Delivery Excellence Using CMMI

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A common mistake in improvement programs is to be model-centric rather than business-objective-centric.

Instead:
- Balance internal and external tools/techniques, one of which can be CMMI
- Make sure your business goals are the focus
- Understand when CMMI adds value and when you need something else (instead of or in addition to)
Context
What is Accenture?

Accenture is a global management consulting, technology services, and outsourcing company.

- US $15.5 billion net revenues for FY05
- Over 133,000 employees in 48 countries
- Accenture serves approximately 2,500 clients that span the full range of industries around the world
- We serve 87 of the Fortune Global 100, two-thirds of the Fortune Global 500 and government agencies in 26 countries
- Of our top 100 clients in fiscal 2005, 96 have been clients for at least five years and 83 have been clients for at least 10 years
- Ranked No. 1 in "Computer & Data Services" industry category in Fortune's 2005 list of America's most admired companies
- InformationWeek ranked Accenture as the #1 leading Outsourcer
Delivery Excellence is about focusing on total performance, having the right systems, measurements, and processes in place.

- From a quality model perspective, you need to balance internal and external definitions of quality and tools/techniques.

- **Internal:** proprietary best practices help differentiate you and build unique strengths
  - Methods
  - Tools
  - Metrics
  - Architectures
  - Stakeholder Management
  - Continuous Improvement
  - Quality Assurance
It is important to balance internal and external definitions of ‘best practice.’

- **External**: industry quality models provide an objective view into best practices and a common yardstick to compare companies
  - Industry standards frequently overlap, but have different ‘sweet spots’
CMMI has some impressive benefits:

• **Cost:** 4.5 percent decline in overhead and up to 33 percent decrease in the cost to fix defects
• **Schedule:** 30 percent increase in productivity, 50 percent reduction in release time, increase of milestones met from 50 percent to 95 percent
• **Quality:** reduction in defects found from 6.6 to 2.1 per thousand lines of code (KLOC)
• **Customer Satisfaction:** increase in client satisfaction scores and award fees
• **Return on Investment:** 5:1 to 13:1 ROI
But…many organizations make the mistake of seeing CMMI as a silver bullet that will magically solve problems.

**Common pitfalls:**

- Setting wrong or incomplete goals
- Believing CMMI will fix all or most of your problems
- Focusing your improvement program on CMMI by itself
What is the goal of your improvement program? **Hint:** it probably isn’t achieving CMMI Level X.

- Do not confuse CMMI goals with your business goals

- What are your business goals? Some examples:
  - Increase customer satisfaction
  - Reduce delivery time
  - Increase productivity

- How can CMMI help you with your goals?
  - **No:** Customer satisfaction is low because our call center is understaffed and keeps them on hold too long
  - **Maybe:** Customer satisfaction is low because our system upgrades take too long and have lots of bugs
What is the goal of your improvement program? **Hint:** it probably isn’t achieving CMMI Level X.

• How do we know when we’ve achieved success? Which of these is more successful:
  – We are CMMI Level 3 but customer satisfaction hasn’t changed
  – Customer satisfaction has improved 40% but we ‘failed’ our CMMI appraisal

• **Common mistake:** defining success based on CMMI Level rather than achievement of business goals
CMMI, like all quality models, has a ‘sweet spot’ where it provides the most value. Your business problems probably aren’t that narrow.

- CMMI has some excellent content, such as:
  - Project management
  - Systems development/maintenance

- What about other problems related to your business goals?
  - Customer relationship management
  - Human performance
  - Outsourcing
  - Infrastructure management
  - Security management
CMMI, like all quality models, has a ‘sweet spot’ where it provides the most value. Your business problems probably aren’t that narrow.

- Make sure to supplement your improvement program with other quality frameworks that have different ‘sweet spots’
  - People Capability Maturity Model (P-CMM®)
  - eSourcing Capability Model for Service Providers (eSCM-SP) or for Client Organizations (eSCM-CL)
  - Information Technology Infrastructure Library (ITIL®)
  - ISO® 9000
  - (Lean) Six Sigma
  - ISO 17799/27001
  - …
CMMI has good process improvement content and principles, but doesn’t cover all aspects of process improvement.

- CMMI has some excellent content and principles to help structure an improvement program
  - Sponsorship
  - Training
  - Measurements
  - Documentation
  - Verification

- But don’t forget:
  - Communications program
  - Human performance
  - People change management
  - Tool and technology improvements
  - Organizational re-engineering
Conclusions

CMMI can be a valuable and important part of your delivery excellence program, but make sure you stay focused on the right issues.

- Focus first on business strategy and objectives
- Decide which quality frameworks will best help with those
  - Internal, proprietary methods and frameworks
  - Industry standards: CMMI, ITIL, eSCM-SP, Six Sigma, etc.
- Define your improvement program
  - Business case
  - Program plan + milestones
  - Define ‘success’ and identify metrics that will help you measure success
CMMI can be a valuable and important part of your delivery excellence program, but make sure you stay focused on the right issues.

- Make sure your improvement program has all the elements, including:
  - Program Management
  - Sponsorship
  - Process, Technology, and People Change Management
    - Training
    - Communications
  - Tools
  - Process and Organization re-engineering
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