



# **Programme Management on global scale**

**PGM Open  
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**Shell Information Technology International B.V.**

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# CONTENTS

- Shell Profile
- Introduction Insight to Win Programme
- Benefits Realisation
- Risk Management
- Key insights
- Questions and Answers

# SHELL PROFILE

At the end of 2012:

- We were active in more than 70 countries
- Worldwide, we employ an average of 87,000 full-time employees
- Our fuel retail network has around 44,000 service stations
- Each day we produce 3.3 million barrels of oil equivalent



The Financials in 2012:

- We generated earnings\* of \$27 billion
- We spent \$29.8 billion on net capital investment
- We spent \$1.3 billion on R&D



- Royal Dutch Shell plc is a UK company, with its headquarters in The Netherlands.
- We are listed on the stock exchanges of Amsterdam, London and New York.

# INSIGHT TO WIN PROGRAMME

Journey towards Top Quartile Financial Management Information

## SHELL STRATEGY: BE THE WORLD'S MOST COMPETITIVE AND INNOVATIVE ENERGY COMPANY



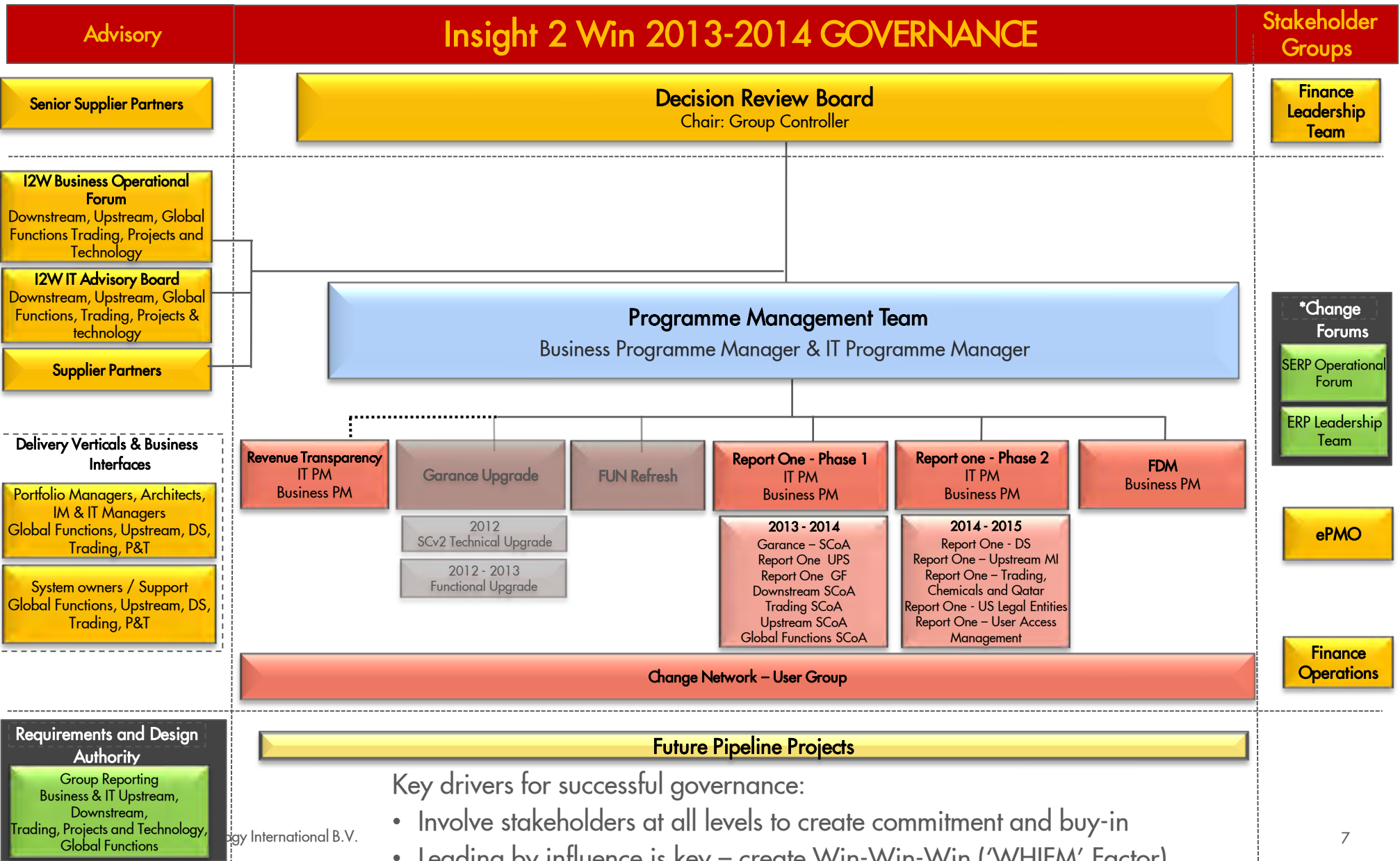
**“DRIVING SIMPLIFIED PROCESSES AND STRENGTHENED DATA MANAGEMENT TO PROVIDE QUICKER AND BETTER-INFORMED DECISION-MAKING, GREATER RESPONSIVENESS TO CUSTOMER NEEDS, AND LESS WASTE – ALL RESULTING IN GREATER COMPETITIVE PERFORMANCE”.**

The **Insight 2 Win (I2W) program** consists of these core components: Group and cross business consolidation System upgrade, Single Chart of Accounts (SCoA) implementation, Compliance Reporting, Group master data service and cross business MI.

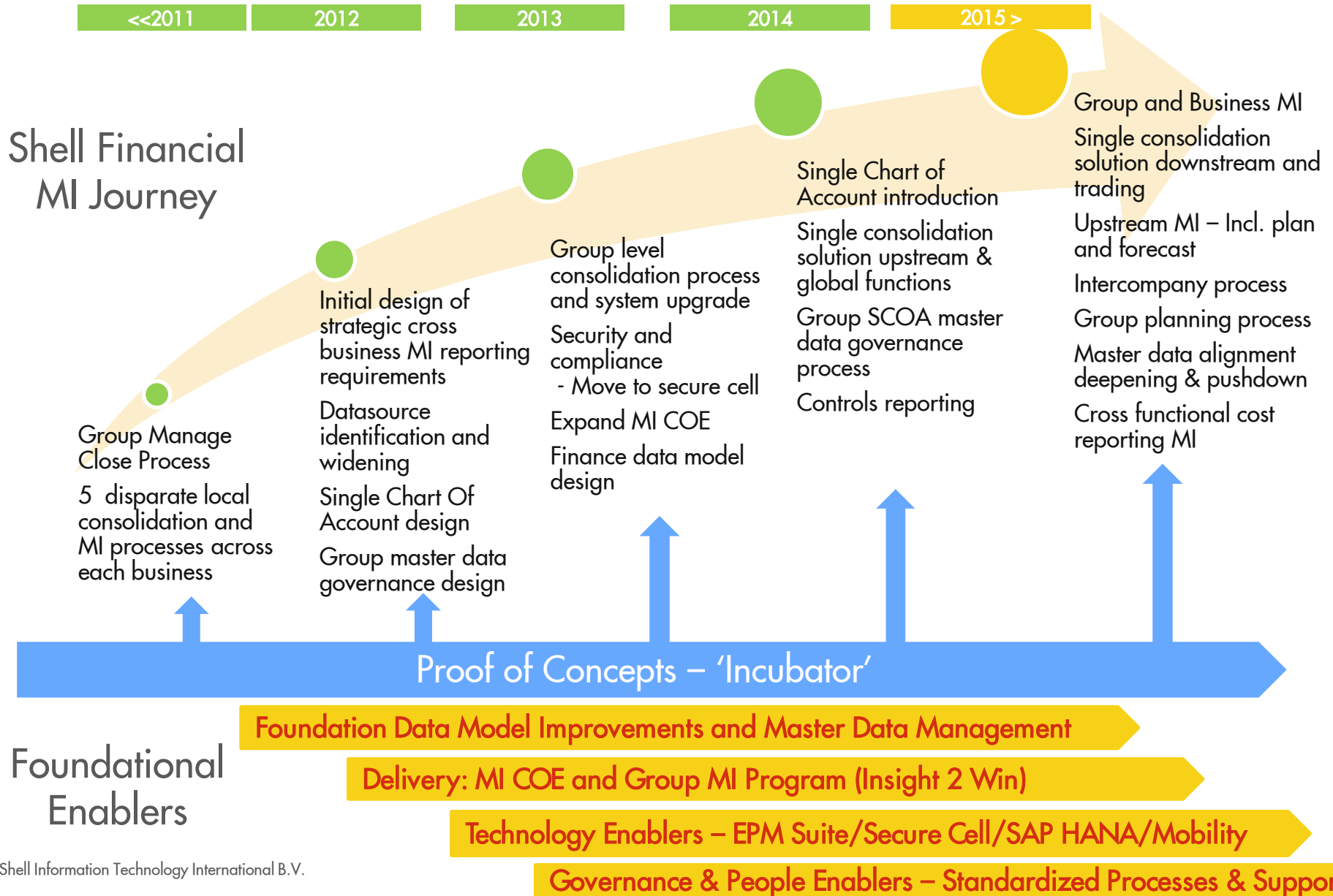
The program contributes to the group strategy by enabling greater competitive performance via:

- **Processes simplified and less waste** –Reduced complexity of “manage close” cycle and reporting process
- **Strengthened data management** – SCoA and related governance structure enables greater transparency from operational to group data level, facilitating a fully integrated data flow and “one version of the truth” for all strategic ERPs from transaction to final consolidated results
- **Quicker and better-informed decision-making** – Better insights through improved MI resulting from increased drill- down capability and agile reporting solutions across group and business

# GOVERNANCE MODEL I2W PROGRAMME - HIGH LEVEL



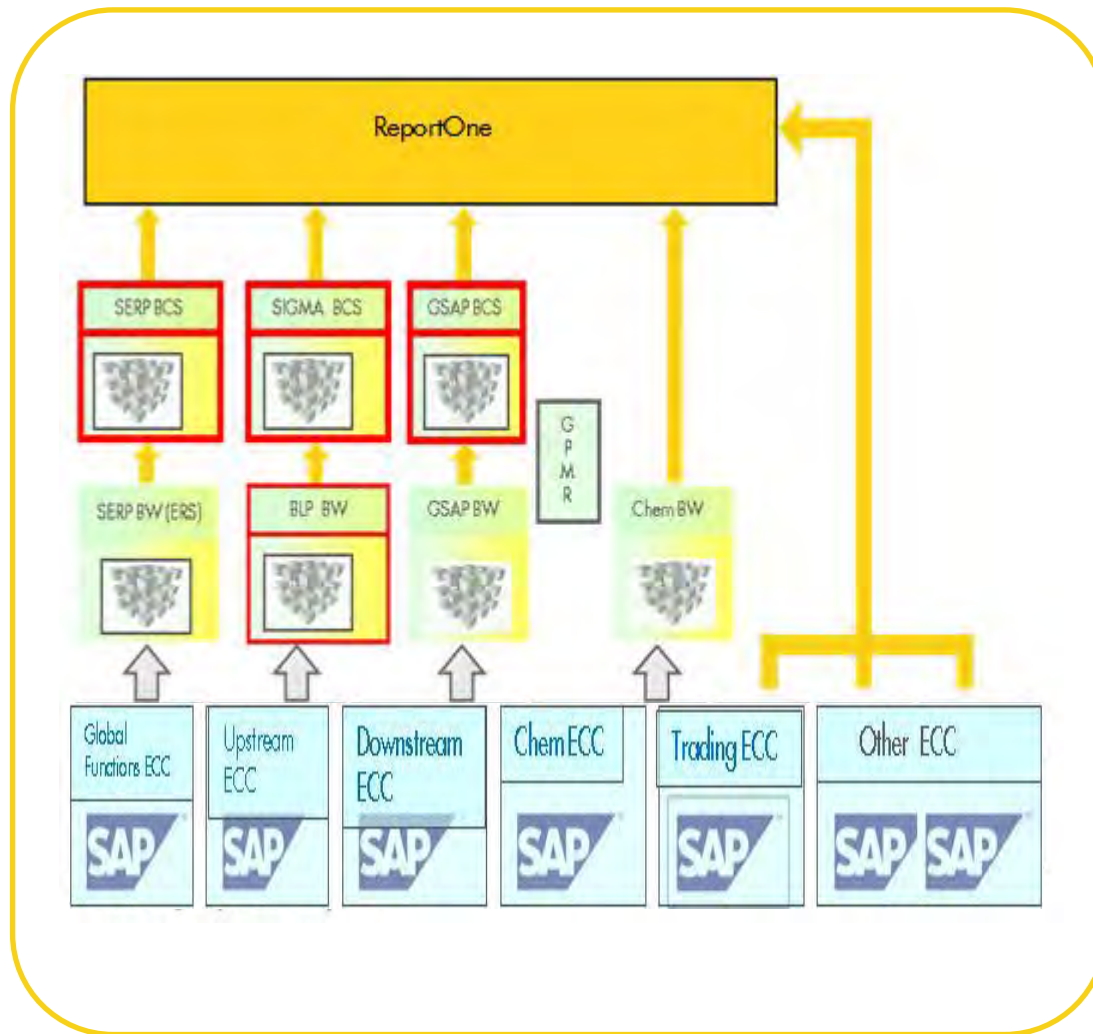
# INSIGHT 2 WIN PROGRAMME FUNCTIONAL JOURNEY





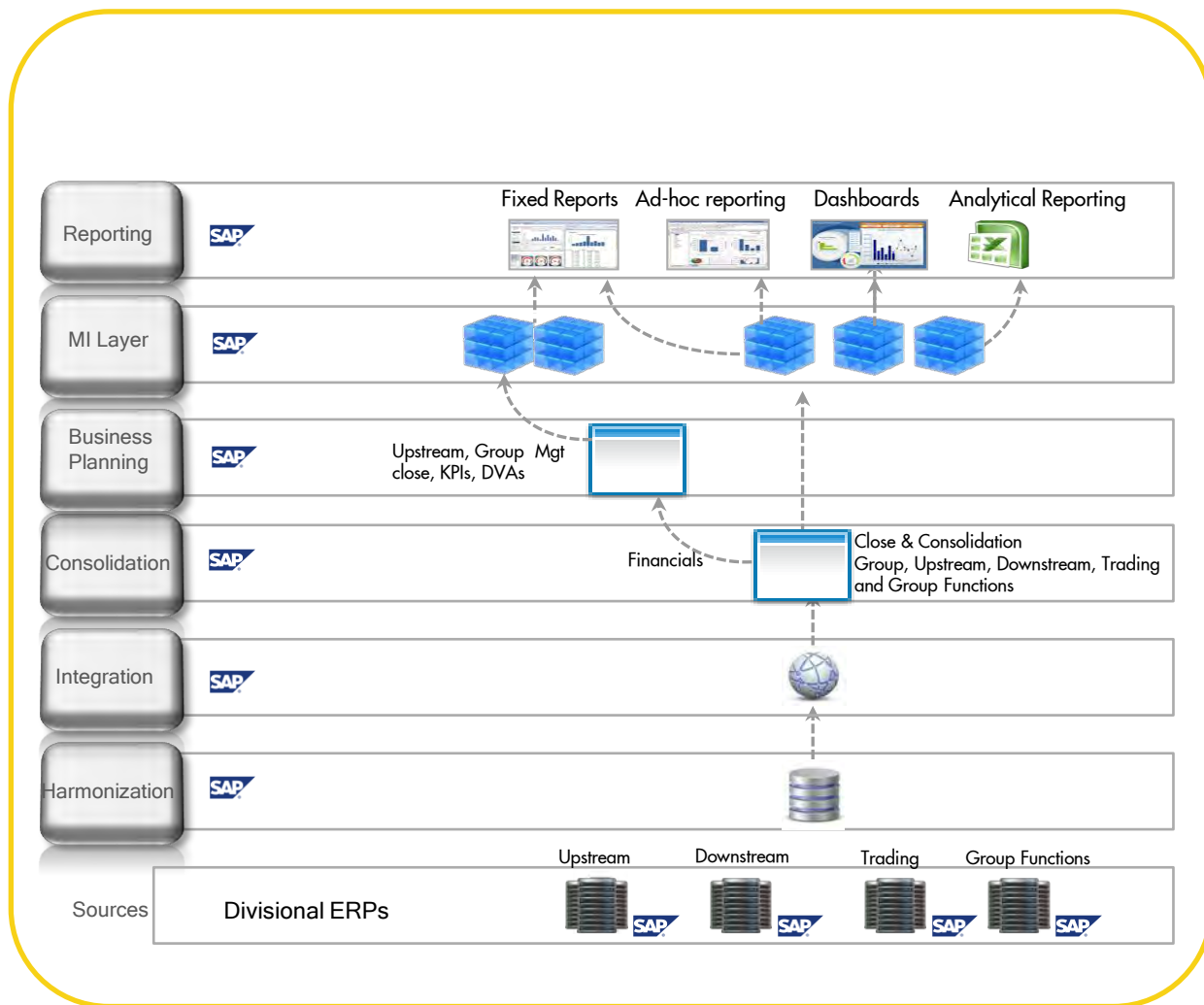
# LANDSCAPE EVOLUTION – HISTORICAL VIEW

- Five separate Business Consolidation systems & processes
- Fragmented MI layers with limited integrated analysis at Group level, limited cross-Business reporting and limited cross-Business planning
- Individual fragmented master data management processes
- Manual submission to Group systems



# LANDSCAPE EVOLUTION FUTURE STATE

- Single reporting front end
- Single consolidation solution based on Single Chart of Accounts (SCoA)
- Automated/Integrated submission and automated data loads from transaction to consolidated results from the Group strategic ERPs
- Single MI layer and data warehouse, including local Management CoA replacement by SCoA and single reporting solution across businesses with different data levels
- Group and Business master data management service
- Single Solution that covers both Consolidation and Business Planning



# BENEFITS REALISATION

From vision and principles to value realisation

# KEY DECISION PRINCIPLES FRAMEWORK

## Objectives:

- All project/programme decisions are tested against these key principles
- Enable convergence, optimal solutions and standardisation
- Clarity on deviations including how to 'return to green' towards key principles

## General

- Standard, sustainable & effective solutions
- Transparency on alternatives, impact and costs & benefits
- Aligned with other business initiatives



### TQMI Data

- Consistent use across Shell
- Single data flows
- Single source DW
- Master Data Management



### TQMI Process

- Integrated financial close
- Single consolidation
- Integrated reporting process
- Integrated IT support model



### TQMI Toolset

- Aligned to Shell MI, Analytics & Dataware housing principles
- One reporting portal
- Optimal TCO for all

## Governance & People

- From submitters/data cleansers/reconcilers to decision support analysts
- Business insight focused
- Interoperability
- Improved work/life balance



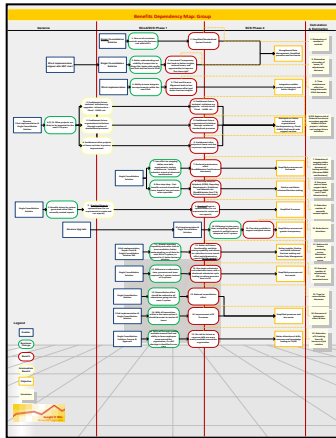
Value Management

From Data to Insight

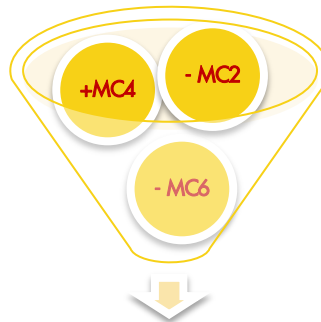
# APPROACH

## Benefits Realisation

### 4.1 BENEFITS DEPENDENCY MAPS



### 4.2 BENEFITS METRICS



"Number of Post-Close adjustments decreases"

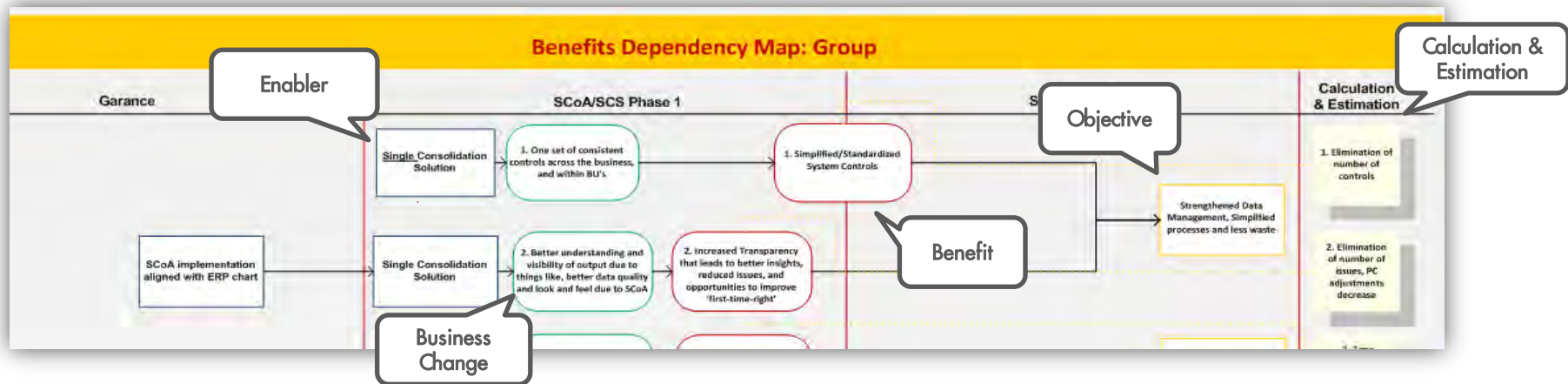
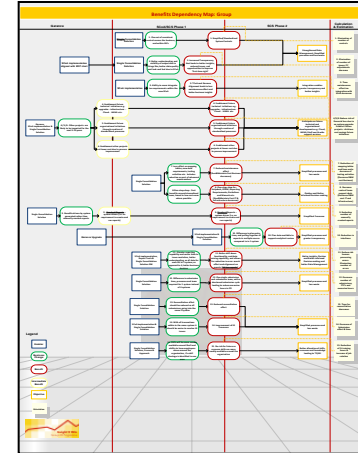
### 4.3 BENEFITS MEETING

Month	Temp	Ultimate	Increment	Operational	Stabilizing	ERP	Total	Commentary
Sub-Category	Days/Op	Days/Op	Days/Op	Days/Op	Days/Op	Days/Op	Days/Op	
Temporary refers to number of external resources	0	1	0	0	20	0	21	Trading reduction refers to Audit completion
Improved Data Quality	5	4	0	0	0	0	9	Reduction in number of adjustments
SCS as an enabler of Externalities	NA	NA	NA	NA	NA	NA	0	Extension of \$ and in quality w
Efficient and harmonized maintenance process	2	3	15	1	2	1	24	Refers to advanced memo harmonization
Enhanced resources	15	20	5	0	50	0	90	Trading through awarding of asset investment
Streamlined Submission Process	42*	189*	0	0	0	0	231	Single submission, and reduced CO, etc.
Transferable Skills	1	2	0	0	0	0	3	Cyclical benefits with some skills transferred
Total (MDO/Op)	85	227	20	1	82	1	416	

# BENEFITS DEPENDENCY MAPS

Benefits Dependency Maps describe a comprehensive set of benefits for each of the core business units.

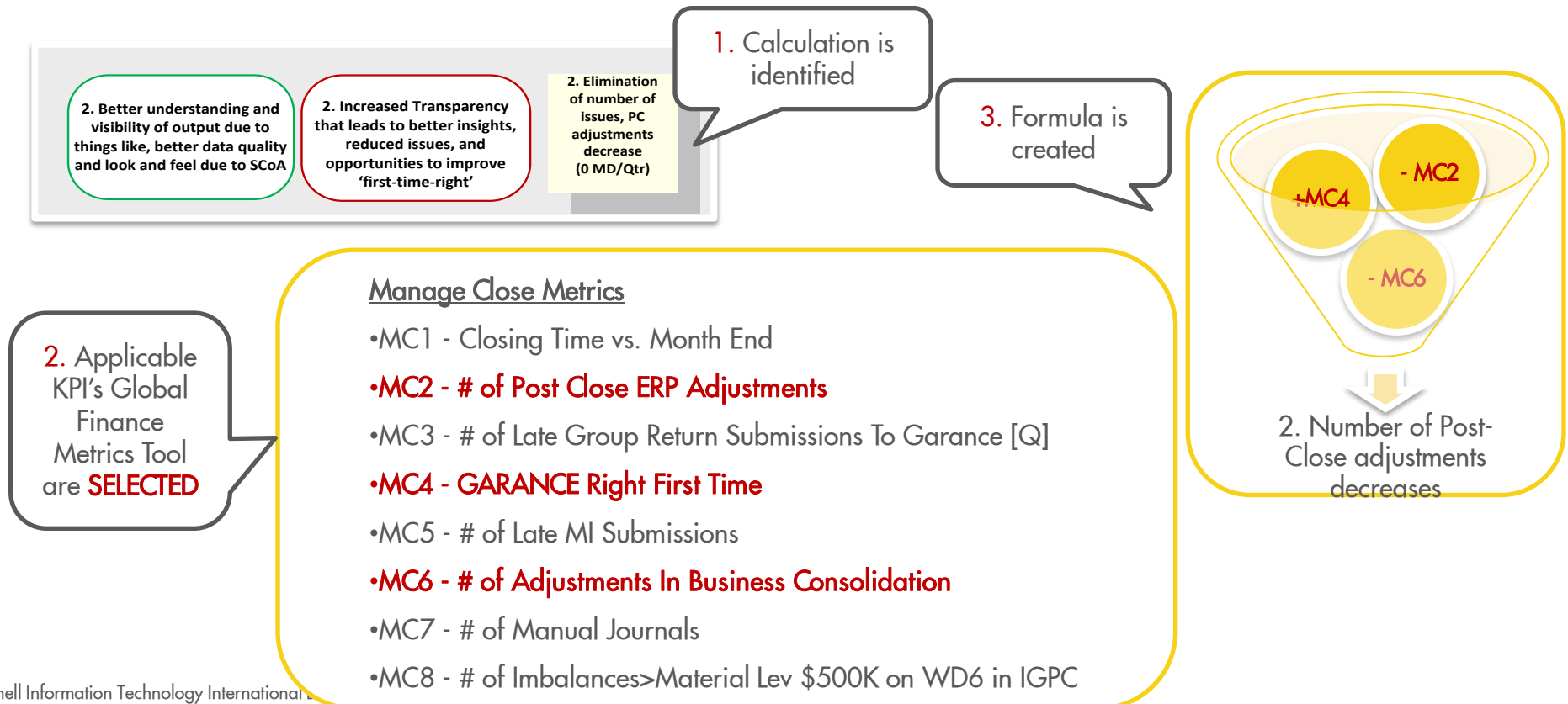
- The maps show, in a clear, concise and visual way, the causal relationships between enablers, business changes, benefits and end objectives.
- Besides distinguishing benefits over multiple businesses, the phases in which they occur are also taken into consideration.
- In the sideline on the right, calculation of benefits and estimation of savings are also set out.



# BENEFITS METRICS

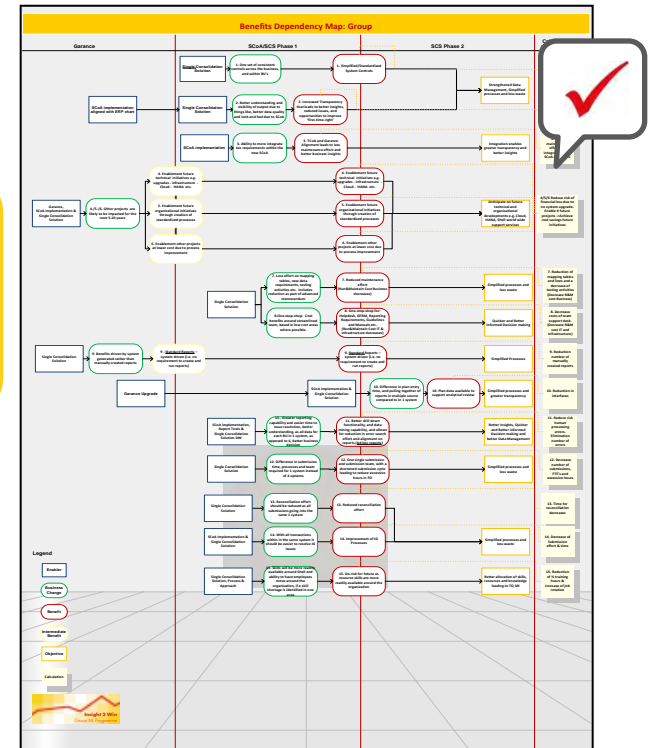
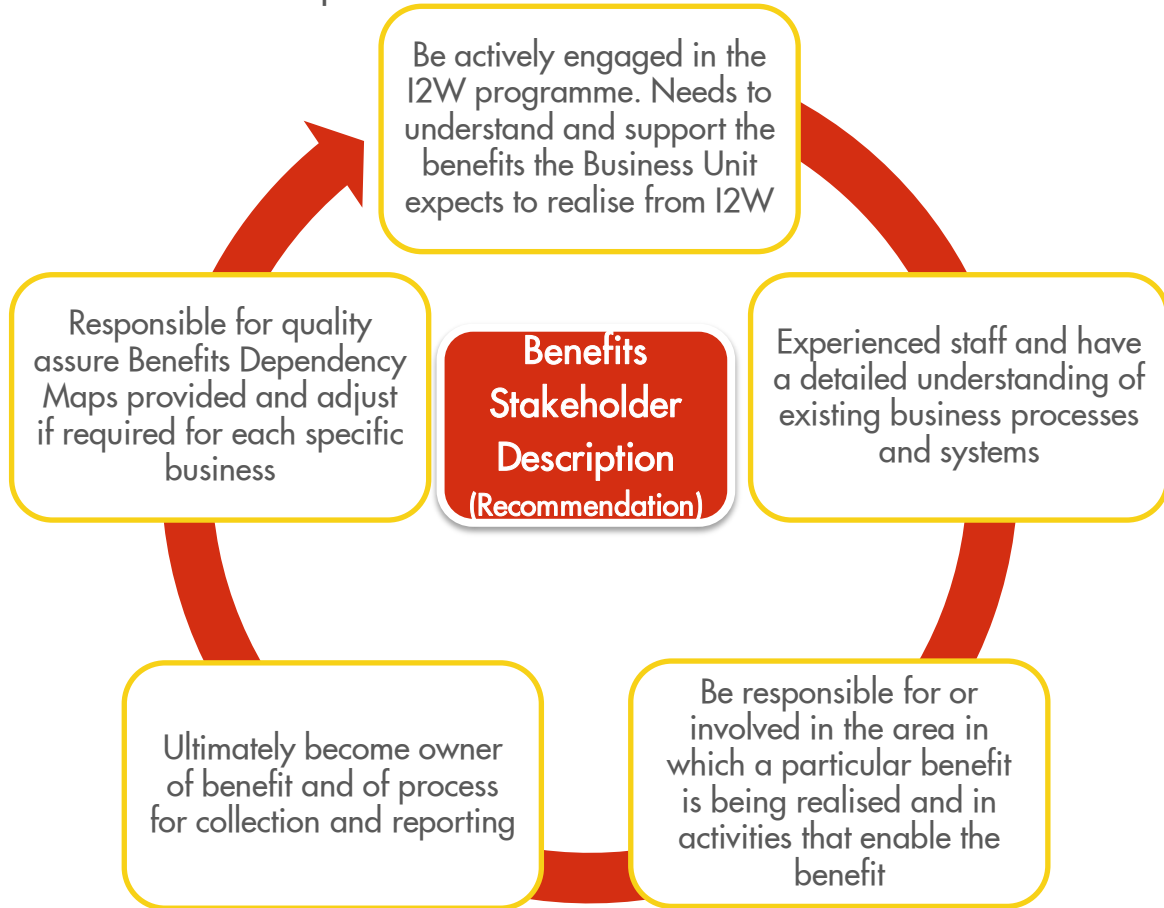
## Benefits Metrics Identification;

- Identifying possible calculations to measure benefits
- Mapping existing operational metrics with the use of the Shell Global Finance Metrics Tool (See example below) and
- Identifying new metrics required (creating metrics, surveys and questionnaires)



# BENEFITS INITIATION MEETING

- ❑ Presentation Benefits Realisation Approach
- ❑ Explanation Benefits Dependency Maps
- ❑ Saving estimates (MD/Qtr) of previous workshops are provided with the request to reconfirm
- ❑ Benefits Metrics and Tracking Tool are provided
- ❑ BOF member confirms tracking and identifies Stakeholders
- ❑ Benefits Realisation quarterly report KPI Dashboard





# HANDOVER

Benefits Handover Process (from Benefits Realisation team to User Board members) will be part of the Governance Model and includes:

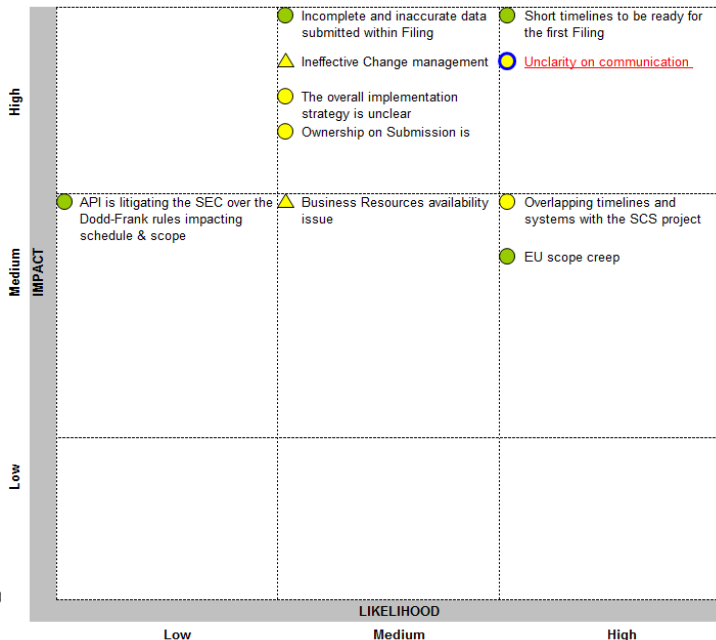
- Identifying Benefits Owners
- Owners tracking Benefits progress periodically and updating Benefits Register
- Tracking estimation: 1 MD/Qtr
- Start tracking Q4, 2013

Governance body	High Level Terms of Reference	Responsibilities (selection)
DRB/Governance Board (GB)	Endorses the budget, takes key decisions, promotes SCS as the single source repository for all Finance related reporting	<ul style="list-style-type: none"> <li>▪ Approving the SCS roadmap</li> <li>▪ <b>Reviewing value &amp; Benefits Realisation</b></li> <li>▪ Approving change requests above a certain threshold</li> </ul>
BOF/User Board (UB)	Represents Group Reporting and the Business, approves change requests and, if needed, escalates to GB	<ul style="list-style-type: none"> <li>▪ Designing the SCS roadmap</li> <li>▪ <b>Monitor system performance KPI's against SLA, reporting out to GB</b></li> <li>▪ Approving escalated change requests</li> <li>▪ Coordinating the implementation of changes</li> </ul>
User Group (UG)	Exists of SME's of all stakeholders, agrees on and implements change requests	<ul style="list-style-type: none"> <li>▪ Collecting change requests</li> <li>▪ Assess the cross-business impact of the requested change requests</li> <li>▪ Implementing the changes</li> <li>▪ <b>Providing UB with expert Knowledge regarding system, processes, data and master data</b></li> </ul>
Advisory bodies (e.g. ITAB, DV, IM/IT, IRM Change Networks)	Advise and support the Report One governance bodies (GB, UB and UG)	

# RISK MANAGEMENT THEORY AND PRACTICE





# RISK MANAGEMENT - THE THEORY

- Risks are categorized in two dimensions:
  - Likelihood of occurrence
  - Impact on project/programme
- Rating:
  - High, Medium, Low (incl. \$ impact)
- Mitigation strategy:
  - Avoidance, Mitigation, Contingency, Transfer or Acceptance



- Risk Management is a continuous process supported by a risk matrix showing trends over time, and mitigation log
- Mitigation log next to matrix shows mitigation strategy for each risk including owner and dates

# RISK MANAGEMENT APPLIED IN PRACTICE – HINTS AND TIPS

- 
- Enforce Risk Management by everyone – it's not just the PM doing it!
  - Make it is a standing item in the regular team meetings - Not only in PMT or SC/DRB
- 
- Actively discuss and challenge risk ranking, trending, mitigation actions, timing of occurrence, \$ impact, check- and decision points including fall-backs or workarounds
- 
- Confirm action owners and due dates are kept up to date for each risk mitigation
- 
- In case of transfer or external risks (dependencies) mitigate by setting up close cooperation and partnerships to better control the risk (e.g. other businesses or 3<sup>rd</sup> parties)

# APPLY RISK BASED APPROACH IN SETUP AND EXECUTION OF PROJECTS

- Do not over engineer project setup and execution – avoid waste
- Apply risk based approach to all streams and activities and make it fit-for-purpose
- Some primary examples:
  - Determine overall risk profile and minimise or remove compliance activities or checks that have no added value or are not relevant for the project (IRM, Architecture, Infrastructure, C&P, Finance or HR)
  - Apply risk based testing - rather position yourself to tackle issues quickly after go-live
  - Use agile approach (e.g. SCRUM) if requirements are unclear. No need to be concerned if you don't have a complete detailed design or full scope – fix the budget and time to manage the risk of overruns
  - Schedule/Organise checkpoints to slim down costs – e.g. Reduce hyper care period if system runs stable after go-live or reduce infrastructure if no longer required
  - PM must understand the project to apply proper QA and control on risks and issues – management purely by process is a recipe for failure

# KEY INSIGHTS

# KEY INSIGHTS

- Client and SAP cooperation critical– Latest technology, particularly on the integration layer, is not fully matured requiring detailed issue resolution with SAP, which is a continuous and ultimately successful process.
- Involving the business at all levels helps to meet the objectives – Business involvement essential throughout the process especially when delivering an end-to-end solution with integration to the primary ERP sources.
  - Reinforces the integrity of the functional and technical solution and alignment with business requirements
  - Helps deliver a strong sense of ownership of the new solution from the wider business community
- Phased and controlled delivery approach – Due to the business criticality and cross business nature of the final solution, and the breadth of technological, functional and process resultant changes, careful phasing of delivery and solution rollout is a key success factor
- Project Resource Structure – Hybrid Locations – see next slide

Stake-  
holders

Project  
Delivery

# KEY INSIGHTS (CONTINUED)

## Typical Traits and Team Location

### Onshore Model

All resources are onshore for the end-to-end project lifecycles. Typically:

- Associated with high risk, new projects, for example, utilizing new tools and process which do not have a traditional base in offshore locations.
- Reduces delivery risk and increases cost

### Hybrid Model (I2W Approach)

Both onshore and offshore locations. Typically:

- Offshore resources may work from single location depending on the project need. Offshore can have strong onshore facing / presence for early stagegates
- Associated with more stable delivery or later project phases once initial processes are becoming normalized , offshoring more packaged efforts
- Managed from onshore
- Facilitates “follow the sun” delivery method
- Balances delivery risks and cost

### Offshore Model

All resources are offshore for the end-to-end project life cycles. Typically:

- Associated with lower risk projects, for example, re-platform, upgrade, enhancement, Run & Maintain, commodity rollout, testing etc.
- Increases delivery risk (depending on project) but decreases cost



# KEY INSIGHTS (CONTINUED)

- **Project Structure Resourcing:**
  - Initial phase delivered from an onshore location primarily due to the immaturity of the various components from an integration perspective (latest technology)
  - Current project phases are delivered via a hybrid team location structure to:
    - Build and retain key skills (functional and technical) onshore and offshore
    - Leverage full communication with the business, vital for hybrid delivery approach
- **Benefits of hybrid model:**
  - Remove current reliance on onshore resources
  - Introduce an onshore / offshore model that can minimise costs whilst maintaining delivery standards
  - Facilitate resource succession planning – replacing certain expensive external niche resources within the current teams with third-party consultant / company resources over time
  - Establish an offshore resource and skill pool that can later drive seamless integration between project delivery and offshore support organisation



