

Increasing the business value of IT at Daimler Financial Services with Kavanagh's IT Maturity Methodology



Daimler Financial Services (DFS) is getting better value from its IT organisation (DCSIT) and improving responsiveness to business demands, with help from Kavanagh's consultants and their highly effective IT Maturity service.

With an annual contract volume of €58 billion in vehicle finance and leasing, the performance of DFS is crucial to the success of the Daimler Group. DFS employs 6,700 people in more than 40 countries, making it a leading contender in vehicle financial services and its operations are totally dependant on efficient and reliable IT.

"We now have a much better understanding of our IT capability and have a detailed strategy of continuous improvement for the services we deliver."

**GRAHAM VENABLES,
GENERAL MANAGER – SERVICE MANAGEMENT,
DAIMLER CHRYSLER SERVICES INFORMATION
TECHNOLOGY**

THE CHALLENGE

When Graham Venables took on the role of General Manager, Service Management at DCSIT, he felt it was vital to understand and measure the performance of his organisation in terms of the quality of service it delivered back to DFS, and the efficiency of its processes. This insight would then act as a foundation for continuous improvement in this critical area, with the overall objective of maximising value from the company's investment in technology and improving their customers' experience.

DCSIT's customers include financial services operations in 9 international locations, administering over €8 billion of assets. Meeting their needs is the central purpose of the IT group, which led Graham to ask, "How good, or bad, is the quality of service we provide? What do our customers, internal and external, think of us? Are we responsive to their needs? Do we communicate well with them? Are we providing value for money services? Where are we adding value?"

Graham's vision for DCSIT was that it should understand and exceed the expectations of its customers and be easy to work with. He was determined that IT would be a source of competitive advantage. For Graham this means delivering value for money, driving business growth and, most importantly, continuing to do so consistently in a fast changing business climate.

DAIMLER

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The factors underpinning IT service quality are complex and include a broad spectrum of subjects, from infrastructure architecture and business process design to less obvious issues, such as capacity for change and agility. Consequently, a combination of technical and business skills backed up by experience was needed, plus a structured methodology for assessing the IT organisation's capabilities that would provide a framework for a strategy of improvement.

Kavanagh was already a trusted provider of services to DCSIT and also had a well established reputation in IT process improvement, so Graham asked Kavanagh's consultants for assistance in meeting his objectives.

"We now have a clear plan for gaining real competitive advantage from our IT organisation through improved services and better alignment with business objectives."

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THE SOLUTION

Gaining a clear picture of the multiple factors involved in IT service performance and measuring their contribution in a meaningful way requires a well thought out, structured approach. Kavanagh's IT Maturity Methodology is ideally suited to this challenge, providing a formal and repeatable method for measuring an IT organisation's capability, together with a proven approach to creating and implementing an IT strategy.

The methodology measures an IT organisation against a maturity model, which enables them to be categorised in one of six maturity levels, and proposes a strategy for performance improvement. It acknowledges that technology alone cannot deliver maximum business benefits and that people and processes play a vital part. It is also entirely independent of the infrastructure technology or architecture employed and can be used with any type of process framework, such as ITIL, CMMI or Six Sigma. Kavanagh's model shows the stages that developing IT organisations go through from being reactive and unstructured, to becoming proactive and optimised, to lastly achieving real business agility and realising added business value.

Kavanagh's starting point for the assessment of an organisation's performance is the identification of the Key Performance Indicators (KPIs) that will be used to drive the process. These are not simple metrics, but are made up of a combination of objective measurements and subjective scoring by trained consultants that assesses the organisation in terms of infrastructure, economics, service, agility, processes and organisation.

Daimler Financial Services Technology



In order to establish a baseline quantification of DCSIT performance, and identify the targets for any improvement, Kavanagh's consultants carried out in-depth interviews with a cross-section of internal and external customers including IT management and staff, end users, project managers and finance personnel. The questions asked were tailored for different areas of the organisation. In addition to providing the input for the initial KPI values, these one and a half hour sessions provided an invaluable insight into the issues the workforce had to deal with.

In their report, Kavanagh's consultants analysed the information gathered through the interviews and their review of documentation, and identified the current maturity level for DCSIT. This gave Graham a valuable, independent insight into the workings of his organisation.

Kavanagh used their methodology to provide a plan for improvement that clearly identifies the actions required to raise performance to their target maturity level, as well as identifying the business benefits that result. Kavanagh's experience is essential when determining the optimum steps to be taken, as it is important that all the areas addressed by the KPIs are kept in step and moved forward consistently.

"Kavanagh's structured methodology gave us an independent view of the state of our IT organisation and the expertise of its consultants provided us with a clear strategy for improving the value it delivers," observes Graham.

THE RESULTS

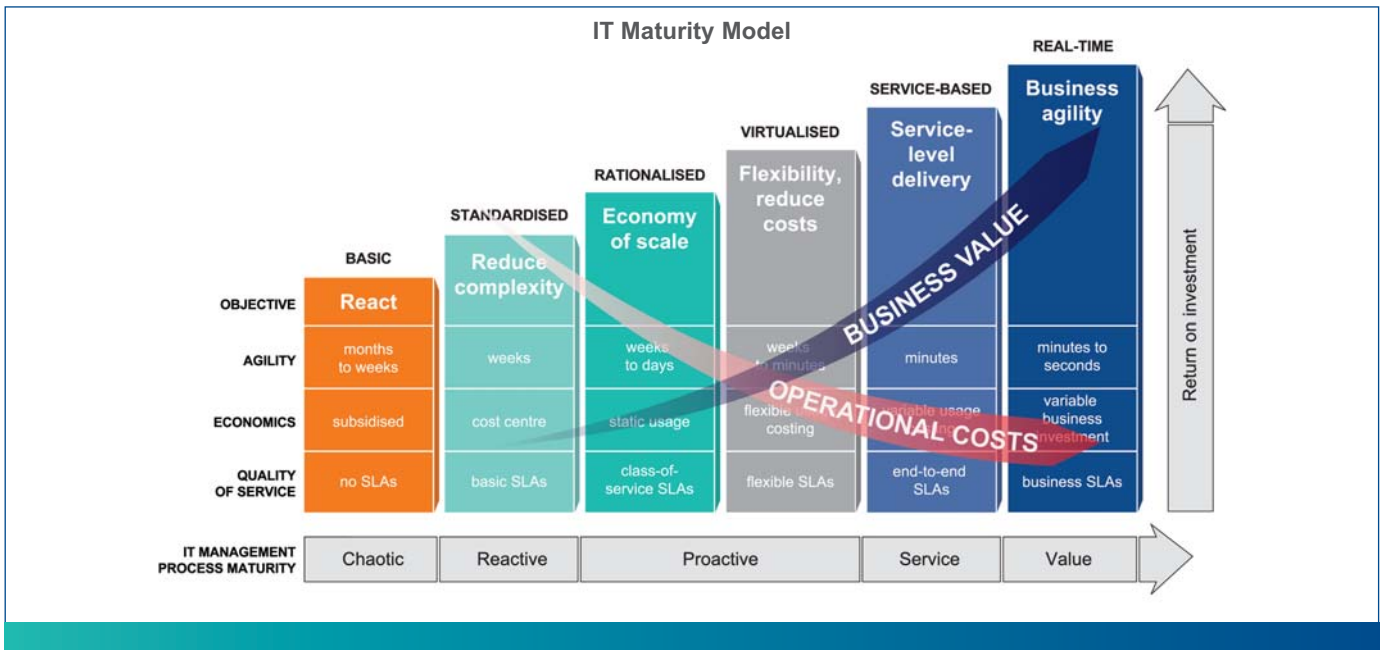
DFSIT now has a fully documented IT Maturity Plan that shows how the IT organisation is performing, documents the current position and describes the specific prioritised actions needed to move to the required maturity level.

The business benefits that can be expected are also laid out. As the organisation moves to a higher level of maturity, quantifiable improvements in the following areas are achieved:

- ◆ Cost savings from reduced operational expenses and better utilisation of resources
- ◆ Improved customer satisfaction as a result of improved quality of service and greater responsiveness
- ◆ Better return on investment through optimised asset deployment
- ◆ Improved productivity resulting from more efficient processes
- ◆ More reliable operations by implementing proven best practices and adherence to industry standards
- ◆ Elevated staff morale

A key principle of the IT Maturity Methodology is that it is an ongoing process with the initial exercise providing a baseline for assessing the results of improvements. When the targeted levels of performance have been achieved and the new processes are well established, the next phase of improvements on the path to business agility will be addressed.

"We now have a clear plan for gaining real competitive advantage from our IT organisation through improved services and better alignment with business objectives," says Graham.



Challenge

- ◆ Assess the performance of the IT services organisation
- ◆ Provide measurable targets for service performance
- ◆ Create an actionable plan for performance improvement

Solution

- ◆ Kavanagh's IT Maturity service

Results

- ◆ Greatly improved understanding of IT performance
- ◆ Target maturity level determined
- ◆ Cost reduction opportunities identified
- ◆ New best practice processes advised
- ◆ Organisational improvements proposed
- ◆ Execution plan for improvements provided

Services highlights

- ◆ Assessment of IT organisation
- ◆ Determination of objectives
- ◆ Performance measurement against KPI's
- ◆ Production of IT Maturity Report
- ◆ Creation of performance improvement plan

Why Kavanagh?

- ◆ Strategic IT partner
- ◆ Track record of successful project execution
- ◆ Excellent business consultancy skills
- ◆ Proven methodology for service performance improvement
- ◆ Competitive pricing

Customer at a glance

- ◆ Daimler Chrysler Services Information Technology
- ◆ International IT service provider to Daimler Financial Services, a global financial services company

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For further information on how working with Kavanagh can benefit you please call 01344 409800 or visit www.kavanagh.co.uk

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