The Human Side of Standardization

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My Experience

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Benefits of Standardization

Enables smooth handoff between processes

Make possible performance comparisons

Common language and better understanding of how the business operates

Multiple Companies

Makes commerce easier for the same reasons above

Can allow for easier offshoring/outsourcing of processes

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“Frictionless” Commerce is Key

VS

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Standards change

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REACTIONS VARY

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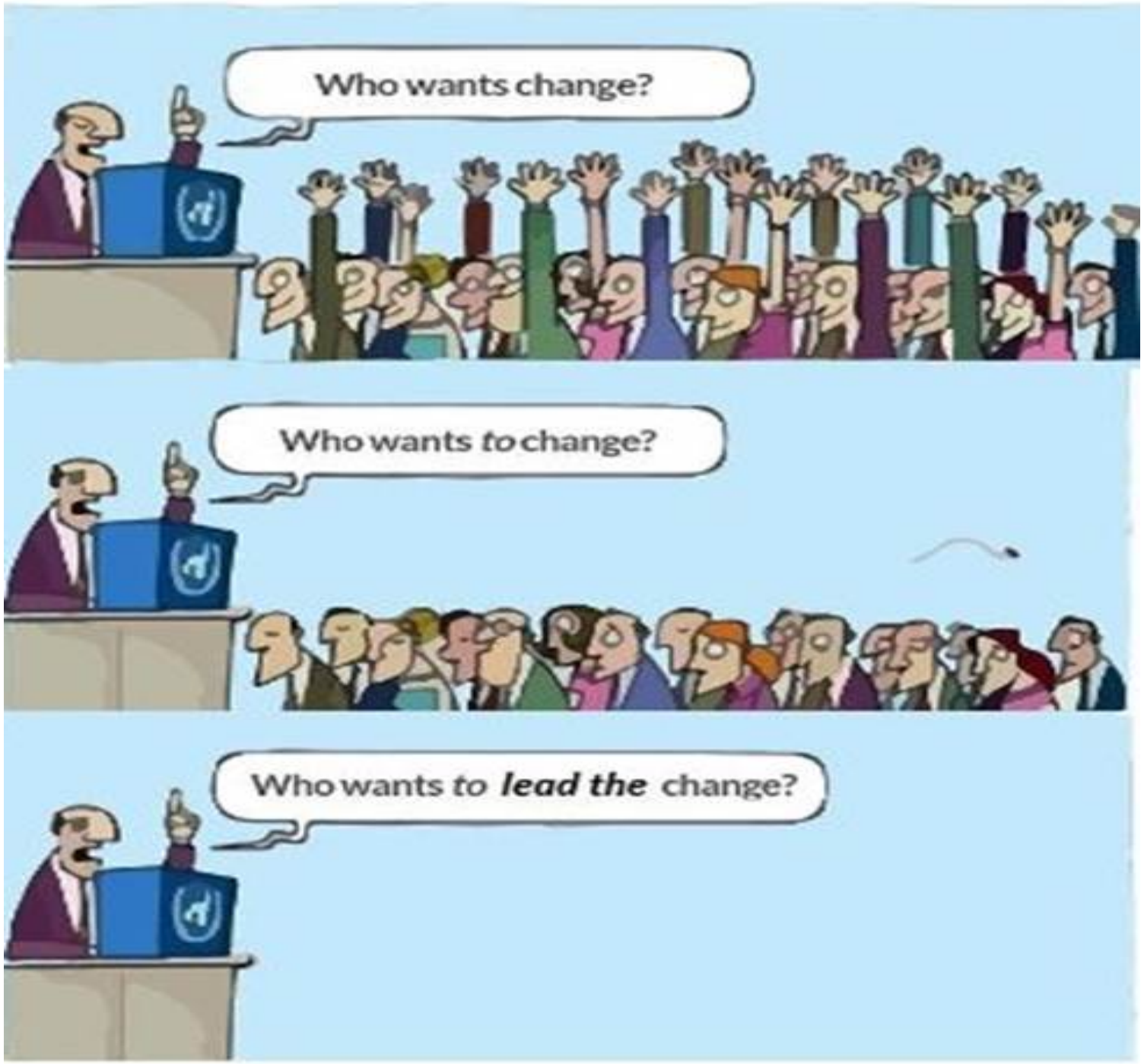

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WHY DO TECHNOLOGY PROJECTS FAIL?

42% Leadership

27% Organizational and Cultural Issues

23% People Issues

4% Technology Issues

4% Other

Jim Markowsky, Organization Dynamics, 1995

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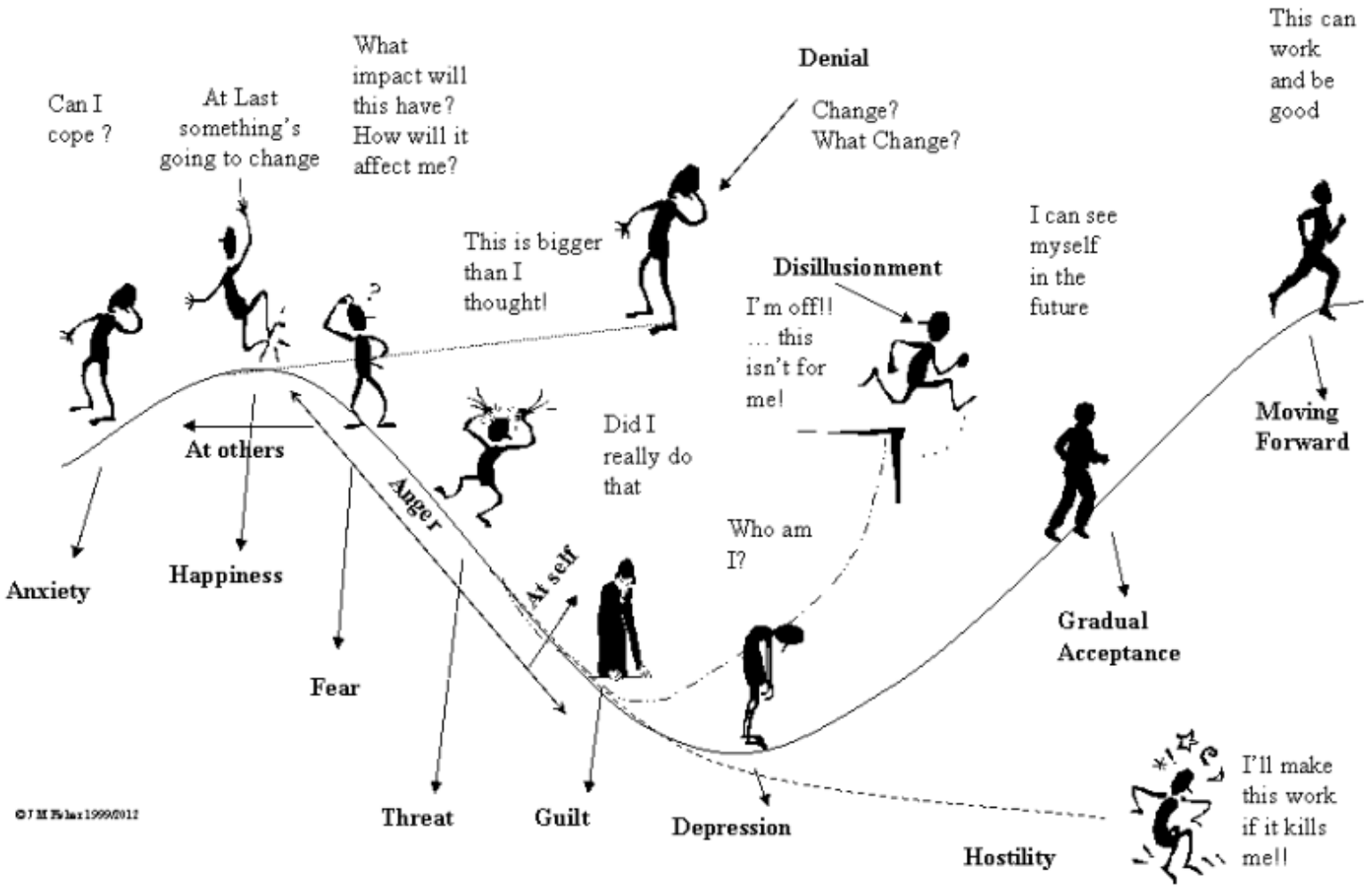
Change Management is Key



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Business Context – Shell Adapting to Changing World

100 years of success and growth through strong local autonomy and proximity to the customers...

...challenged by the requirements of a globalised world.

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The Case for Change

media reporting -1999-2001

Will Shell stop cutting and start chasing growth?

To grow or not to grow? Phil Watts, the new ch... of the committee of managing directors ... Royal Dutch/Shell group of companies, must ... the answer.

He needs to answer today to hundreds of inve... analysts, both in the City and on Wall ... desperate for guidance. Not to mention thousa... fund managers and small investors who have w... Shell's stock plummet from a peak of 637p in J... 450p. Shell is the classic widows'

Shell profits fall 53% in worst result

Mark Moody-Stuart, chairman of ... | Shell announced a 53% plunge ...

Shell fails to impress despite earnings jump – Royal Dutch/Shell

ROYAL Dutch/Shell boasted record quarterly earnings yesterday but failed to impress the City, which was expecting an even bigger bonus from the $20-plus per barrel oil price.

Mark Moody-Stuart, Shell's chairman, warned his staff yesterday to guard against complacency as he announced that current cost earnings had risen by 115 per cent to $1.8 billion (€1.1 billion).

He said: "We have all had to swallow some harsh medicine in the last year and I can't promise there isn't more to come."

5 November 1999, The Times

- Global standardization would reduce complexity and costs
- Economies of scale become vital to growth
- Early adopters of global standardization would secure competitive advantage

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DOWNSTREAM-ONE STORY

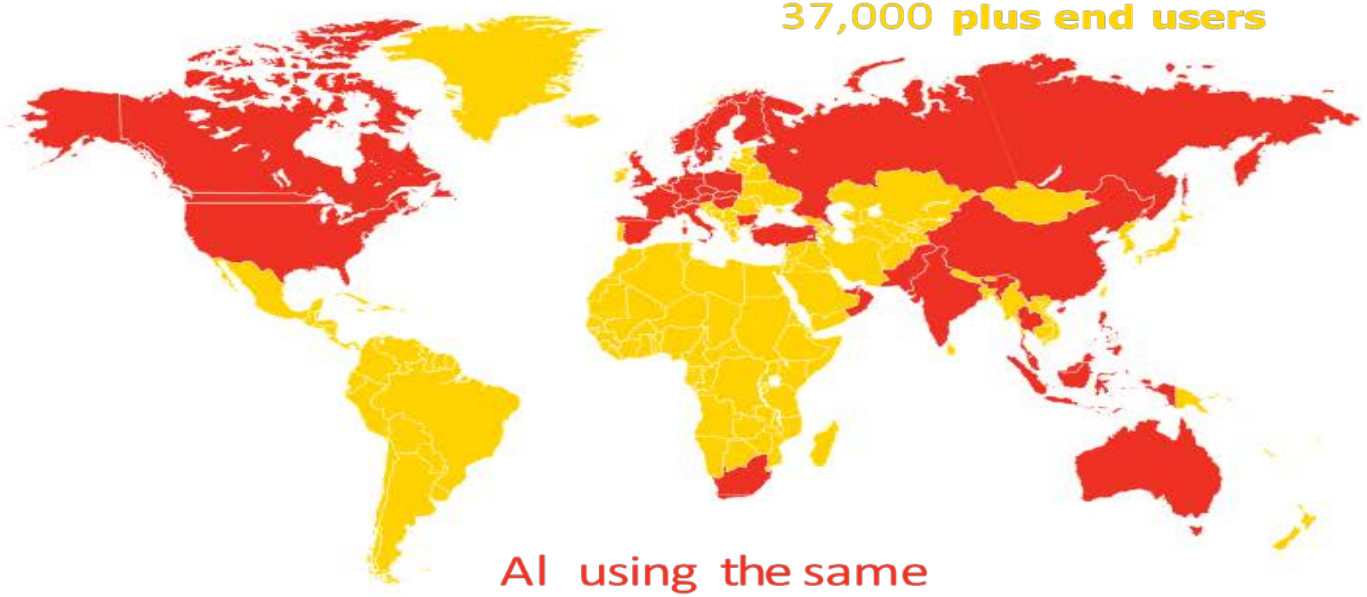
2014

36 countries

4 global businesses

2 global service companies

37,000 plus end users



All using the same

Downstream-One platform

2006
- Hungary
- Malaysia

2007
- United Kingdom

SIPC & SDSI (Two global service companies)
- Hong Kong
- Singapore

2008
Nordics
- Denmark
- Finland
- Norway
- Sweden
- Germany
- North America Lubes

2009
- Austria
- Switzerland

Benelux
- Belgium
- Luxembourg
- Netherlands
- Indonesia
- Philippines
- South Africa
- Thailand

2010
- Pakistan
- France
- Italy
- Turkey

2011
CEE
- Bulgaria
- Czech Republic
- Poland
- Russia
- Slovakia

International Aviation & Marine
(Two global businesses)
- India

2012
- Canada
- Oman
- United Arab Emirates

Bitumen & Sulphur
(Two global businesses)
- Spain
- China

2013
- GSAP Upgrade

2014
- Australia
- US Fuels

Operational Excellence

SIMPLIFICATION AND STANDARDISATION

	FROM	TO
Business Models	Fully direct, complex	Simple, low cost
Enterprise systems	~140	1
Connected IT applications	6,000+	~ 250
Back office	Local high cost	Shared services / low cost
Process management	Limited	Operationally excellent, real time by KPI
Customer Service	Variable and inconsistent	Standardised and consistent

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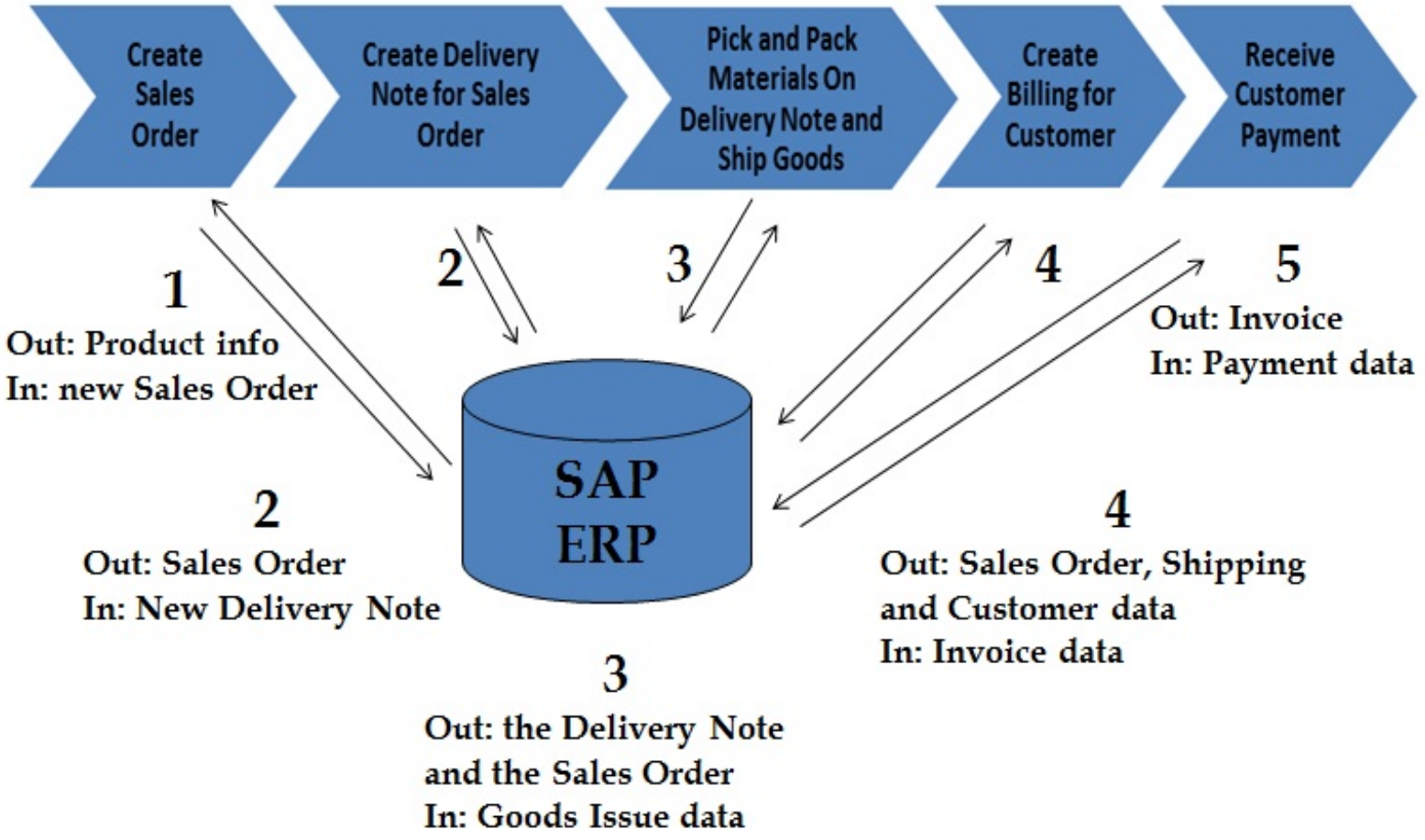
What's the Status of your processes?



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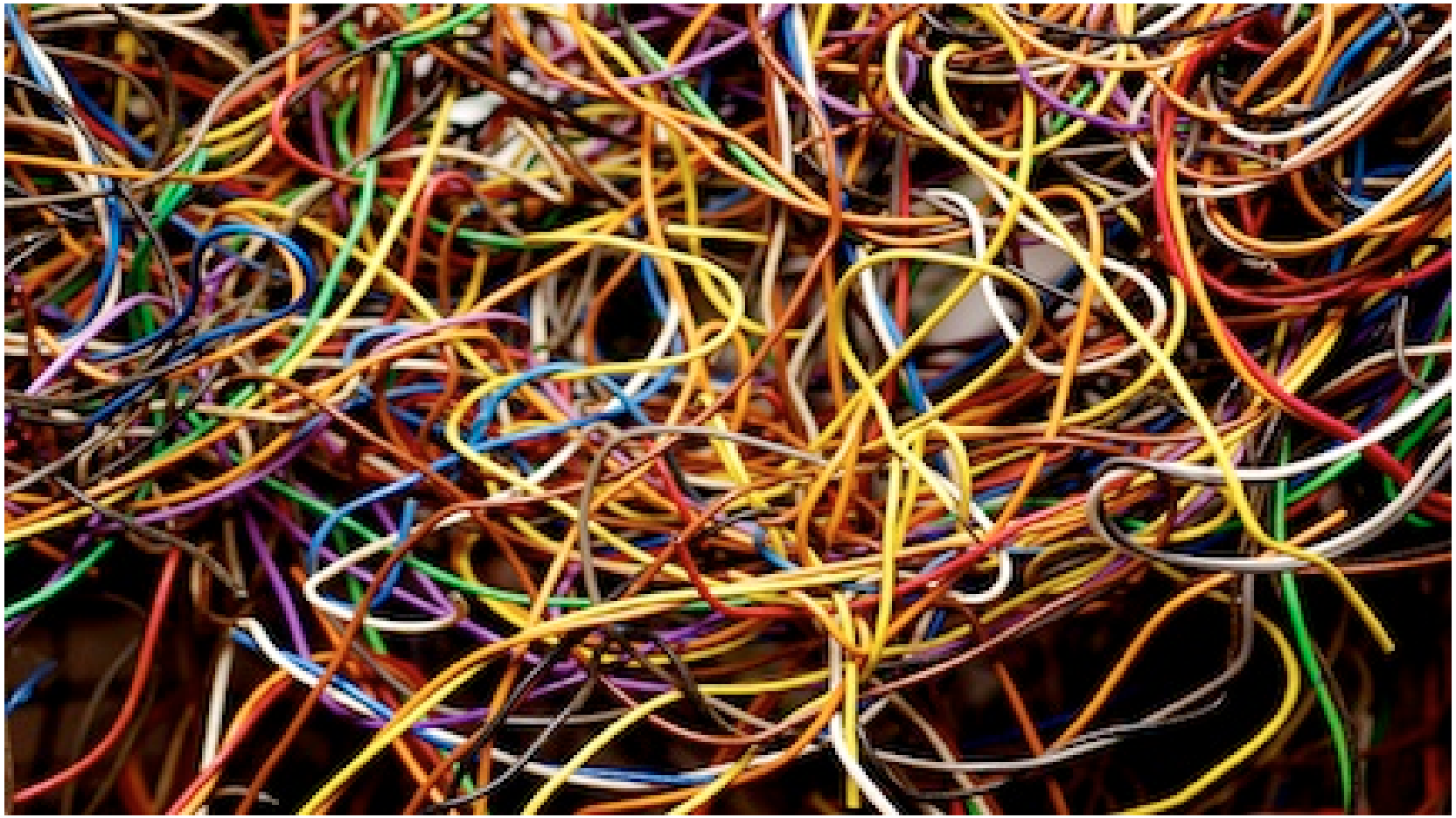
Don’t Automate Chaos



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MOST CONFIDENTIAL

Widely varying Processes at the Start

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Business Leads, Not IT

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Start Earlier Than You Think

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Mobilize Leaders

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No Fly Zone

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Use Your Best People

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Get people READY For THE CHANGE

- Communicate- What Happens, When
- Clear Roles and Responsibilities
- One Team
- Get Them Involved
- Celebrate Successes along the Way
- Don’t Forget the Customers
- Training

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Aha Moment: Training

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Test, retest and test some more

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Implementation: **You won’t feel ready and it wont be perfect**

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The *REAL* Finish Line

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