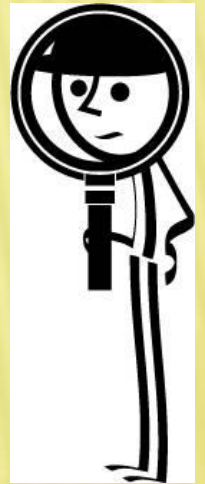


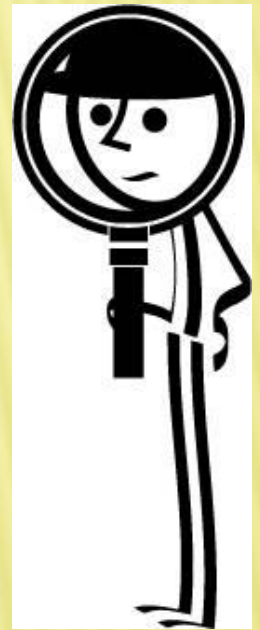
THE BUSINESS PERSPECTIVE (OF IT)

- ✓ Slow to respond
- ✓ Inflexible
- ✓ Project failure – over promise/under deliver
- ✓ Systems anarchy/lack of governance
- ✓ Unclear return on investment/value for \$
- ✓ Seem as a “necessary evil”



THE IT PERSPECTIVE (OF THE BUSINESS)

- ✓ Endless “firefighting” (unplanned work)
- ✓ Conflicting priorities
- ✓ Unpredictable demand
- ✓ Changing system requirements
- ✓ Constraints – time, \$, people, regulations
- ✓ Lack of business engagement



THE CHALLENGE/OPPORTUNITY

Most companies spend 80% of their IT operating budget just to keep systems running, not investing in improvement or innovation of the business.

Source: Pricewaterhouse Coopers Technology Forecast, Summer 2009



KLO = Keeping the Lights On

WHAT 23 YEARS OF RESEARCH SHOWS

Essential elements to sustained operational excellence must include:

- ✓ Quality information
- ✓ Effective information systems
- ✓ Active participation of the IT organization in continuous improvement

DEFINING LEAN IT

Engaging people, improving process, leveraging technology

- ✓ Framework of lean principles, systems, and tools
- ✓ Integrate and synchronize with the business
- ✓ Provide quality information and information systems
- Enabling the flow of value to the customer



BENEFITS OF LEAN IT

- ✓ Alignment and integration with the business
- ✓ Co-architect of operational excellence
- ✓ Engaged IT staff: morale, retention, results
- ✓ Improved communication and collaboration
- ✓ Value center versus a cost center