	>5 years
ASD	193	52.7	16	44	1	132	81
EOD	54	29.1	37	0	0	17	17
GSD	340	44.5	65	15	23	237	82
HRD	274	55.8	0	0	0	274	64
OCB	42	59.7	0	0	0	42	12
OIT	699	66.7	87	4	11	597	378
Grand Total	1601	57.0	205	63	35	1299	634

DAS currently has 1,601 desktops in inventory.
81% are over 3 years old; 40% are over 5 years old.

Baseline Data

Age of Current Inventory

Total items in Inventory as of 12/21/10	< 1 year	1 year - 2 years	2 years- 3 years	>3 years	>5 years
3358	511	155	103	2590	1474
	15.2%	4.6%	3.1%	77.1%	43.9%

Three quarters of the inventoried assets are over 3 years old.
44% are over 5 years old.

The Kaizen Approach

Team-based energy and creativity drives immediate process improvement

DAY 1	DAY 2	DAY 3	DAY 4	DAY 5
Day of Learning	Day of Discovery & Developing Improvement Ideas	Day of Improvement & Creating the New process	Day of Design Implementation & Documentation	Day of Celebration & Results Schedule 30-60-90-day follow-ups

At the end of the week, each Kaizen team has designed dramatic operational improvements



To Break for the Better

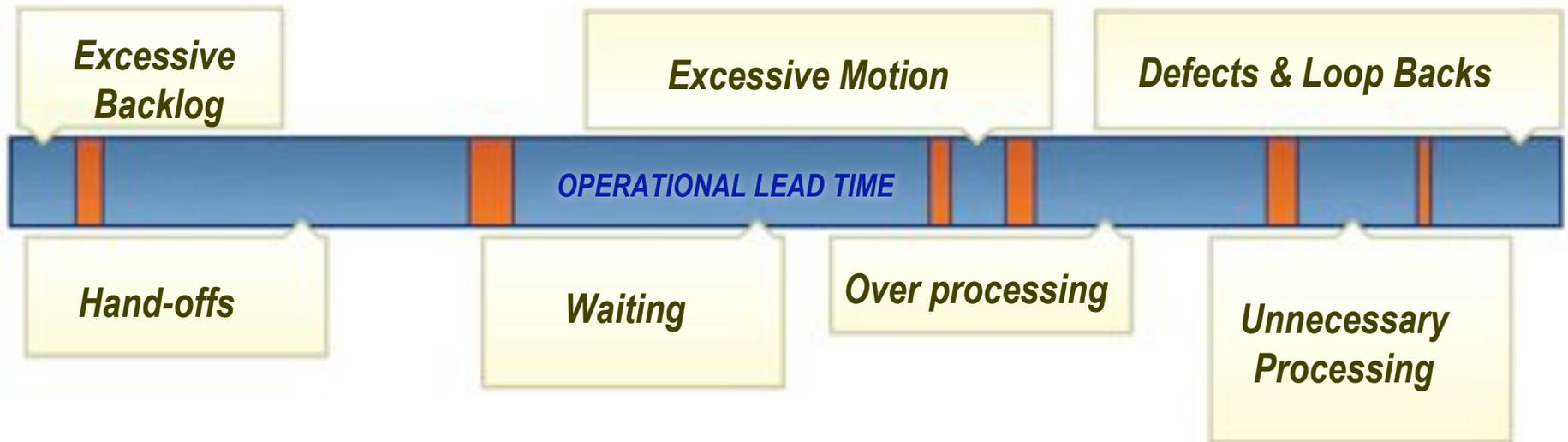


- Clear objectives
- Team process
- Tight focus on time (one week)
- Quick and simple, action first
- Necessary resources available right away
- Immediate results (new process functioning by end of week)

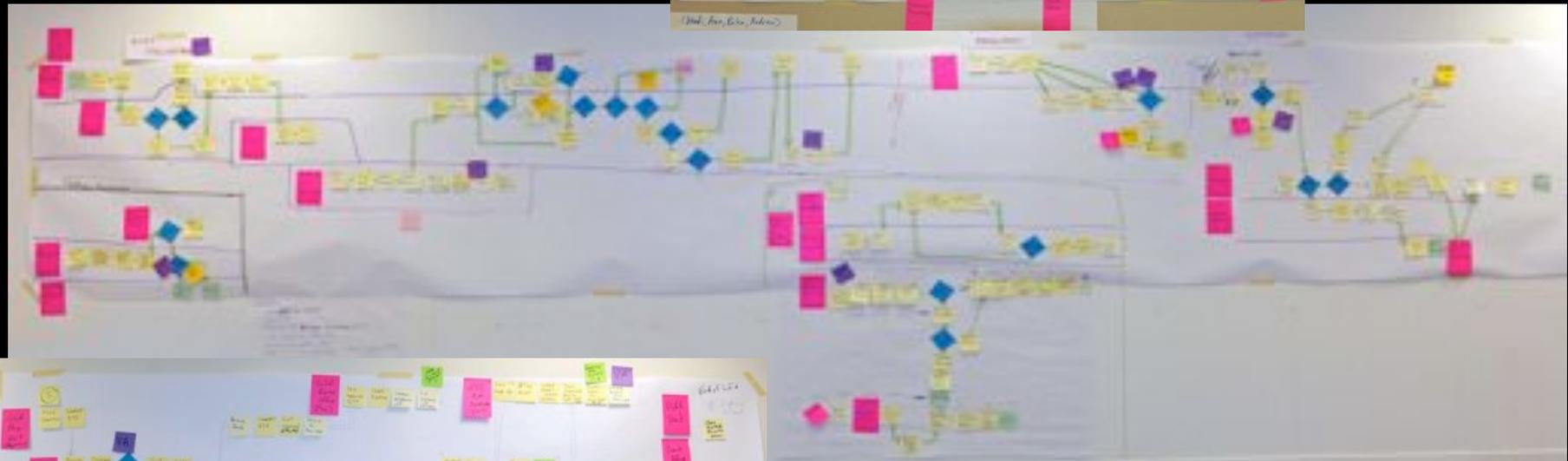
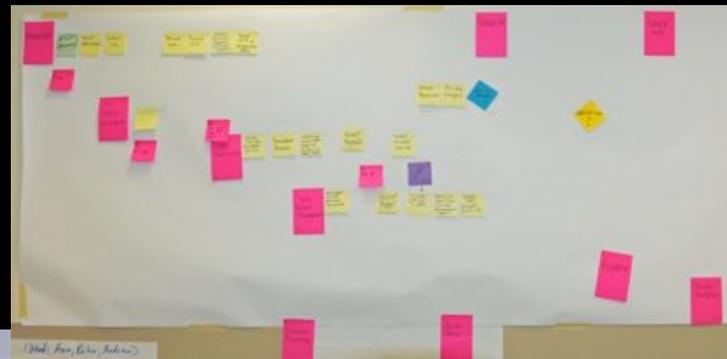
Time-Based Strategies

Lead-Time Reduction

■ Wasted Time and Activity
■ Core Process Value



Current-state Process Map



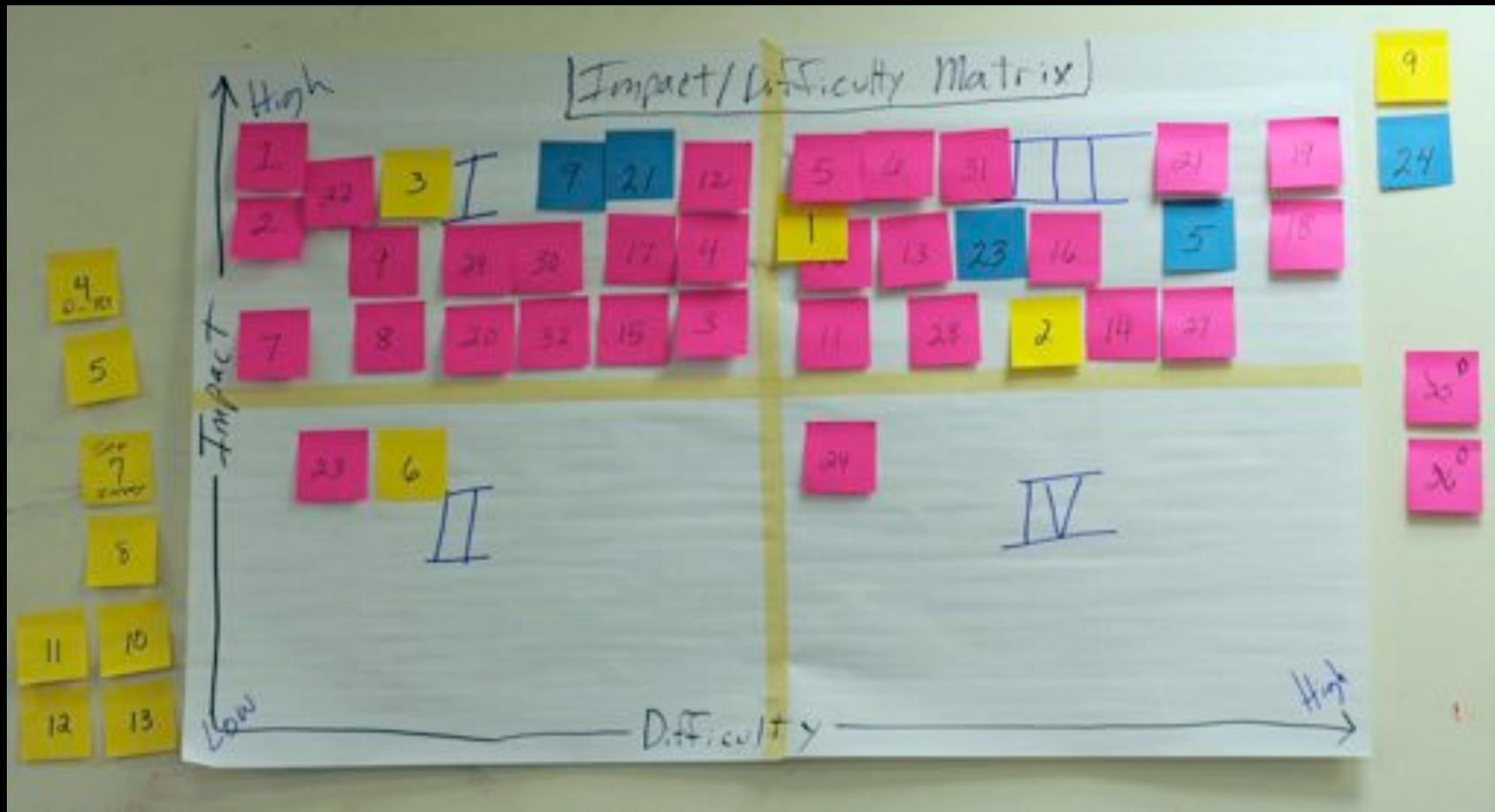
The original processes had:

- Too many steps
- Too many handoffs
- Too much variation
- Too many decision points and delays
- Caused too much process lead time.

The team brainstormed more than 80 improvement ideas

- UPS tablets
- Scanners-all inventory events through scanning
- Bar code cubes
- Clear policy followed by all areas-standardized
- Single DAS asset department
- Hire part time flex people
- Purchasing controls (ITS)
- Remodel asset request process
- On boarding/exit through OES
- Scanning at warehouse
- Personal accountability at performance evaluation
- Procedures (standard) for IT staff to handle inventoried assets
- IT manage at SW (all IT assets-product keys)
- Designate contact area for asset management
- All assets tagged within DAS Asset Management
- Single entry point
- Authority to control equipment (ITS)
- ITS purchases and owns all in scope items
- Fleet managed across divisions (transfer &trade freely)
- Standard end-of-life steps
- Baseline refresh cycle prior to transfer to ITS
- Individual verifies equipment receipt turn in
- Periodic spot checks on inventory
- Right size PC SW purchases
- Duplicate
- Remote inventory software
- Complete patch management
- Standard procedure for missing or stolen equipment
- Communication/training
- Change physical inventory policy (remote inventory)
- One person to manage stock/storage in central location
- One person to enter inventory into chosen internal tracking system - interface with OAKS AM
- Identify roles and responsibilities of asset IT units
- Clarify ownership vs stewardship
- Policies and procedures-communicate/train all
- No backhanded IACP clarify audit responsibilities
- Recognize IT tracking needs might be distinct from financial reporting
- Consolidate IT end user asset management group
- Consider using open office
- One entry point for IT purchases
- One tracking system
- Ease for customer request
- All RFP from ITS
- Train program unit AM coordinators
- Does ITS AM manager run IT inventory process?
- Will ITS have secured back stock?
- How will we verify existing inventory?
- Procedures (standard) for IT staff to handle inventoried assets
- Centralized Asset management for in scope assets by ITS
- Centralized automated tracking system for inventory and software
- Attach asset to custodian
- Inventory control staff
- Align and integrate in boarding & exit procedures
- Attach software keys
- Better communication with asset management
- Lack of resource staffing
- Enhanced OAKS to handle IT assets
- Software license control and tracking
- Centralized quotes by ITS

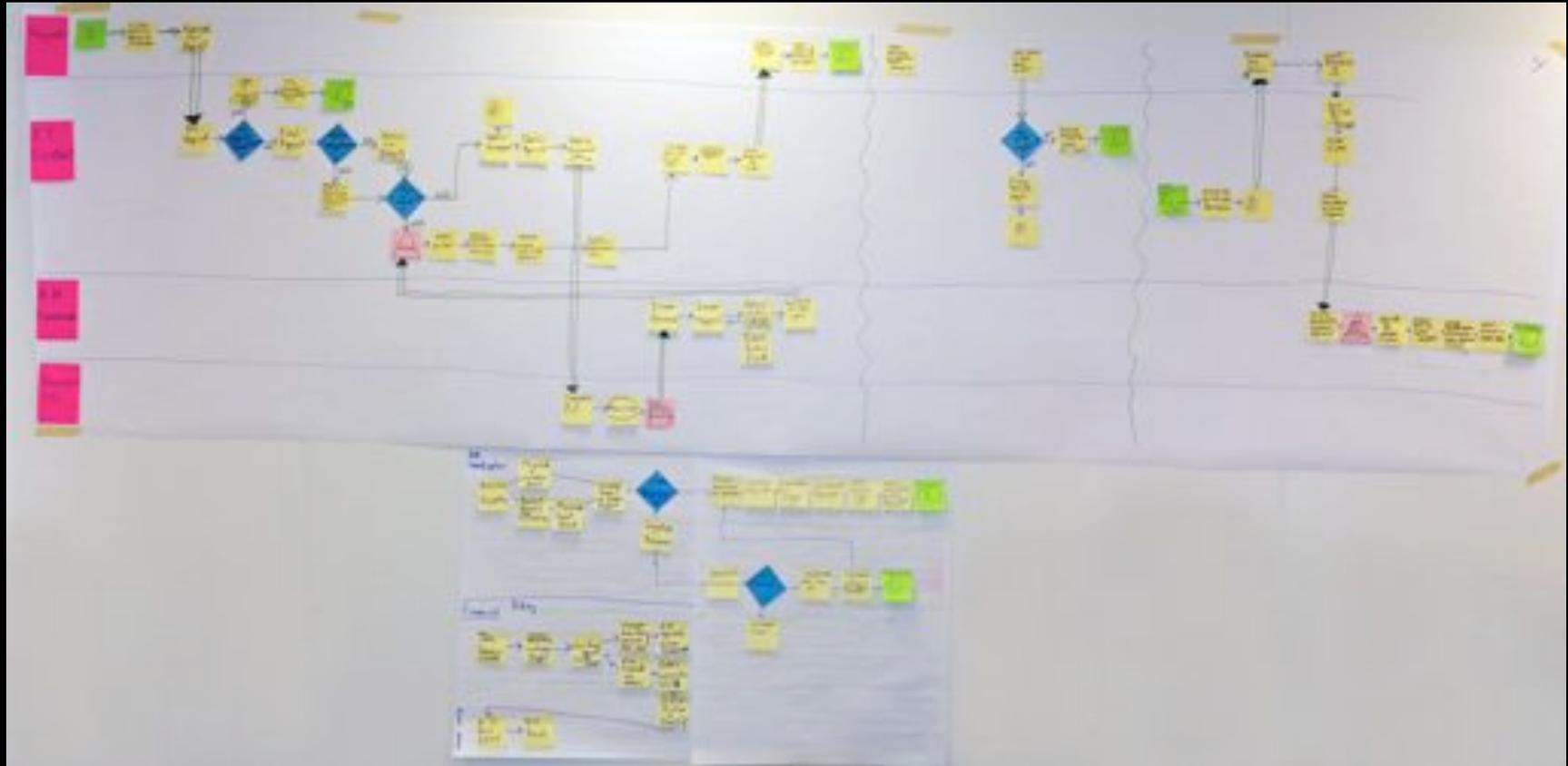
Impact/Difficulty Matrix



Common Themes

- ITS Ownership
 - ITS Prepares RTP
- Single Point of Entry
- Electronic Improvements
 - Scanners
 - CMDB
 - Inter-face with OAKS
 - Initial Request is electronic
 - RTP Process
- Centralized Asset Management unit/person

The New, Improved Process



New, Improved Process

ASSET PROCUREMENT			
	OLD	NEW	%REDUCTION
Lead Time	43-196	7-21	84%- 89%
Tasks	38	26	32%
Hand Offs	15	5	67%
Decisions	9	3	67%

ASSET DISPOSAL			
	OLD	NEW	%REDUCTION
Lead Time	8-10	1-5	50%- 87%
Tasks	24	10	58%
Hand Offs	7	3	57%
Decisions	3	0	100%

END USER ASSET MANAGEMENT			
	OLD	NEW	%REDUCTION
Lead Time	44-169	6-20	86%- 88%
Tasks	36	22	39%
Hand Offs	13	5	62%
Decisions	4	2	50%

Projected Savings

Based on Gartner Report Industry Standards

Locked and well-managed IT systems reduces the Total Cost of Ownership

According to industry standard calculations, savings is estimated at:

Approximately \$4 million over 5 years

Savings are attributed to:

- Standardized support
- Bulk purchasing of equipment
- Fewer trouble tickets
- A better managed system

The Results

Measure	Before	After	Difference
# Processes	5	1	80% reduction
Lead Time	Varies	varies	80% reduction
# Tracking Holes	9	0	100%
Projected Cost Avoidance	Partially unmanaged	Managed	\$4 million over 5 years

<i>Key Issues</i>	<i>Major Improvements</i>
5 separate processes	1 streamlined process
Non-standardized equipment	One point of contact for quote gathering and spec development will ensure standardization
Too many entry points and duplicative processes	By creating one point of contact there will be less touches, improved efficiency, and increased customer satisfaction
Too much wait time	Reduced steps and complexity in processes to decrease wait time
Too costly	Moved from unmanaged to partially managed process to save money

Major Process Improvements

- Predictable and timely review
- Centralization, Standardization, Duplication of effort
8 to1
- More customer focused balance with job
- Communication Gaps
- Streamlined Communication
- Documenting the Process
- Socializing the Process
- Clarified roles and responsibilities
- Customer deals with single entity - cuts down on confusion...
- Shrink reduction

Benefits

- Less downtime
- Less waiting
- Standardization
- Better audit trail
- Less shrinkage
- Easier audits
- Better tracking
- Increased accountability
- Easier to measure service delivery
- Increase customer satisfaction
- Faster results for end-user



Interagency Cooperation

- 11 months ago ODJFS & DAS conducted a Kaizen event for JFS asset management with remarkable success
- JFS & BWC served on the DAS IT Asset Management team and contributed to its success
- All agencies learned new techniques and efficiencies from each other
- Ongoing plans to work with BWC & JFS on next steps and future efforts

What changes Now?

- Communication Plan is being rolled out
- Policy development began during Kaizen and is being refined
- One point of contact for equipment & software requests



Personal Lessons Learned

- Others in the department are frustrated too
- Everybody wants to find out the best way to do things
- There's a real method to the madness, results in process improvement
- It was worth it
- Other agencies came in to help (collaboration) and dedicate their time.
- Learned a lot about processes of other divisions
- Now I understand the purpose of colored post-its and markers
- Increased awareness
- Breaking out of the rut...need an event to take an outside look
- Gained new respect/perspective for other offices
- Understand roles and frustrations of others
- The team went from Team Organized Chaos to....

Team 'Streamliners'



Life as a member of a Kaizen event Team...



Jane Kuzma, Administrative Assistant, DAS, Jim Cunningham, BWC,
Tammy Johnson, Fiscal Officer, DAS

What Questions/Comments do you have?



Special *THANKS* to...

- Director Robert Blair
- The folks back at the ranch...