CGI ProAction-AS

A Model for Driving Continuous Improvement and Innovation in Application Services Management

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Moving beyond traditional application services management

As technology becomes more critical to organizations across industries, maximizing the value of IT investments is moving up the list of strategic priorities. Organizations of all types are increasingly focused on improving the management of their information systems to drive performance, growth and success.

However, traditional approaches to application services (AS) management are falling short in meeting today's challenges. In managing their applications, many organizations are aiming to achieve the following:

- **Cost reduction**: Reduce spend on non-core management activities while generating more IT and business value

- **Global delivery**: Receive services worldwide in a consistent manner at a competitive cost

- **On-demand business**: Implement non-traditional business models, such as outsourcing, offshoring, cloud computing

- **Increase agility**: Implement flexible solutions that can be efficiently adapted to rapidly changing business needs

- **Reduce complexity**: Improve enterprise performance through process and system consolidation and harmonization

- **Innovation**: Use technology innovation to deliver value-added business improvement

With traditional AS management approaches, effectively achieving these objectives on an ongoing basis has been a challenge. One of the key shortfalls of traditional approaches is their focus on **input** rather than **output**. In managing applications, organizations have, in general, centered on the number of people required to perform everyday tasks rather than on the output of those resources. Most organizations do not have a clear vision of their costs per application versus the value each application generates, as well as the business justifications for each application.

Organizations have not invested in tracking what applications people are working on, their day-to-day activities, the level of effort they're putting forth, or the results they're delivering. Consequently, they often invest more than they need to without the expected return.

One way to improve such visibility is to better understand the output of each application, its usage and then its relationship with and contribution to the business. Factors to consider include costs, staff, licenses, hardware, overhead, etc. Organizations need an end-to-end view of both the spend and value creation involved with each application.

CGI's approach to AS management, unlike traditional approaches, focuses more on the output side. Our CGI ProAction-AS methodology is a disciplined and objective approach to AS management that concentrates on outcomes—not resources. Through rigorous oversight and measurement, CGI ProAction-AS ensures organizations achieve their ultimate business and IT objectives.

CGI ProAction-AS is an innovative approach to application services that delivers the following:

- End-to-end application development and maintenance

- Strong focus on business objectives and desired outcomes

- Strong focus on quality and continuous improvement

- Enhanced visibility and understanding of the application portfolio

- Industrialized processes, methods and tools

- Disciplined and rigorous governance at all levels

- Clear, measurable results in terms of quality, operational excellence, security, incremental value, innovation, and long-term, sustainable business value

- Client intimacy and the formation of long-term partnerships based on trust and measurable outcomes

CGI ProAction-AS is helping clients worldwide achieve their strategic IT goals, including modernizing their portfolios, becoming more agile, reducing operational costs, driving digital transformation, enhancing cybersecurity and embracing new delivery models to better align revenue and costs.

We invite you to read further to learn more about the strategic advantages of CGI ProAction-AS and the potential value it could bring to your organization.

CGI client interviews underscore strategic importance of IT

Every year, CGI conducts hundreds of face-to-face interviews with clients across our targeted industries, and every year the strategic importance of IT increases. In 2015, 965 interviews were conducted and a top IT priority common to all clients in each industry was IT modernization, including replacing or revamping legacy applications and building more agile IT infrastructures. Maximizing existing IT assets and moving to new technologies is viewed by CGI clients, like other organizations, as both a pressing need and key pathway to driving sustainable profitable growth.

Creating a culture of continuous improvement and innovation

With CGI ProAction-AS, the main focus is driving value for the client through a team focused on systematic continuous improvement and innovation. CGI ProAction-AS is designed to create a disciplined, performance-based and outcome-driven culture based on the following concepts:

- What gets measured gets managed and improved (with the client's objectives in mind)

- Putting data in the hands of those closest to the work will yield rapid improvements

- Measuring the involvement of team members ensures that each member performs better

While these concepts are common knowledge, CGI ProAction-AS consistently implements them via a formal, managed approach across the entire application management life cycle through skilled team members, processes, and tools.

First and foremost, CGI ProAction-AS is focused on the client's objectives. Each activity is aligned to client business needs and measured based on client-centric metrics, including cost, quality, issue resolution, on-time delivery and client satisfaction, among others. Service level agreements are well defined, closely monitored and rigorously enforced.

Second, CGI ProAction-AS strongly emphasizes performance measurement. Analytics and other techniques are leveraged to deliver detailed data to team members on their AS activities—data related to their work effort and volume. In turn, this data is used to generate metrics related to effort, cost, variance, FTC, volume, etc.

Data and metrics are then shared team-wide through regular meetings to drive operational excellence and incremental value in the following areas:

- Process efficiencies

- Project management

- Solutions development

- Reusability

- Risk management

- Business process alignment

- Proactive problem resolution

- Outcome generation

- Predictive modeling

- Reduced rework

This focus on data and metrics is a low-cost, high-impact management approach that leads to better decision-making and a continuous flow of improvement ideas among team members. It creates an environment characterized by a passion to perform, entrepreneurship, knowledge sharing, collaboration and innovation. And, it leads to expected business outcomes.

CGI ProAction-AS also promotes continuous learning and sharing (both of which are also measured) through rigorous training, coaching and governance.

Key CGI ProAction-AS processes

CGI ProAction-AS is a highly structured approach to AS management that focuses on the following key areas:

- Metric-driven performance management
- Quality management and testing
- Self-directed teams
- Cost management
- Knowledge management
- Governance

With defined and proven processes for managing each area, CGI ProAction-AS provides the oversight and control needed to effectively run and evolve enterprise applications in alignment with business objectives and market demands.

Metric-driven performance management

CGI ProAction-AS employs analytic tools and dashboards to generate and share data and metrics that enhance team performance and deliver measurable operational improvements. Data is gathered on daily work activities (via timesheets, incidents, requests, work breakdowns, etc.) and from different applications, which is then used by team members to analyze daily and monthly trends and develop performance metrics and dashboards. With these metrics and dashboards, team members can evaluate their performance, recalibrate their work, as necessary, and set new performance thresholds to ensure both operational excellence and incremental value through a continuous improvement cycle.

Regular and frequent team review meetings allow members to enact meaningful change in a timely fashion. For example, at a morning team meeting, based on the daily KPI report, the team might decide to distribute work differently that day, with the results to be evaluated the following day. Much of the gathered data allows for fine-tuning and improvement of operational processes in very short time frames, sometimes as quickly as in a day.

Through performance data and analytics, CGI ProAction-AS supports a better understanding of the tangible cost or effort required for specific work outcomes, such as incident or service request resolution. It provides a quantitative basis for team members to evaluate their current performance, recognize trends, and identify opportunities for incremental performance improvements—the foundation of an outcome-based approach to AS management.

In addition to supporting improvement initiatives, the performance data acquired using CGI ProAction-AS also has significant value as historical justification for estimates for future services and project engagements. In addition, the data can be leveraged for other internal sharing and benchmarking purposes.

Quality management and testing

CGI ProAction-AS is aligned with and implements CGI's enterprise-wide Quality System, which lays out rigorous, ISO 9001 certified processes for ensuring quality across our operations and in every client engagement. CGI ProAction-AS activities are subject to quality audits and their success is consistently measured through CGI's Client Satisfaction Assessment Program (CSAP).

CGI ProAction-AS, however, takes quality management to an even deeper level. In addition to measuring client satisfaction through CGI's CSAP, it delivers concrete quality measurements to team members via defect metrics. This enables team members to better understand the levels of quality attainable through CGI methodologies and processes, to observe the level of quality they are delivering, and to propose improvements at the individual and team levels.

The result is that teams better understand defects and how to correct them as part of an overall quality management program, instead of simply handling one-off ticket incidences.

Defect metrics additionally support testing for different development approaches, as well as the management of changes within large and complex application portfolios. In addition, defect metrics support predictive techniques, allowing the implementation of risk plans and mitigation strategies based on specific inputs and the approaches and solutions proposed.

Code quality standards and code reviews also play an important role. CGI ProAction-AS teams follow the code quality standards of clients, as well as those of CGI. In addition, project management offices (PMOs) are established to monitor the progress of projects and enforce quality controls.

Self-directed teams

CGI ProAction-AS processes for team management employ various techniques to ensure that CGI ProAction-AS is effectively operationalized at both the management and team level to optimize assignments, workloads and performance.

At the management level, governance processes ensure that team members are empowered to do their jobs, that CGI ProAction-AS processes are used, and that metrics analysis and reporting are performed. At the team level, a variety of team management principles and practices are employed to optimize resource assignments and productivity, such as visual boarding, team roles (e.g., driver/navigator), job cross-learning, mentoring (master/apprentice relationships), virtual and distributed teams, etc.

Near real-time optimization of specific AS management assignments is enabled through daily analysis and reporting of team member cost and time expenditure data. From a resource planning perspective, this knowledge can be used in combination with workforce management techniques to optimize new and future assignments based on historical justification.

CGI ProAction-AS also ensures that required skills are made available and sustained through a structured program of training and coaching over the longer term.

CGI ProAction-AS's performance management approach

Phase 1
Achieve compliance and normalize.
The main goal of this phase is to ensure the quality of data provided by the team, i.e., that volumetric and time data are being accurately recorded and made available on a regular basis for analysis. It also involves ensuring that daily KPIs and KPI trends are calculated correctly.

Phase 2
Understand the metrics.
In this phase, the team defines thresholds and boundaries based on the KPIs to support their decision-making. For example, thresholds may be set to qualify a KPI result as normal, borderline or high. Based on this information, team members are able to make improvement decisions on the activity being measured.

Phase 3
Analyze trends and calibrate targets.
This is the first phase of the iterative measurement improvement process. Based on the above facts, the team will discuss trends, address issues and adjust team targets, as necessary.

Phase 4
Determine improvement actions.
This is the next phase of the iterative measurement improvement process and involves teamwork activities such as brainstorming, Fishbone diagram development, etc. to define performance and operational improvements.

Phase 5
Measure benefits.
This is the final phase of the iterative measurement improvement process. Improvements are made only if they will result in real benefits, i.e., measurable quality improvements, measurable cost reductions, innovative ideas to improve business processes, etc. (i.e., results that count).

Cost management

As a by-product of CGI ProAction-AS performance management, operational teams learn through metrics the direct relationship between cost and their work activities and gain an understanding of how they can increase profit potential by improving the cost basis of these activities.

Once cost metrics are under control and a stable history of data is available, it becomes possible to forecast the precise cost of specific development and maintenance activities. Data can be used to develop unit costing for proposals, rather than using a time-and-materials approach. In addition, a global data set allows us to understand the cost implications of using global delivery versus the need for client intimacy through geographic proximity.

Knowledge management

Knowledge management is a discipline that allows for the capture and sharing of vital corporate information to improve decision-making. With CGI ProAction-AS, knowledge management is designed to improve efficiencies and overall quality by providing global access to proven approaches, solutions and innovations that improve AS management.

The purpose of CGI ProAction-AS knowledge management is twofold: 1) minimize the need to rediscover knowledge by capturing the know-how of team members, and 2) make it easy for members to commit ideas to corporate memory, a fundamental element of a learning organization. CGI ProAction-AS focuses on capturing and recording data from within the client environment, translating it into valuable information and then sharing it among the teams on a daily basis.

Although CGI ProAction-AS puts knowledge management techniques into the hands of individual members, it makes knowledge management essentially a team effort, reducing dependency on individuals through standardized processes and shared knowledge. This is the basis of a community of practice, which CGI ProAction-AS then leverages on a global scale.

Nowadays, new technology mediums significantly facilitate knowledge sharing and are employed by CGI ProAction-AS team members, including Web conferencing, portals (such as CGI's internal portal CynerGI) and even social media. These mediums go far beyond the traditional approach of writing documents in driving efficiencies and collaboration.

Governance

Key to the success of CGI ProAction-AS is rigorous governance processes that drive and facilitate close collaboration between management and team members. Typical management roles include a project team leader, a project manager, a program manager and a client account or delivery manager. Meetings are held on a daily, weekly and monthly basis among these different managers to ensure close alignment, effective oversight and fast issue identification and resolution. Information shared and decisions made during the meetings are reported back to team members.

Daily morning meetings are also held by project team leaders with their teams. These meetings help to align team members to common goals, foster transparency and knowledge sharing, and promote team spirit and collaboration.

Each meeting is highly structured, brief and consistently held to ensure meeting objectives are achieved and continuous improvements are delivered across project teams. Moreover, each is driven by team members rather than a single leader.

Implementing CGI ProAction-AS

CGI ProAction-AS includes a well-defined implementation process that is supported by training and coaching to provide a structured and consistent implementation approach. Change management is a key focus. Processes alone are insufficient to ensure success. CGI ProAction-AS incorporates change management principles and practices that carefully guide management and staff into new ways of thinking and working that drive the benefits promised by this new approach to AS management.

Following are key steps in the CGI ProAction-AS implementation process:

1. Define scope of implementation

- Project type (full or partial AS management, level of co-management between CGI, the client and any potential third parties, pricing model, etc.)
- Project location (CGI versus client premises)
- Project duration
- Project size (large projects should be split into teams of 8-12 members)
- Project team
- Client organization and portfolio
- Tool requirements

2. Identify project sponsors

- Appointment of transformation leader (senior-level manager with strong reputation and leadership within the business unit and a willingness to embrace this type of transformation; a leader who is also tenacious with strong communication and collaboration skills)
- Business unit support (the business unit leader will need to introduce and communicate the program across the business unit and openly demonstrate his support for the transformation leader)

3. Build the business case

- Factors to evaluate include scope, estimated benefits and costs, utilization rates and potential revenue
- In terms of costs, a decision must be made as to whether to capitalize costs (it's possible to capitalize all transformation costs, except for training costs)

4. Build the team

- To ensure success, this type of transformation program needs a strong internal organization to support it:
  - Transformation leader (1 FTE per 1,000 AS team members to manage the overall program)
  - Project manager (2 half-time managers per 500 AS team members)
  - Project team leader (3 full-time leaders per 500 AS team members)
  - Technical analyst (1 part-time analyst to provide training on SONAR implementation; 120 hours are necessary to train 500 resources)

Program management is also provided at the global level. This level of management ensures the availability of all necessary tools and resources, as well as collaboration among all transformation leaders, including knowledge transfer and coaching.

Another key component of the implementation process is training. Every implementation activity requires adaption to the local project context and the training and coaching of all participants to get them to the expected maturity level. Training courses are provided to project managers and project team leaders, as well as project team members, covering practices, processes, technologies, tools and skills management. The level of training provided ensures high efficiency, productivity and collaboration. It also facilitates change management—a critical success factor that prevents people from falling back to old behaviors.

Key CGI ProAction-AS supporting capabilities

CGI ProAction-AS is part of a broader set of CGI capabilities that have supported for decades the success of enterprise-wide AS management for major organizations across industries. These capabilities include the following:

- **CGI Management Foundation:** Enterprise-wide operational model made up of proven and industry-certified frameworks and processes that govern all CGI decisions and activities in meeting the interests of our key stakeholders: clients, members and shareholders

- **CGI Quality System:** Enterprise-wide, ISO-9001 certified and rigorous quality management framework for ensuring the highest level of quality across CGI operations and in every client engagement (part of the CGI Management Foundation)

- **CGI Client Partnership Management Framework:** Enterprise-wide, ISO-9001 certified framework that governs all client engagement activities—from proposal development to final delivery—to ensure delivery excellence and expected results (part of the CGI Management Foundation)

- **CGI Global Delivery Model:** Expansive network of onshore, offshore and nearshore delivery centers across the globe that provide clients with the best combination of delivery options, as well access to vast global expertise and resources

Each of these capabilities plays a significant role in conjunction with CGI ProAction-AS in driving performance, innovation and results in AS management for CGI clients worldwide.

Conclusion

Leading organizations are transforming AS management from an overhead cost to a strategic driver. This type of transformation requires a new approach to AS management—one that focuses less on resources and more on results. CGI ProAction-AS is an example of such an approach, and it's driving strategic transformation and outcomes for organizations worldwide.

Contact us at info@cgi.com to learn more about the features and benefits of CGI ProAction-AS and how CGI can help your organization get the most out of its IT investment in the area of AS management.

About CGI

Founded in 1976, CGI is a global IT and business process services provider delivering high-quality business consulting, systems integration and managed services. With 68,000 professionals in 40 countries, CGI has an industry-leading track record of delivering 95% of projects on time and within budget, aligning our teams with clients' business strategies to achieve top-to-bottom line results.

CGI's application services—including application development, management, testing, portfolio management and modernization—enable clients to drive **business agility**, **transformation** and **cost efficiencies**. Our end-to-end services provide the technology and industry expertise, solutions, skills, frameworks and processes our clients need to successfully build, run and evolve their enterprise applications.
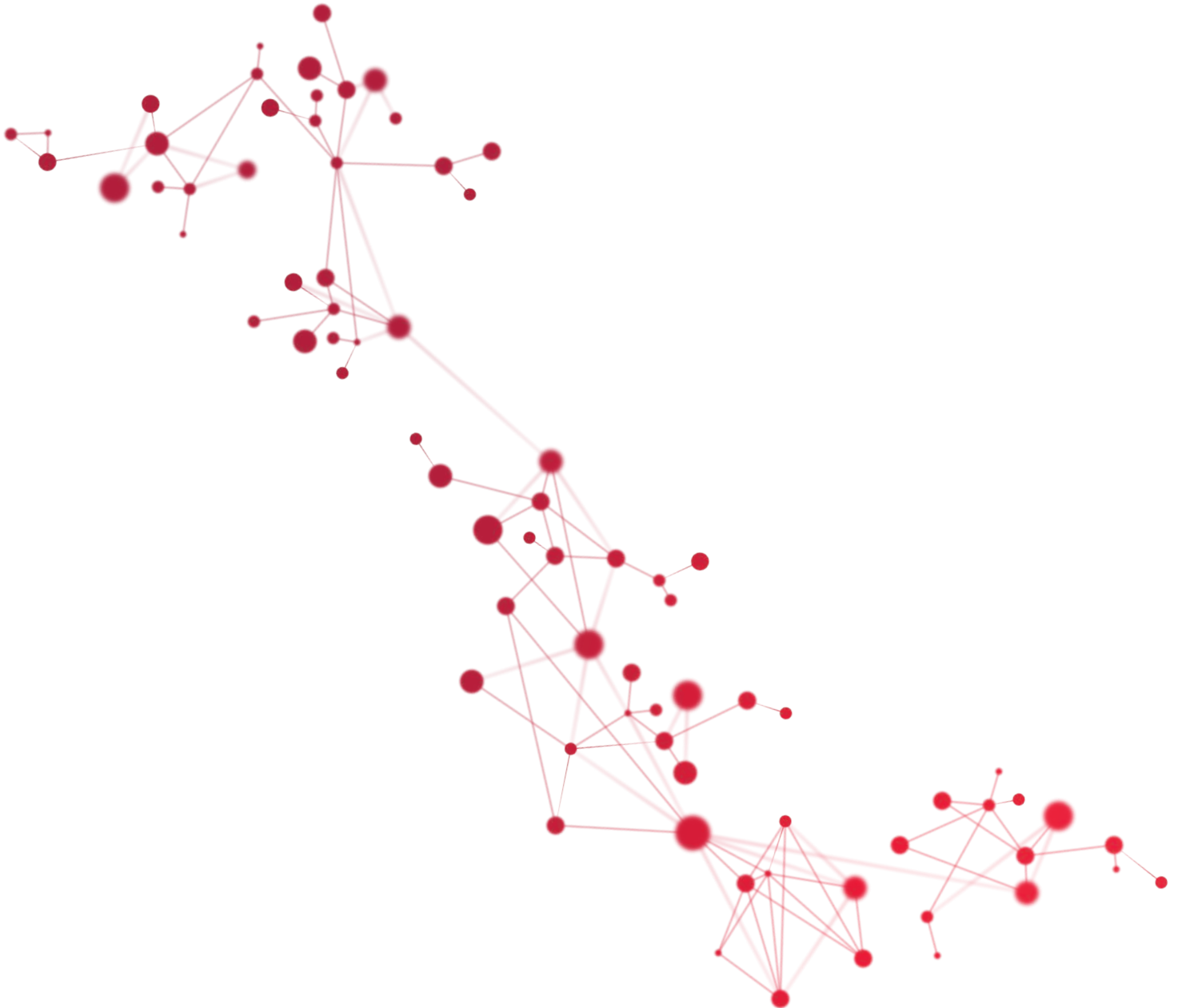
In addition, CGI's proven application management approach delivers strong governance, collaboration, quality assurance and security—all through a flexible delivery model—to ensure expected business outcomes.

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