

# IBM Innovate 2011 Executive Summit

Transforming Your Business through  
Collaborative Lifecycle Management

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IBM Software

# Innovate2011

The Premier Event for Software and Systems Innovation

 **Software. Everywhere.** August 9-11, Bangalore | August 11, Delhi



# Agenda

- WellPoint, Inc. – Overview
- Continuous Improvement Objectives
- Lean IT Objectives
- Measuring the Transformation
- Adoption/Absorption Approach

## WellPoint Company Overview

- WellPoint is the nation's largest health benefits company in terms of membership
- WellPoint is included in the S&P 500 index.
- Here is a brief overview of WellPoint:
  - ▶ WellPoint is the leading health benefits company in the U.S. with more than 33 million medical members in its affiliated health plans.
  - ▶ WellPoint's subsidiaries and their affiliates provide a comprehensive range of group and individual health benefit, specialty, life and disability products.



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- WellPoint, Inc. – Overview
- **Continuous Improvement Objectives**
- Lean IT Objectives
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# Continuous Improvement Objectives

## ■ Operational Objectives

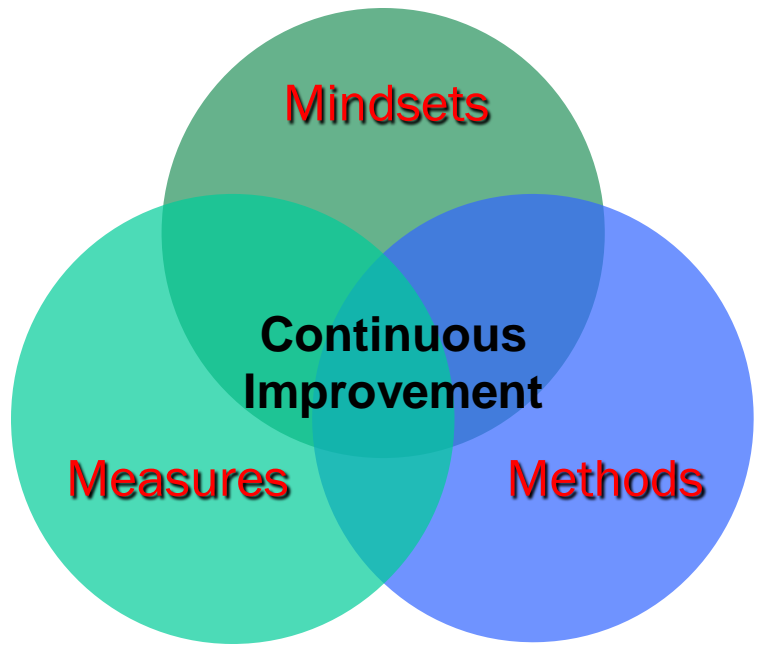
- ▶ Lean IT is a transformational initiative focused on redesigning IT end-to-end processes
- ▶ Focus on improvements in
  - Systems Quality
  - Systems Cost
  - Cycle time (project duration)
  - Customer satisfaction
- ▶ Drive towards best in class measures in healthcare and non healthcare industries
- ▶ Introduce major changes to the every day activities of 4,000 WellPoint associates and 6,000 contractors as part of Health Care Reform

# Becoming A Continuous Improvement Company

**Standard Enterprise Methodology and Tools**

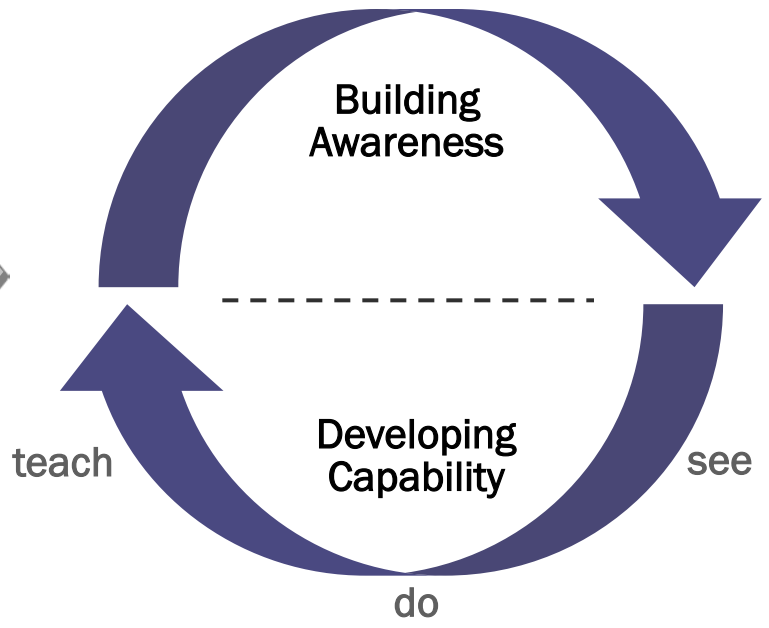
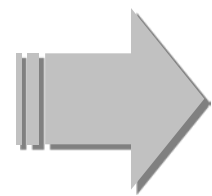
**Lean IT Deployment Approach that Lifts the Entire Organization**

Constantly Thinking: *"How Can We Be Better?"*



Measuring:  
*Progress and Customer Satisfaction*

Determining:  
*What to Improve and How to Improve it*



# Agenda

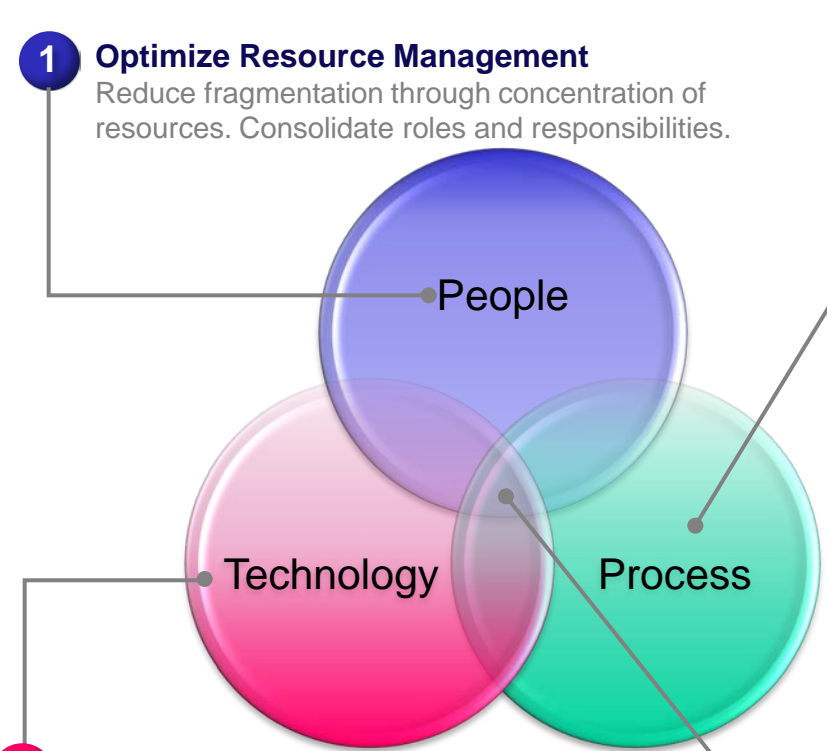
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## Lean IT Initiative

- Company-wide process transformation effort to improve effectiveness and efficiency while eliminating waste.
- Focuses on process value, waste elimination and the empowerment of people through process, methodology and tools in order to improve productivity and quality.
- The major components of the Lean IT Initiative are:
  - ▶ Process
  - ▶ Metrics
  - ▶ Tooling
  - ▶ Training/Communication
- Tools have been integrated across the Systems Development Life Cycle to enable consistent execution of processes as well as support a diverse set of WellPoint platforms.



# Lean IT Areas of Focus



**1 Optimize Resource Management**  
Reduce fragmentation through concentration of resources. Consolidate roles and responsibilities.

**2 Streamline Artifacts**  
Simplify artifacts based on size, complexity and type of projects (e.g., redundant information captured across multiple documents).

**3 Increase Parallelism / Reduce Wait-times**  
Run activities in parallel to reduce cycle time and reduce length of time resources are locked in.

**4 Introduce Integrated Work Planning**  
Integrate work plans across work-streams and load resources and effort at task-level to improve planning.

**5 Streamline Interface with Vendor Resources**  
Improve process to manage quality of deliverables at interface points. Reduce duplication of effort across associates and vendors.

**6 Segment Project Overhead**  
Adopt differentiated methodology for governance and overhead activities based on project size and complexity.

**7 Eliminate Rework**  
Eliminate non-value add and low-value add activities.

**6 Test Automation**  
Introduce automation (e.g., data set-up, test simulations).

**10 Standardize Tools**  
Such as Microsoft Project Plan, Rational tool suite.

**9 Enforce Process Tooling**  
Ensure adoption to enforce process standardization

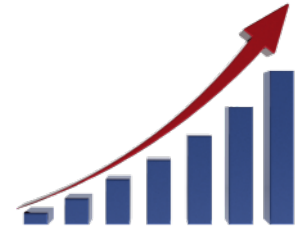


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# Measure the Transformation



WellPoint is measuring adoption in several ways, including:

- **Individual Datasheets**
  - ▶ One report issued per person, typically 1-2 pages
  - ▶ Contains the individual's data on participation in the Community of Practice, assigned and completed training, level of certification and Lean project experience
- **Project Progress Reports**
  - ▶ Quarterly reports showing the result of self-assessments of the project compared to the rubric
  - ▶ Uses artifact and process reviews to verify the validity of the self-reported information
  - ▶ Presents scores for WellPoint, Vendors and consolidated totals
- **Performance Management**
  - ▶ Ongoing measurement of performance against industry standards and best practices
- **Change Management**
  - ▶ Monthly survey of randomly selected associates used to gather feedback on the transformation
  - ▶ Identifies points of weakness to be addressed



# Individual Datasheets

## WellPoint IT Individual Development Datasheet

### WellPoint IT Individual Development Datasheet

<b>EDWIN, MCMILLAN (COST CENTER: 1941400) 0999999 ASSOCIATE</b>
MANAGER: NOBEL, ALFRED
TRAINING PATH: TEST LEADS AND MANAGERS

Lean IT Certification Level: None Total Points: 5

Training 45% complete

Lean IT Courses (Assigned) 50% complete

IT Lean Req 1	ILT	Introduction to Requirements Management and ReqPro Web	8 hrs	Equivalency Credit Given	6/25/2010
IT Lean TRQM	ILT	Test Management and Manual Testing with IBM Rational Quality Manager	16 hrs	Not Yet Started	
IT Lean Req 2	ILT	Requirements Management with Use Cases	8 hrs	Equivalency Credit Given	6/25/2010

Lean IT Courses (Recently Assigned) 0% complete

IT Lean 440	WBT	Lean IT: Testing Discipline Overview	1 hrs	Not Yet Started	
IT Lean 441	WBT	Lean IT: Testing Discipline Activities	1.5 hrs	Not Yet Started	
IT Lean SOLC	WBT	IT Lean SOLC Website Overview	1 hrs	Not Yet Started	

Lean IT Courses (Unassigned)

IT LEAN REQWEB2	ILT	Fundamentals of IBM Rational RequisitePro Web	8 hrs	Completed	12/7/09
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Other Lean IT Activities (Unassigned)

IT Lean 202	WBT	Lean IT: Lean 202 - Testing	0.2 hrs	Completed	
IT Lean 204	WBT	Lean IT: Lean 204 - Discovery	0.2 hrs	Completed	
IT Lean 205	WBT	Lean IT: Lean 205 - Architecture	0.2 hrs	Completed	
IT Lean 201	WBT	Lean IT: Lean 201 - Requirements	0.2 hrs	Completed	
IT Lean 203	WBT	Lean IT: Lean 203 - Iterative Development	0.2 hrs	Completed	

Communities of Practice Participation Community of Practice Points: 0

No Community of Practice Participation.

Project Experience (by Adoption Level) Experience Points: 5

Adoption Levels:	0	1	2	3	4	Total	Points
Previous 12 months	1,790	311	0	0	0	2,101	5

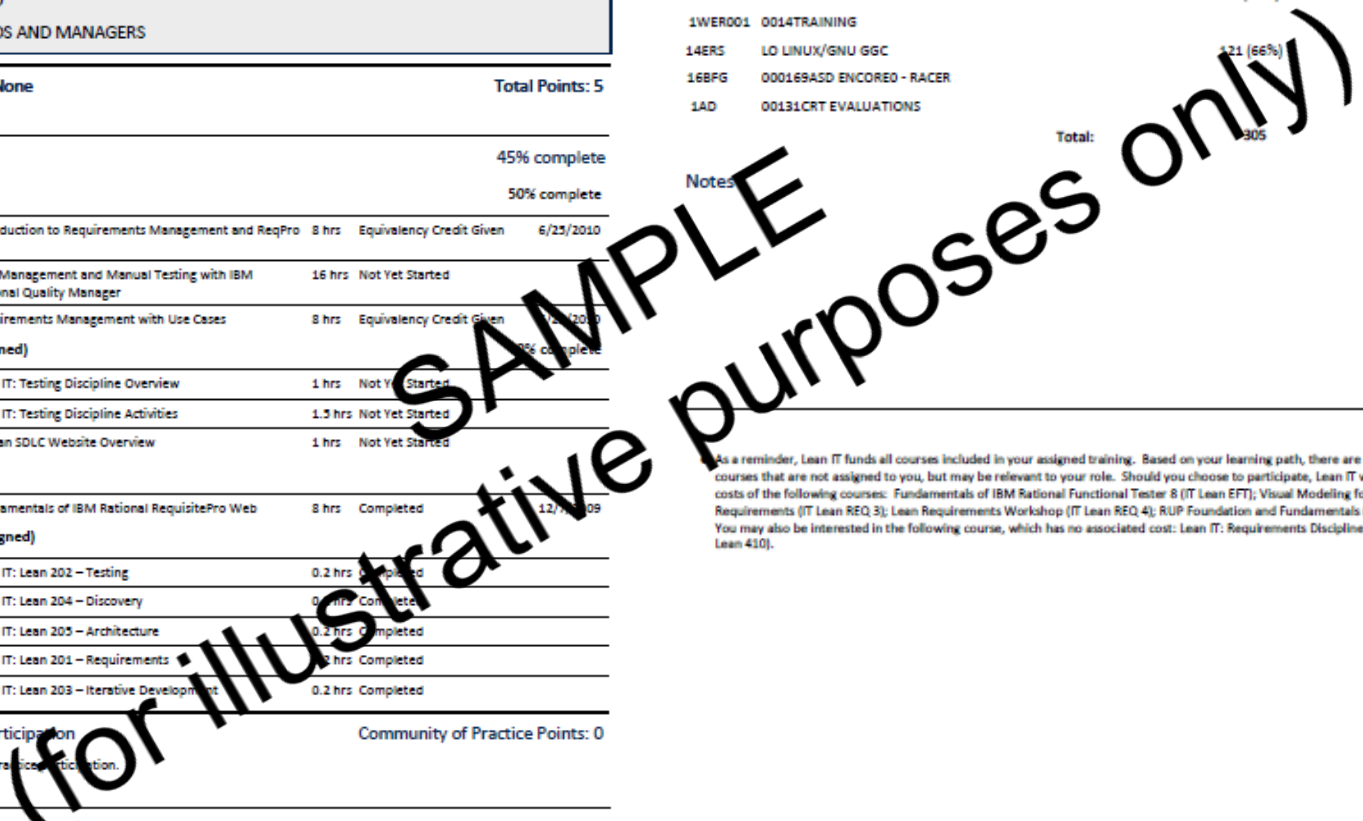
Training data last updated on 5/5/2011. Page 1 of 3  
 Community of Practice data last updated on 3/31/2011.  
 Project data last updated on 3/31/2011.

### Project Experience (by Project)

Work ID	Work Name	Mar 2011	Prev 12 months	Overall Lean Adoption Level
A11	Administrative Work Activities	63 (34%)	677 (32%)	0
1WER001	0014TRAINING		505 (24%)	0
14ERS	LO LINUX/GNU GGC	121 (66%)	334 (16%)	0
16BFG	000169ASD ENCORED - RACER		287 (14%)	1
1AD	00131CRT EVALUATIONS		116 (6%)	0
Total:		305	2,101	

Notes

As a reminder, Lean IT funds all courses included in your assigned training. Based on your learning path, there are additional courses that are not assigned to you, but may be relevant to your role. Should you choose to participate, Lean IT will cover the costs of the following courses: Fundamentals of IBM Rational Functional Tester 8 (IT Lean EFT); Visual Modeling for Lean Requirements (IT Lean REQ 3); Lean Requirements Workshop (IT Lean REQ 4); RUP Foundation and Fundamentals (IT Lean RUPFF). You may also be interested in the following course, which has no associated cost: Lean IT: Requirements Discipline Overview (IT Lean 410).

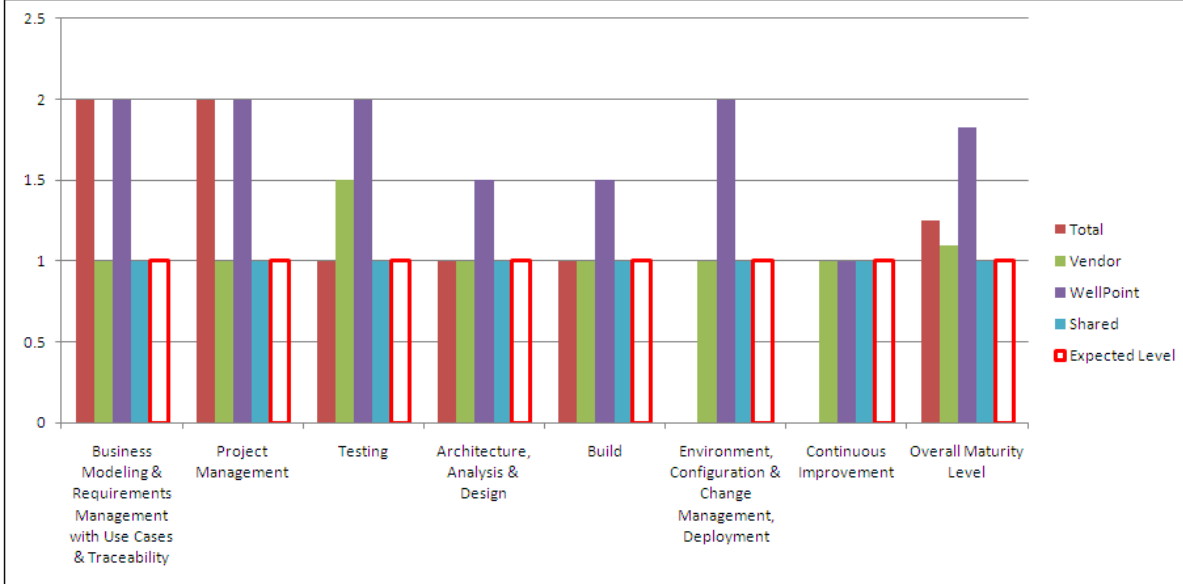


Training data last updated on 5/5/2011. Page 2 of 3  
 Community of Practice data last updated on 3/31/2011.  
 Project data last updated on 3/31/2011.

# Project Progress Reports

## Lean IT Maturity Level Scorecard

### Project Scorecard (Detail View):



Project Scheduling Date: 4/18/2011

Expected Maturity Level Timelines	
Level 0	11/1/2010 <= Project Scheduling Date < 4/1/2011
Level 1	4/1/2011 <= Project Scheduling Date < 10/1/2011
Level 2	10/1/2011 <= Project Scheduling Date < 4/1/2012
Level 3	4/1/2012 <= Project Scheduling Date < 7/1/2012
Level 4	7/1/2012 <= Project Scheduling Date

	Above Expected Maturity Level
	At Expected Maturity Level
	Below Expected Maturity Level
	Not Applicable

Areas	Weight Assigned	Expected Maturity Level (Based on Scheduling Gate date)	Actual Maturity Level (From Rubric)					
			Total	Vendor 1	Vendor 2	Vendor 3	WellPoint	Shared
Business Modeling & Requirements Management with Use Cases & Traceability	25%	1	2	1	1	2	2	1
Project Management	15%	1	2	1	0	2	2	1
Testing	20%	1	1	1.5	1	1.5	2	1
Architecture, Analysis & Design	15%	1	1	1	1	2	1.5	1
Build	10%	1	1	1	1.5	1	1.5	1
Environment, Configuration & Change Management, Deployment	10%	1	0	1	1	1	2	1
Continuous Improvement	5%	1	0	1	0	1	1	1
Overall Maturity Level	100%	1	1.25	1.10	0.85	1.65	1.83	1.00

# Performance Management

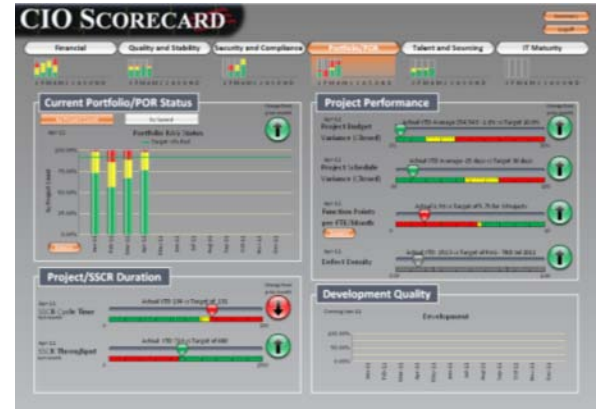
The areas detailed below are essential in managing overall performance, as well as providing senior management with key information needed to make informed decisions

## ➤ IT Performance

- Operational IT Performance Reporting for key metrics
- Project reporting metrics to drive Lean improvement initiative
- CIO Scorecard
  - Financial
  - Quality/Stability
  - Security/Compliance
  - Portfolio/Project
  - Talent/Sourcing
  - IT Maturity

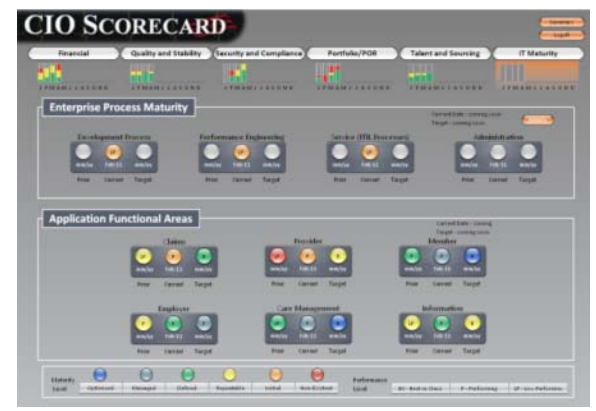
## ➤ Vendor Performance

- Standardizing our vendor Service Level Agreement approach
- Working closely with Procurement and Global Sourcing to monitor vendor performance
- Development of a Vendor Scorecard to drive IT Maturity

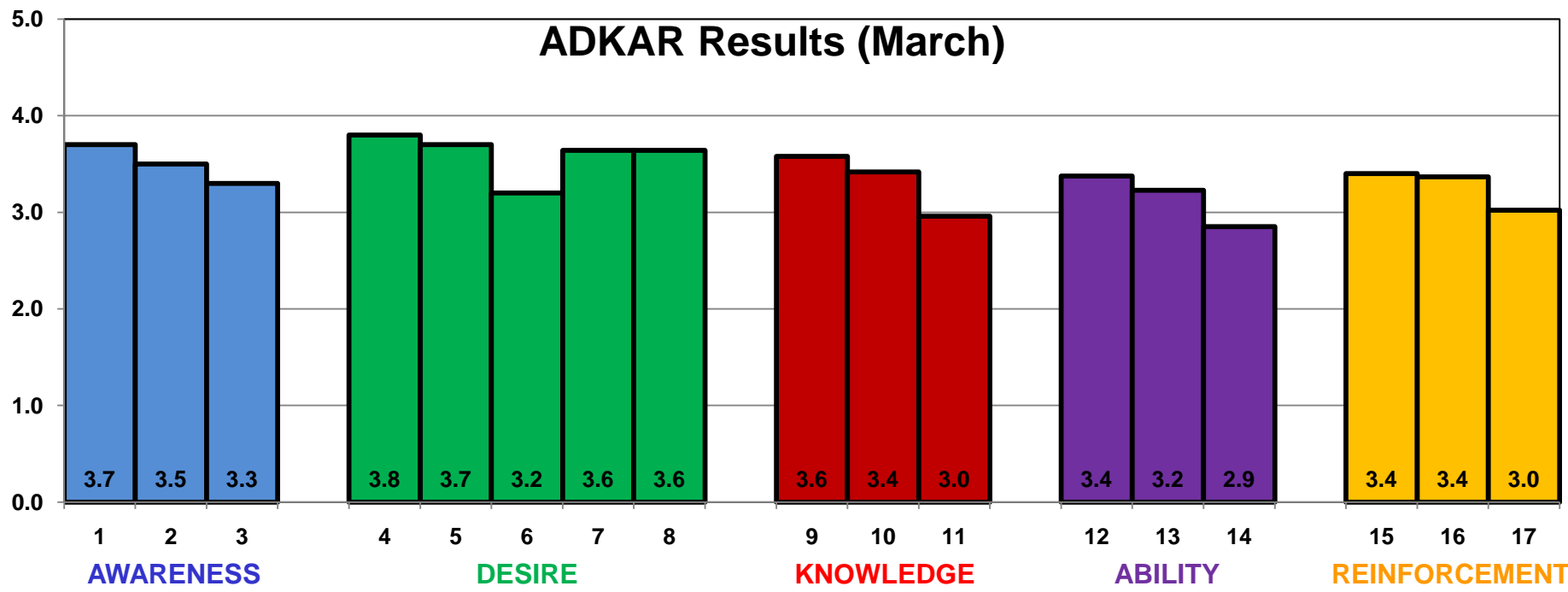


## ➤ Project Estimation

- New estimation process to drive consistency estimates
- Better long-term data of execution performance to drive estimation accuracy



# Lean IT Change Management Survey



1. I understand the business reasons for the change.  
 2. I understand the risks of not changing.  
 3. I understand the impact on my day-to-day work activities.

4. I am personally motivated to be part of the change.  
 5. I look forward to the new, changed environment.  
 6. My peers support the change.  
 7. My supervisors and managers support the change.  
 8. Executives and key business leaders support the change.

9. I have the skills and knowledge to be successful during the change.  
 10. I have the skills and knowledge to be successful after the change.  
 11. Training has been adequate to prepare me.

12. I have the ability to perform the new duties required by the change.  
 13. I can get support when I have problems and questions.  
 14. I have practice at performing in the new environment.

15. The organization is committed to keeping the change in place.  
 16. I know the consequences of not performing my new activities.  
 17. I am rewarded for performing in the new way.

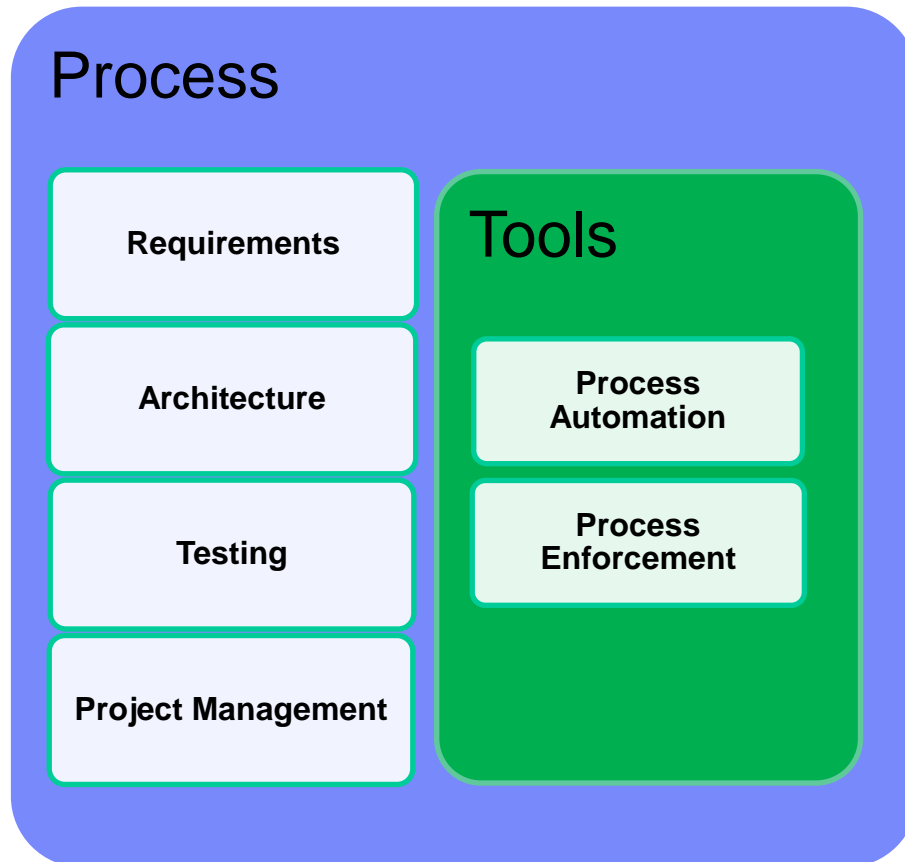
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# Lean Adoption Strategy: Processes and Tools



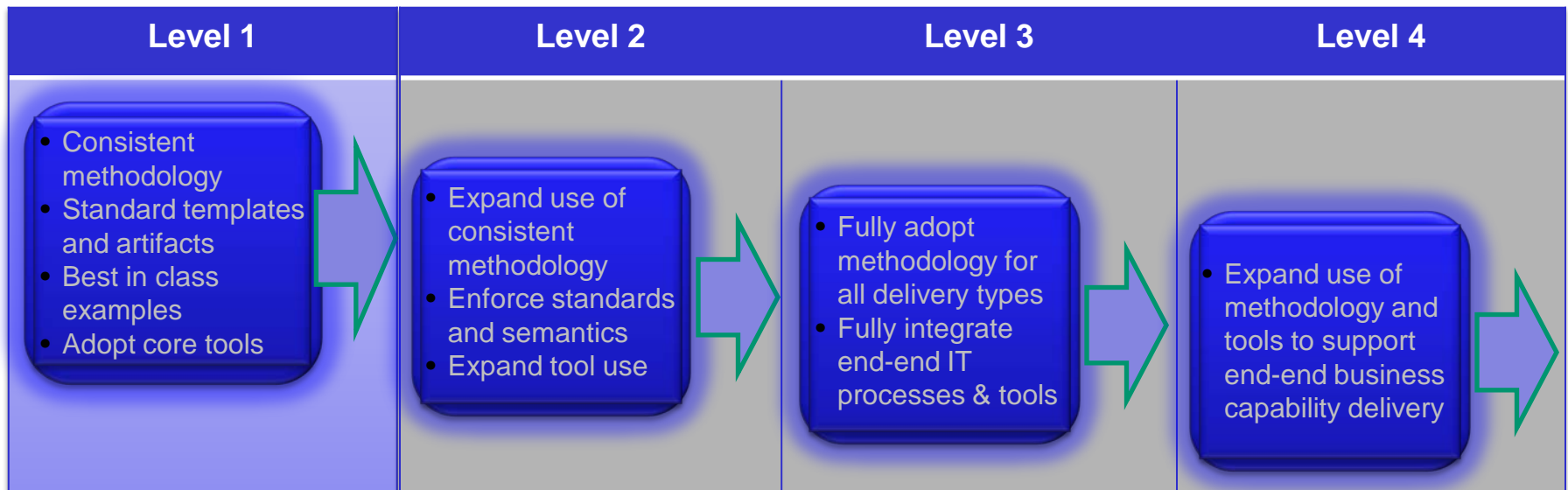
## Core Strategic Concepts:

- Process first
- Automation of process
- Process enforcement



# Adoption Approach: Team and Project Focused

- Levels of Lean Adoption are defined in a maturity rubric
  - ▶ Initial maturity focuses on Requirements, Architecture and Testing
  - ▶ Each subsequent level includes more maturity of previously-introduced disciplines as well as new disciplines
- Every project is assigned a target level based on start date
  - ▶ Expectations for the project will not change through the life of the project



## How does WellPoint provide support for adoption?

- Communities of Practice and Competency Centers
- Training Program
- Certification Program (assistance from Lean-certified peers)
- Job Aids



# Communities of Practice and Competency Centers

- Offer a community for each Lean Systems Delivery Life Cycle (SDLC) discipline
- Provide support from competency centers for each new technology implementation
- Provide peer-to-peer advice (including practical implementation advice)

**Welcome to the Group Discussions Page**

Within this section of the group website, you will be able to **post discussion topics**, which other members to this site will be able to respond to and **continue discussion**. Here are some tips to help start the discussion:

- This is the best place on the site to ask questions! If you are confused about a tool or a particular process, ask it here. Look out for other questions you may be able to answer as well
- This portion of the site is meant to be used in conjunction with other parts of this site in order to assist in the sharing of information regarding IT tools. If you have information to answer a question, add it to the wiki portion of the site as well.
- If there is a discussion that you would like to **follow**, be sure to **enable eMail reminders** by dropping down the "Actions" menu in the upper left hand corner of this discussion window!
- Look for existing topics pertinent to your area of expertise or question. If one doesn't exist yet, **Create** a new topic by clicking the "New" drop-down menu in the upper left hand corner of the discussion window.

Actions ▾ Settings ▾ View: **New View 1** ▾

Affected Areas Threading Created By Subject

Started: 4/13/2011 5:57 PM by Patel, Bhupesh View Properties Reply

**RQM Customized Reports** Patel, Bhupesh RQM Customized Reports

Hi,

Can any one please guide how a customized report in RQM could be created?

I wan to create a report which describes how many test cases along with test scripts are created and how many test scripts are executed, passed, failed etc.

Posted: 4/14/2011 2:55 PM by Eamoe, Jonathon T. View Properties Reply

Hi Bhupesh,

The custom report utility for RQM, IBM Cognos, has not been implemented at WellPoint. However, you may be able to find information on customizing standard reports in the Reporting section of IBM's RQM Information Center.

Here is a link:  
<http://publib.boulder.ibm.com/infocenter/rqmhelp/v2r0/nav/23>

▼ Show Quoted Messages

Posted: 4/14/2011 3:43 PM by Humble, Lori View Properties Reply

Bhupesh:

A joint team just met earlier this week to document our overall project/system reporting requirements for RQM, ReqPro, and CQ with representation from one of our large programs/systems. We (Metrics team, Test COE, Tools Team) are working to move this forward. We will synch on these requirements and should share through both the Tools and Test Community. We are then working to determine what the timeline to deliver this may look like in Rational Insight.

Thanks,  
Lori Humble

▼ Show Quoted Messages

Lean IT Communities

WELLPOINT Lean IT Communities

This Site: Lean IT Communities

Site Actions ▾

View All Site Content

Click below to join these Communities of Practice

- Architecture, Analysis and Design
- DB2/IMS
- Metrics
- Tools
- Requirements
- Testing

Recycle Bin

WELLPOINT

Testing

DB2/IMS

Metrics

Architecture

Tools

Communities of Practice

Announcements

Ready...Set...Go! The Communities of Practice Scavenger Hunt Begins Now 5/23/2011 4:05 PM

by Katpelly, Rohan

Are you ready for a great adventure? WellPoint's Communities of Practice are offering you an opportunity to take an exciting adventure without ever leaving your desk.

The Communities Scavenger Hunt is a fun, interactive way to learn more about WellPoint's...

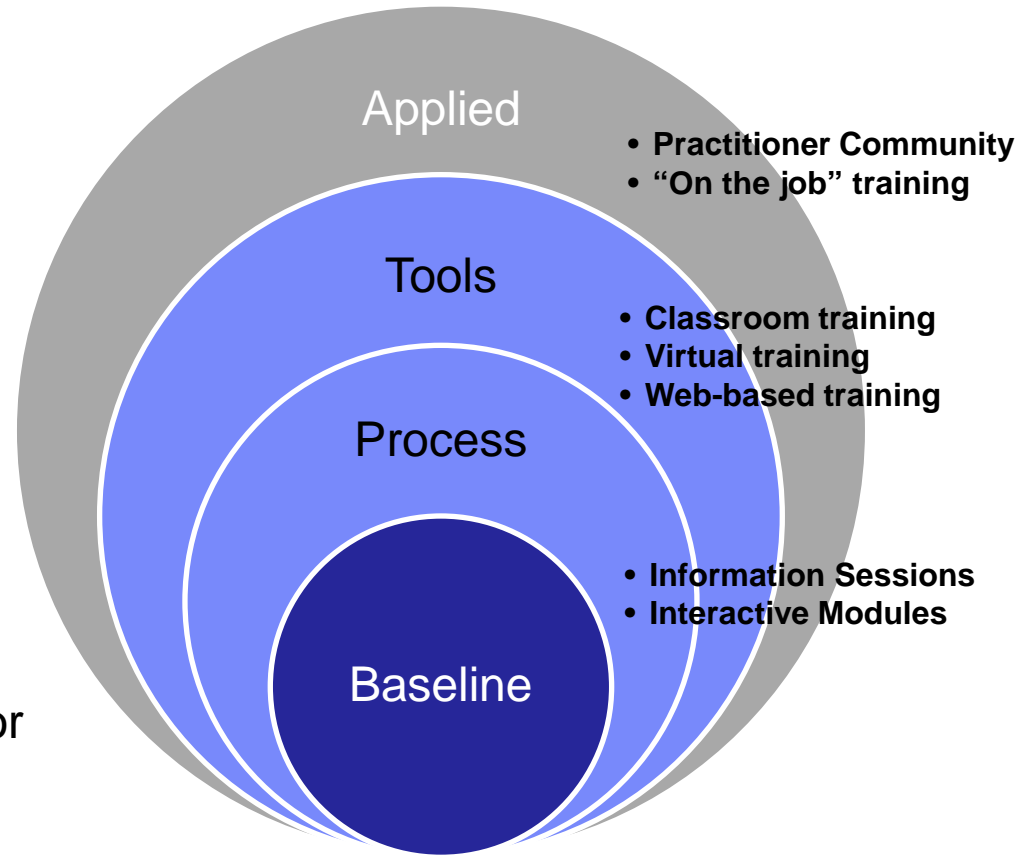
Participate in the creation and launch of the Development 5/16/2011 11:46 AM

FAQ WicketNet E-mail

# Training Program

## Key Considerations:

- Communication
- Method of delivery (instructor-led and computer-based training)
- Funding
- Training roles or paths
- Timing (waves)
- Reporting and monitoring
- Accommodating contractor and vendor staff



# Lean IT Certification

Three levels of certification, which focus on individuals developing the skills they need to be successful:



- Lean Practitioner**
  - ▶ Complete 50 percent of assigned training
  - ▶ Spend 3-5 months working on a Lean adoption Level 1 or higher project and/or demonstrate comparable experience within a Community of Practice
- Lean Master Practitioner**
  - ▶ Complete 100 percent of assigned training
  - ▶ Spend 5-10 months working on a Lean adoption Level 1 or higher project and/or demonstrate comparable experience within a Community of Practice
  - ▶ Pass a skills exam
- Lean Champion**
  - ▶ Open to individuals selected by their leadership and peers
  - ▶ Meet Lean Master Practitioner Criteria
  - ▶ Pass a skills exam
  - ▶ Make commitment to assisting others

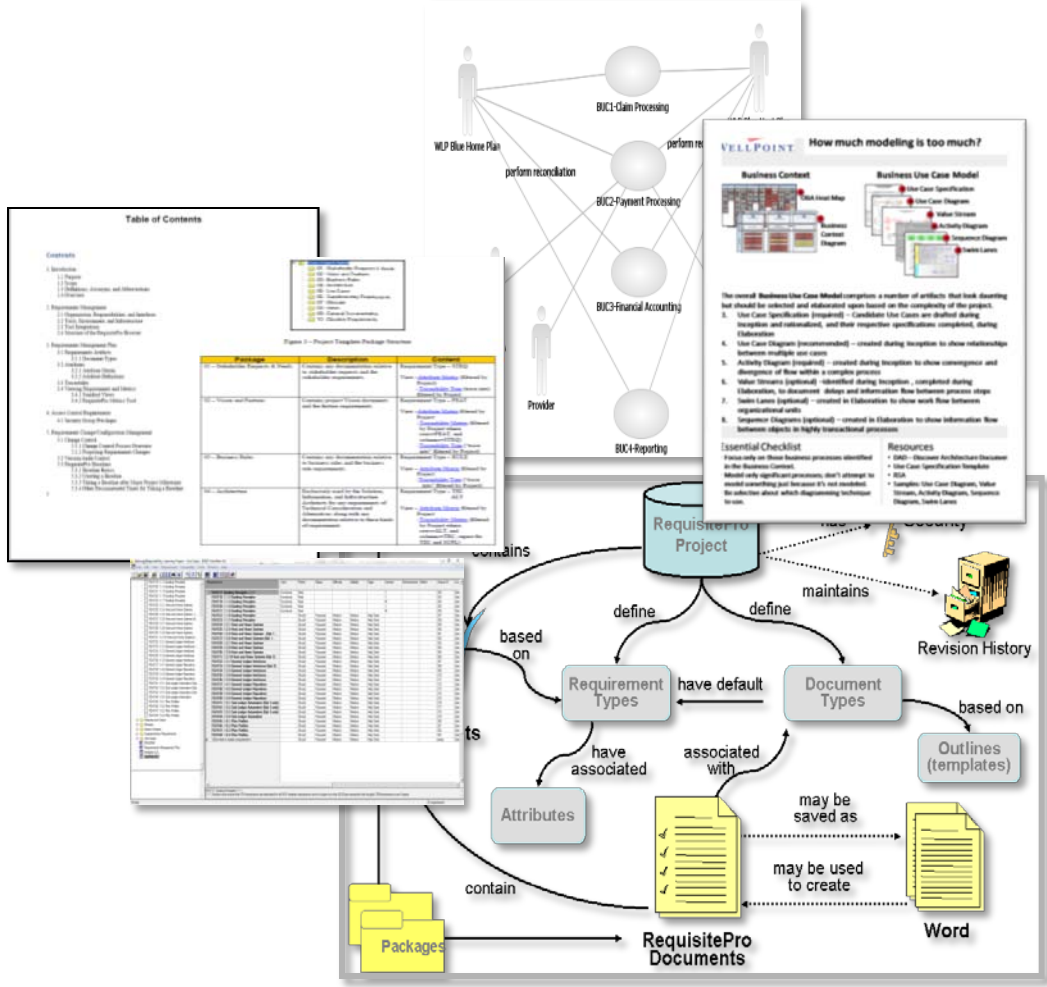




# Job Aids

Implementation guides and aids give people fingertip access to critical information:

- Quick reference materials
- Overview guides
- Decision making guides
- Visual modeling aids
- Use Case aids
- Rational tool aids



# QUESTIONS

[www.ibm/software/rational](http://www.ibm/software/rational)







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