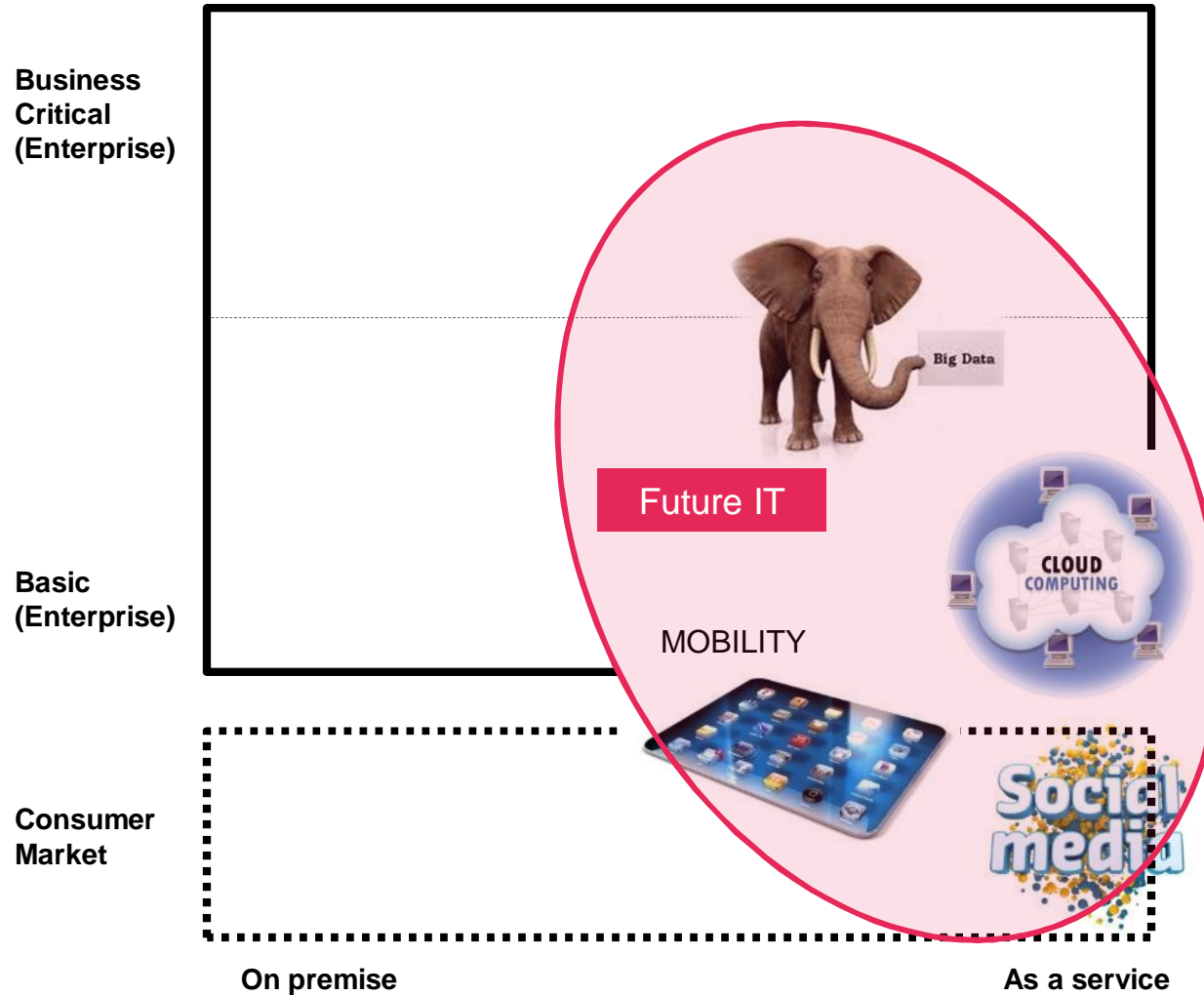# Game Changers: Cloud & Lean

→ Technology view
→ Organizational and cultural view

**Sampo Salonen**
EVP, Global Delivery and Quality

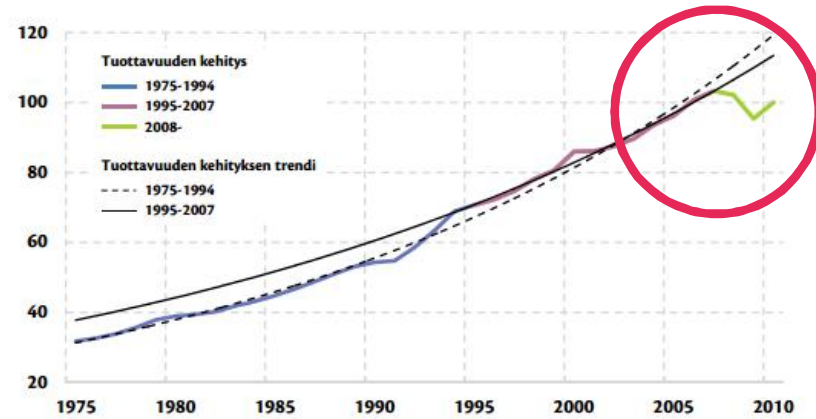# Perfect storm driven by Cloud, Mobility, Social Media and Big Data

**Business Critical (Enterprise)**

Big Data

Future IT

**Basic (Enterprise)**

CLOUD COMPUTING

MOBILITY

**Consumer Market**

Social media

**On premise**

**As a service**

2012-06-08

# Increasing expectations towards IT vs. declining workforce productivity in FI



Source: Stora Enso



                                    2012-06-08

# We are committed to develop enterprises and society through information technology

➔ **Corporate purpose defines our identity**

# Technology Trends in Enterprise
## 1) Cloud Computing

- Post-PC era freedom to use computing power anywhere
- The economics of scale becomes more attractive
- From product to as-a-service
- System architectures to move towards service-centricity

# Technology Trends in Enterprise
## 2) Enterprise Mobility

- Mobility changes the way companies are doing business
  – in all industries

- Organizations create competitive advantage by mobilizing their business processes

- Customers, employees and partners have instant access to information and can interact anywhere, anytime.

# Technology Trends in Enterprise
## 3) Big Data & Analytics

- Flood of information from internet, images, sensors etc.

- Technology advances in distributed and virtual computing

- Huge data volumes drive the importance of data and analytics

# Technology Trends in Enterprise
## 4) Social Networks

- Power shift from companies to customers

- Tech-enabled interaction with individuals is becoming mandatory for companies

- 21$^{th}$ century boost of individualism feeds phenomena like social discovery or crowdsourcing
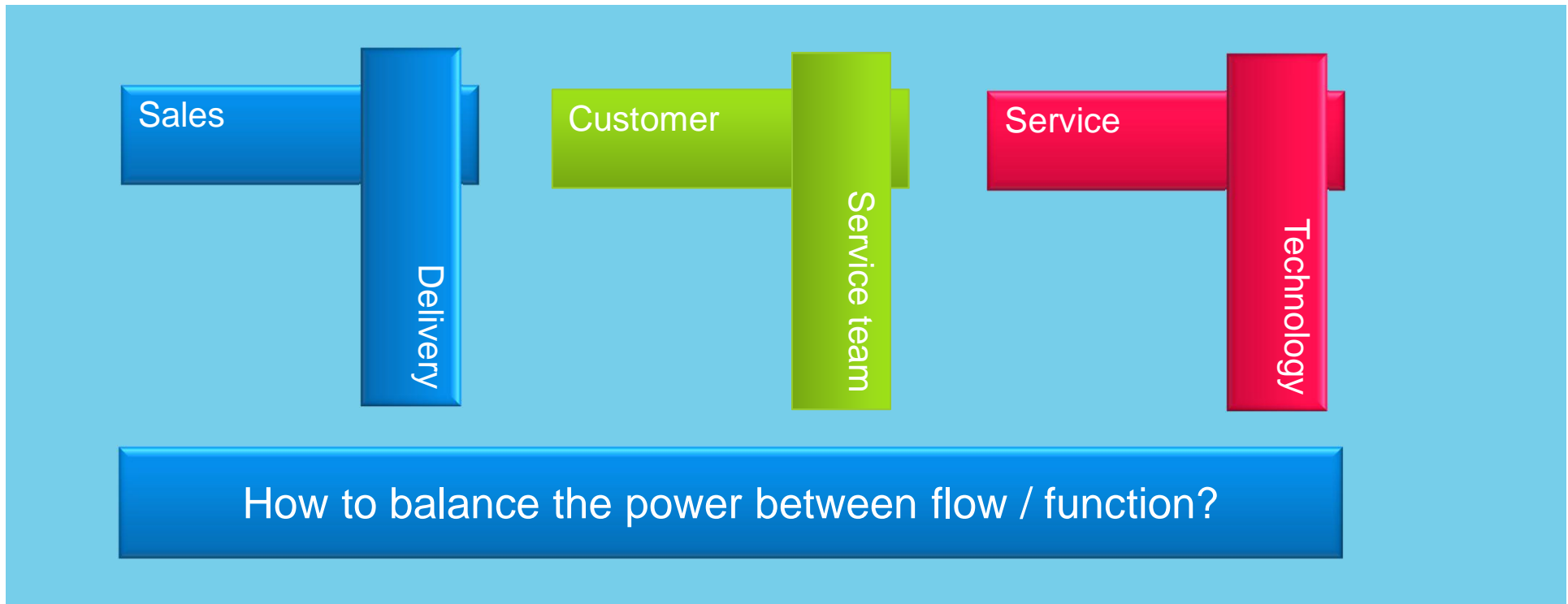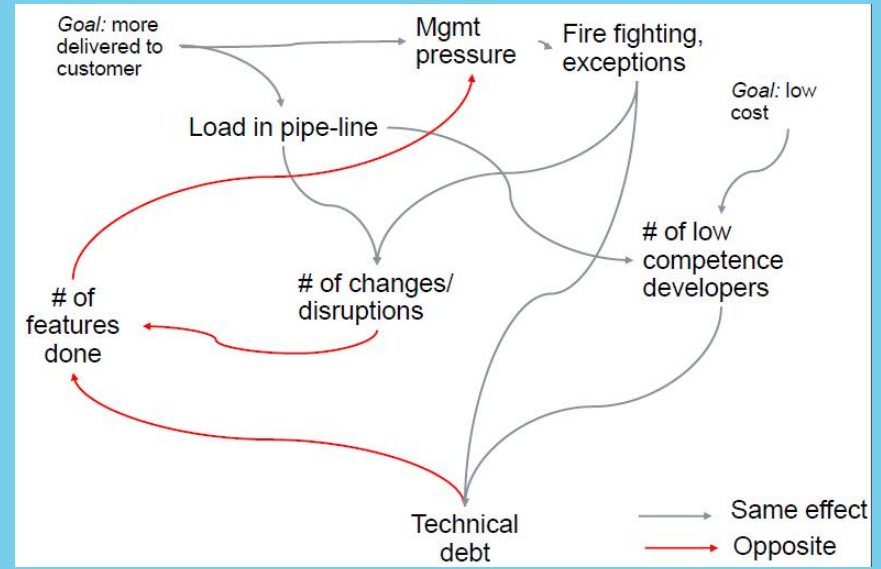
# How to face future challenges

Examples from Tieto

# Starting point of companies
## Functions and Matrix vs. flow

Sales

Delivery

Customer

Service team

Service

Technology

How to balance the power between flow / function?

2012-06-08

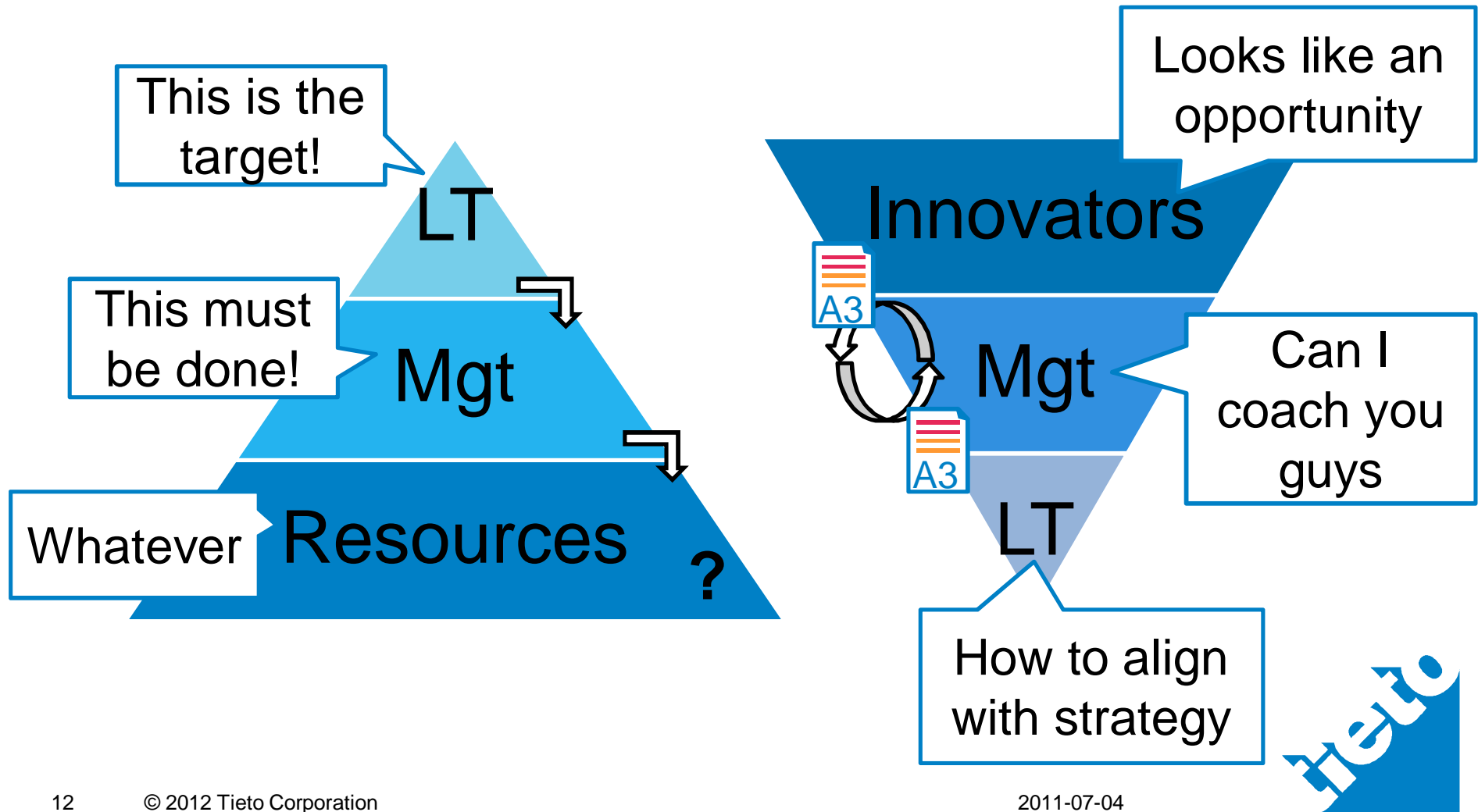# Starting point of companies
## Not to forget the Technical Dept
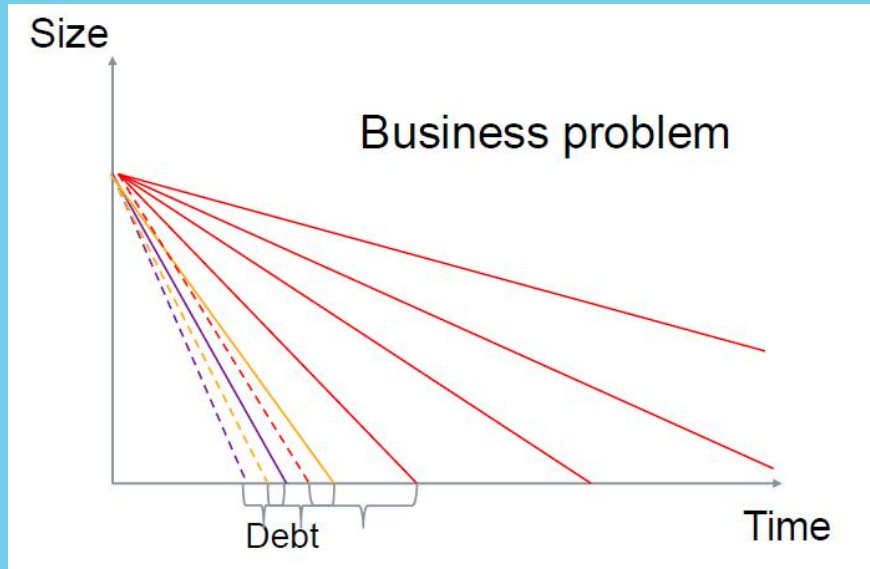


**Source: Kati Vilkki, NSN, Why SW is always a problem?**
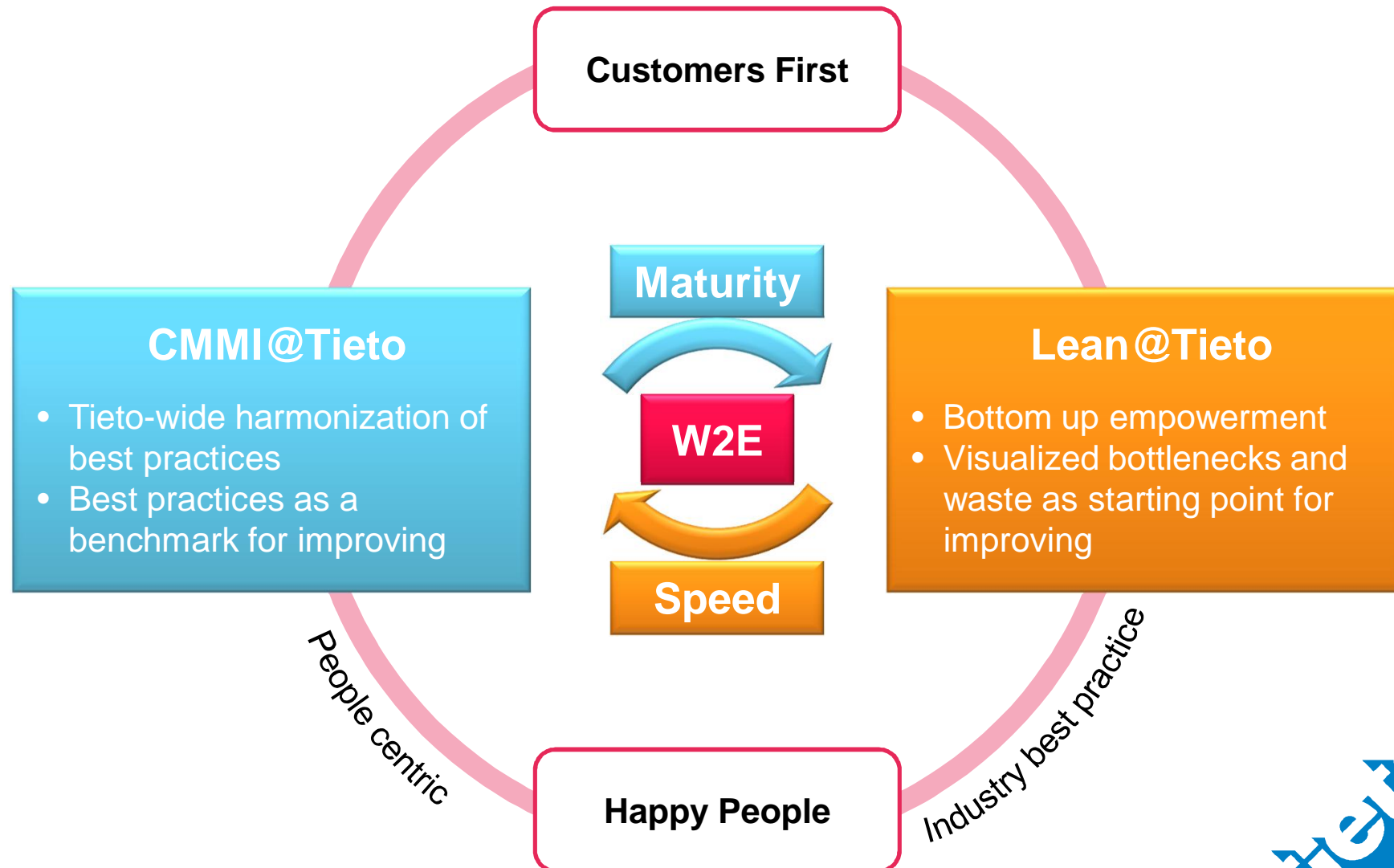
# Power shift also inside company Huge change for line manager role



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# Continuous Improvement: CMMI and LEAN
## Industry best practice with people centric approach

Customers First

**Maturity**

**W2E**

**Speed**

## CMMI@Tieto

- Tieto-wide harmonization of best practices
- Best practices as a benchmark for improving

## Lean@Tieto

- Bottom up empowerment
- Visualized bottlenecks and waste as starting point for improving

People centric

Industry best practice

Happy People

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# Energy case gives even better CSS and profitability results in 2011!

### Productivity growth after ramp-up (3x)



- 31,93 — 8.1, 2009-10-18
- 82,46 — 8.2, 2010-04-16
- 108,53 — 8.3, 2010-10-15

■ Productivity (Profit/Spent Hour)
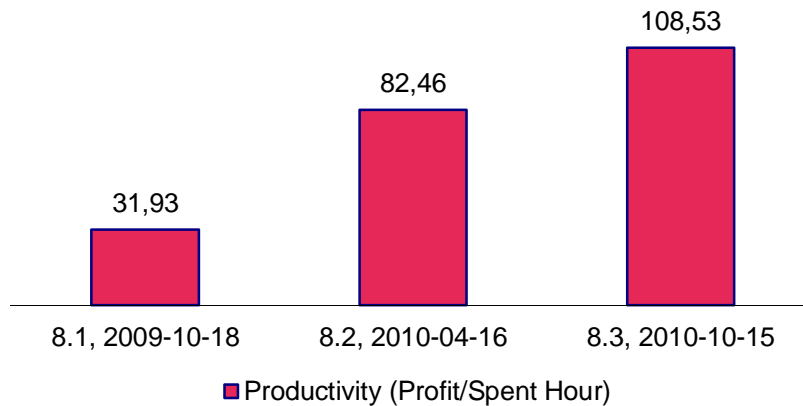
### Significant quality increase last year (26%)



**# Open errors**

— # Open errors
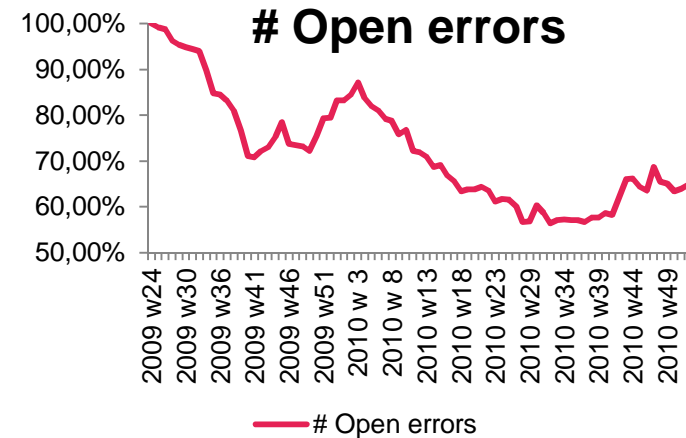
### Customer satisfaction grows in year 2010 (7%)



Sweden: 3,20 (2008) → 3,3 (2009) → 3,6 (2010)
Finland: 3,40 (2008) → 3,3 (2009) → 3,5 (2010)

— Sweden  — Finland
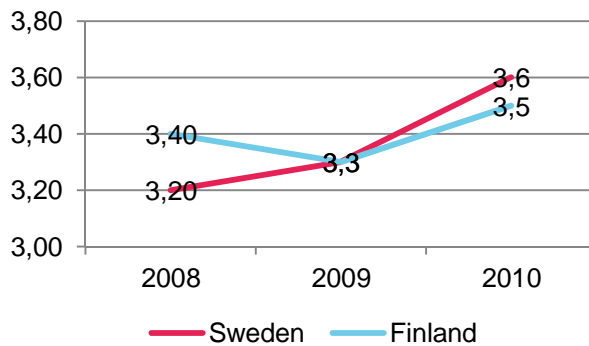
### Employee motivation growing rapidly in 2010 (1.6x)



— Motivation/Engagement  — Operational capabilities
— Confidence in management

Holistic view of Agile
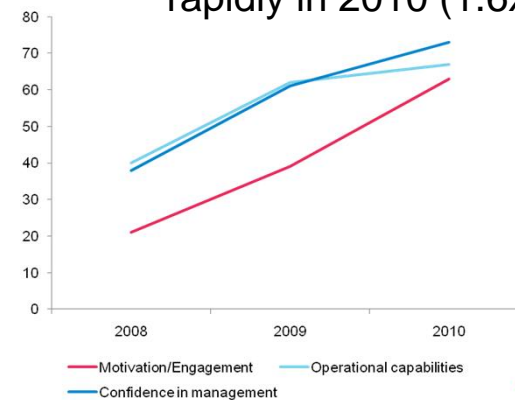
# Utilising Lean@Tieto for company wide transformation

Top-down support

Bottom-up realization

DMN

Doubled speed
Doubled efficiency
Half of effort
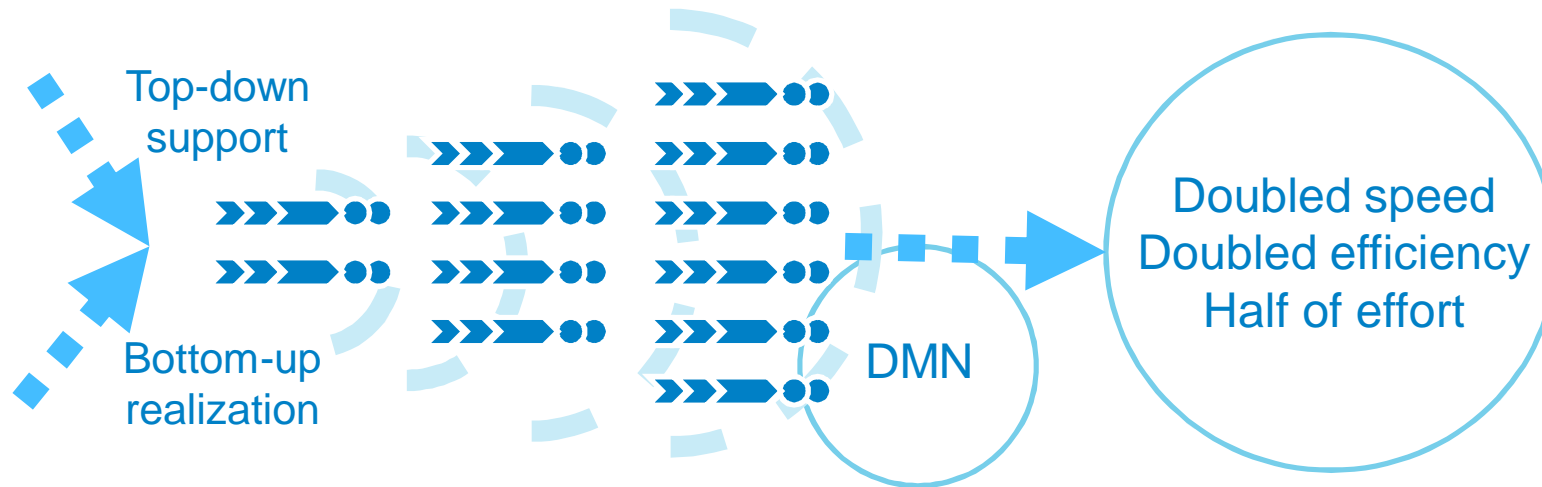
- Ripple effect cased by pull from other teams (they decide, they own it)
- Coaches spread the knowledge by giving hands-on support
- Coaches integrated into company wide Network – learn & grow together

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# An improvement on A3 = Lean in action

Kaizen

Empower people

Go & See

Reduce waste

Value Stream Map

Flow

No change without measure

5x Why?

Plan-Do-Check-Act

     2011-07-04
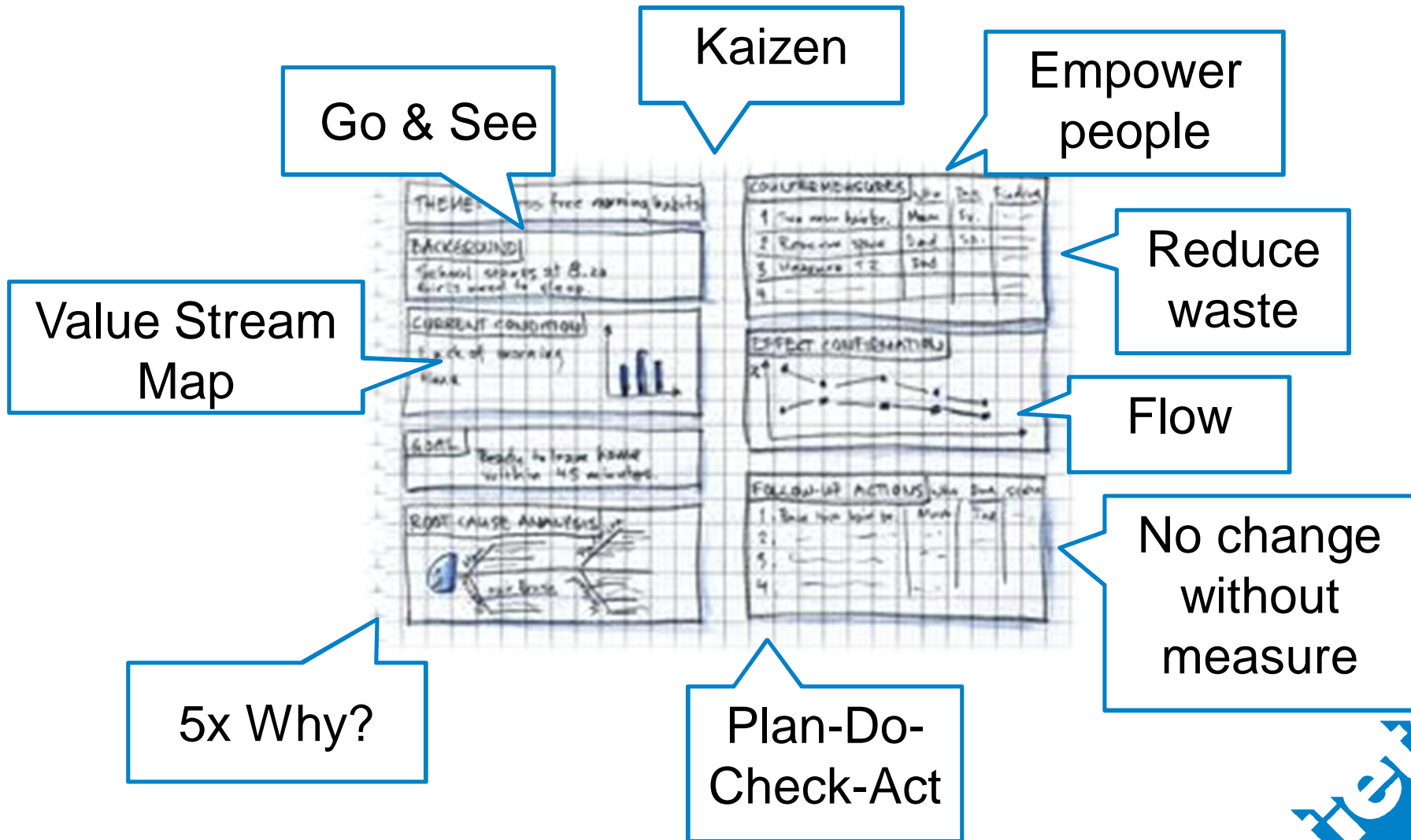
# Example case #1: Customers First
## To improve customer experience and Tieto's performance

CUSTOMER

tieto

**Tieto way to empower the flow dimension**

Customer feedback management

Co-governance

Co-innovation

Customer team empowerment

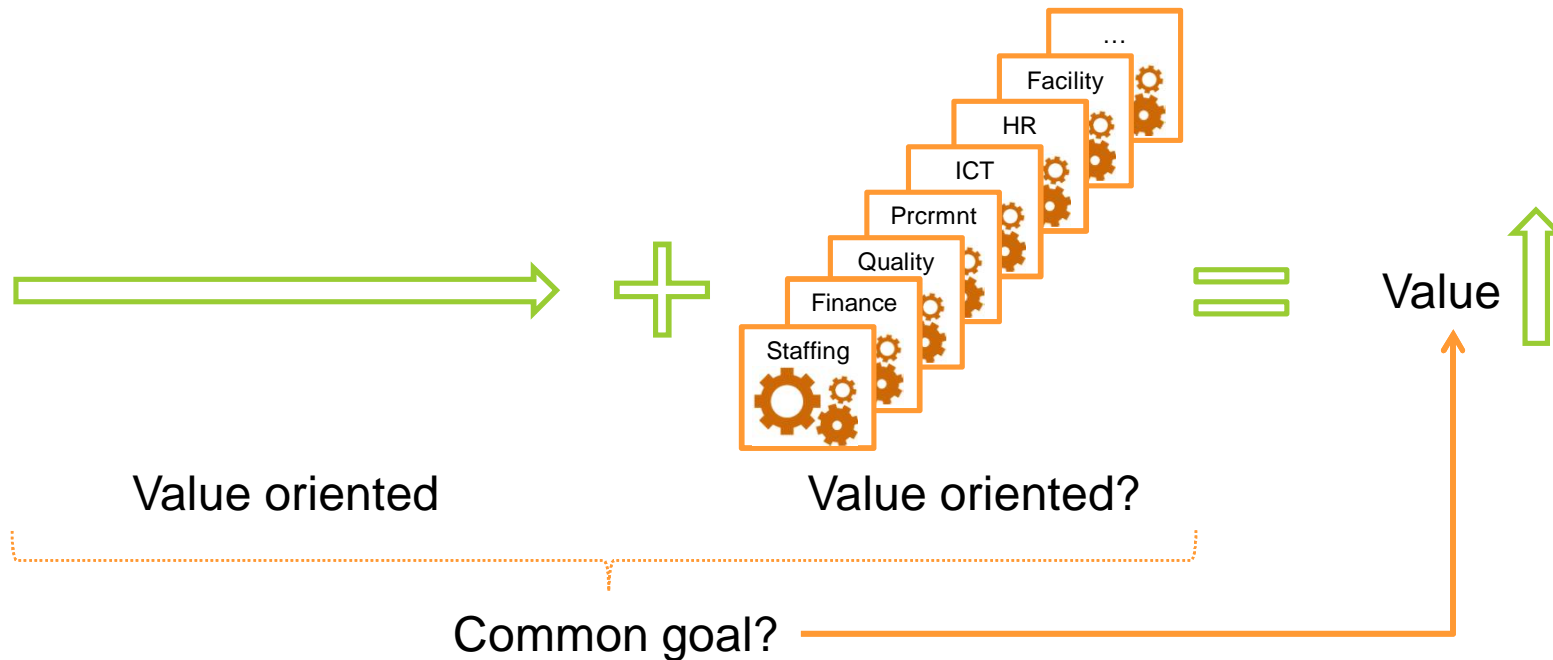Strong project management

Continuous improvements

Sharing & reusing knowledge

2012-06-08

# Example case #2:
## Aligning support functions towards customer value



Value oriented + Value oriented? = Value

Common goal?

                2012-06-08

# Example case #2:
## Participant's feedback

| Involved Roles/Representatives |
| --- |
| Delivery Manager |
| Customer Managers |
| Line Managers |
| Continuous Service Managers |
| Quality Lead |
| Finance Partner |
| Finance Controller |
| HR Partner |
| Purchasing, Subcontracting, Procurement, Staffing |
| Special Guest |

Great opinion to meet whole customer team, good possibility to see how we work together and future starting point.

We all see some proven change is needed, let's do it!

We are in a good way to knowledge future.

Not sure after first day, now surprised what good changes can be done. Could be interesting to see LT member here and discuss topisc immediatelly.

We been touching pretty heavy problems here, need to be escalated.

Briliant ideas to be implemented.

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2012-06-08
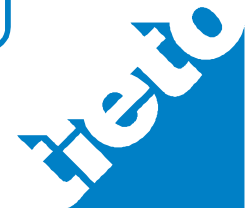
# Example case #3:
## Creating learning organisation with "TietoKnows"

- **Company-wide** knowledge sharing concept
- **32** sessions held in 2012
- **2200** people participated
- Participants per session: **30 - 200**
- **17** countries represented
- Average session evaluation score: **4,2** (5 = best rank)
- Tieto Knows User Community Members: **756**
  - Strongly growing

**Tieto Knows – new members per month**

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# Example case #4:
## Program: "Easier Life for Project Managers"

- Carousel: Monthly knowledge sharing sessions
- Tools: Process automation & people support
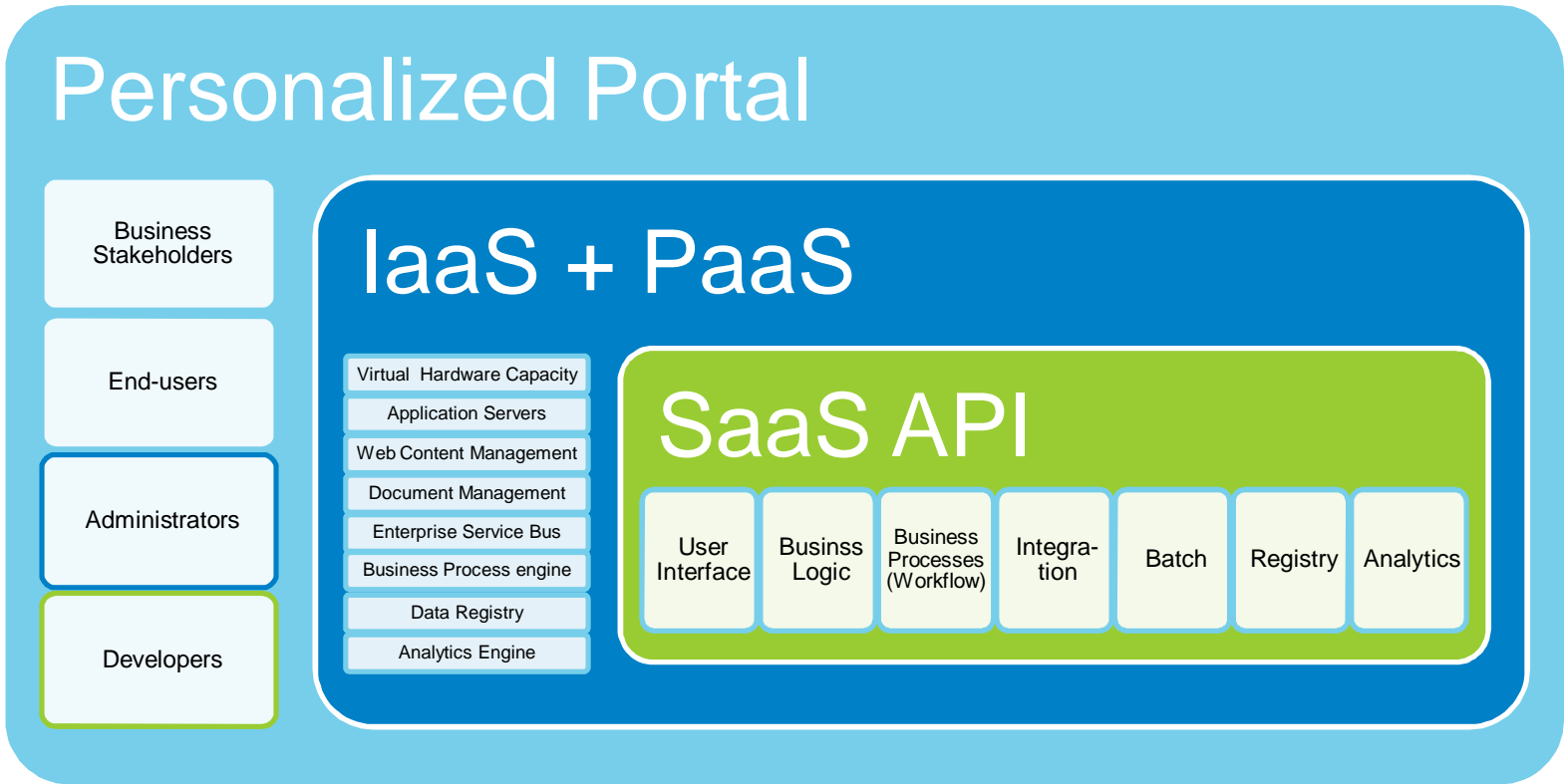- Community: Intensive communication

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# Example case #5:
## Tieto Application Platform as cloud enabler

TiViT
CLOUD SOFTWARE FINLAND

To offer **fully operative system capabilities** for **tailored customer needs** from the cloud as a horizontal offering for low cost deliveries (Java Open Source technology).

## Personalized Portal

Business Stakeholders

End-users

Administrators

Developers

### IaaS + PaaS

Virtual Hardware Capacity
Application Servers
Web Content Management
Document Management
Enterprise Service Bus
Business Process engine
Data Registry
Analytics Engine

### SaaS API

| User Interface | Businss Logic | Business Processes (Workflow) | Integra-tion | Batch | Registry | Analytics |
|---|---|---|---|---|---|---|

**Tieto Application Platform** is standard compliant, robust and lightweight, infrastructure agnostic, and cloud enabled platform including best of breed Open Source De-Facto components for creating **innovative business solutions**.

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# Knowledge. Passion. Results.



**Sampo Salonen**

EVP, Global Delivery and Quality