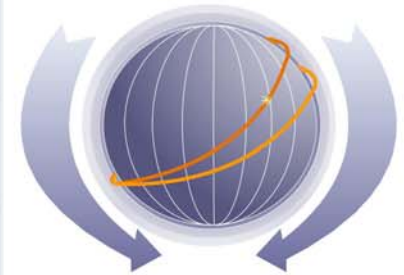


Change on Demand

Fast Track to Higher CMMI Maturity Levels: Lessons Learned from Five Initiatives



Cheryl White
Change Delivery Group

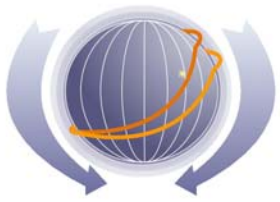
Presented to: NDIA

CMMI Technology Conference and Users Group
November 15, 2007



Overview

- Whether your organization is Level 1, Level 5 or someplace in between, achieving higher CMMI maturity levels is often a major investment in time, capital and other resources
- Realizing an acceptable rate of Return on Investment (ROI) often depends on accelerating the speed at which new processes can be implemented and adopted
- Here's how five organizations in commercial, government and outsourcing sectors outperformed industry benchmarks to increase process maturity in a remarkably short time



Agenda

Why this Study is Important

Five Case Studies

Successes

Common Practices

Tips for Accelerating the Pace of Change

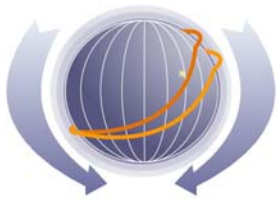


Reality

Historically, 75-85% of all organization transformation initiatives fail in whole or in part to deliver promised business benefits

For over 25 years studies confirm this.

Most recent studies: ProSci (2006), US Army (2007) and IBM (2006)



Outlook for the Year Ahead...

Each year, executives of approximately 90% of fortune 500 companies will undertake a business initiative that requires organization change



Some of these will be
CMMI initiatives

Less than 25% of these
projects will show a
return on investment

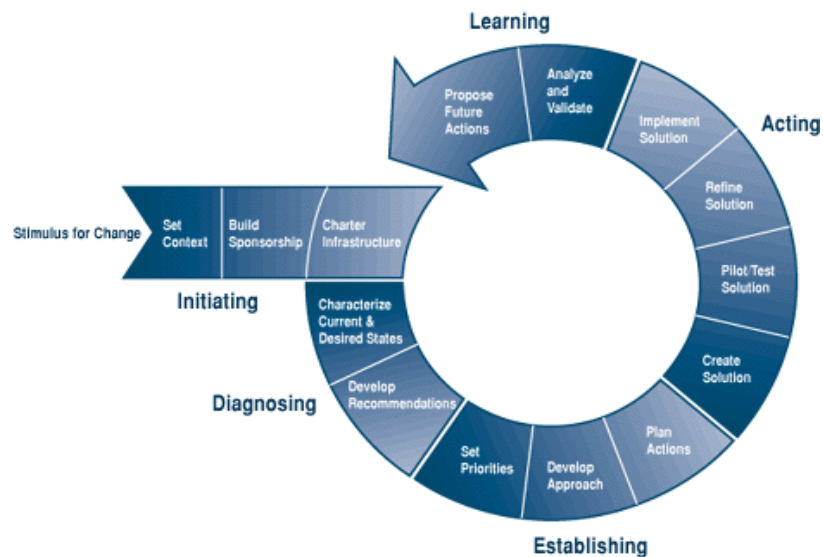


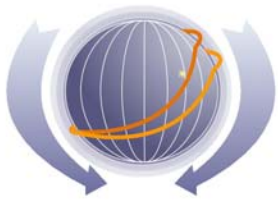
The Problem is . . .

Although Change Management and Business Process Improvement have been around for more than 40 years, overwhelming evidence suggest that

methods based on these models simply aren't reliable

There must be a better way

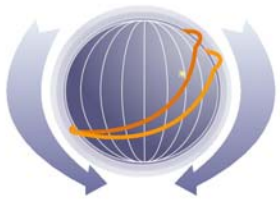




Alternative Methods

By using breakthrough process improvement methods, these projects beat the odds.

Here is what you can do to increase the success rate of your next project



Five Case Studies





The Projects

Commercial Sector

- 3 SE organizations within one IT department totaling 450 people, 1 VP, 6 directors, 19 projects

Outsourcing Sector

- 2 organizations within a 90 person outsourcing facility providing IT development services to the insurance and US defense industries

Federal Government

- 1 project within an agency of the federal government

All projects faced high risks



Project profiles

Case Study 1: Commercial Sector

- Initial assessment as L1
- Given 2 years to assess as L2
- 6 Change resistant, hostile project teams, demoralized management
- Previous consultant asked to leave due to non-performance
- 18 months into corporate project
- Committed internal resources
- Dwindling budget



Project profiles

Case Study 2: Outsourcing

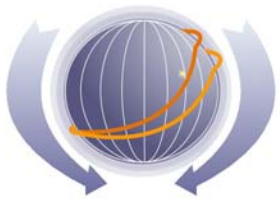
- Initial assessment as L1
- Given 6 months to assess as L3 (Scampi Class B) by major client or lose contract
- Highly committed management
- No internal resources available
- Limited budget



Project profiles

Case Study 3: Agency of Federal Government

- Initial assessment as L1
- Need to make changes to comply with periodic *GAO* audits
- Leadership focus directed to other mission critical issues
- Initial lack of progress due to general lack of interest
- Small team of internal change agents
- Assisted by external consultants



What Went Right





Summary of Outcomes

Case Study 1:

- L1 to L3 in 18 weeks (Scampi B)
- Assessed as L3 11 months from project start (Scampi A)

Case Study 2:

- L1 to L3 in 14 weeks (Scampi B)
- Assessed as L3 9 months from project start (Scampi A assessment grouped with other organizations)

Case Study 3:

- Continuous process improvement (validated by GAO audit)
- Date of L2 rating uncertain



Comparison of Project Outcomes

Elapsed time to Sustainable Process Maturity

CS1-L3

L1 to L3 in 18 Weeks

CS1-L3

L1-L3 to 14 Weeks

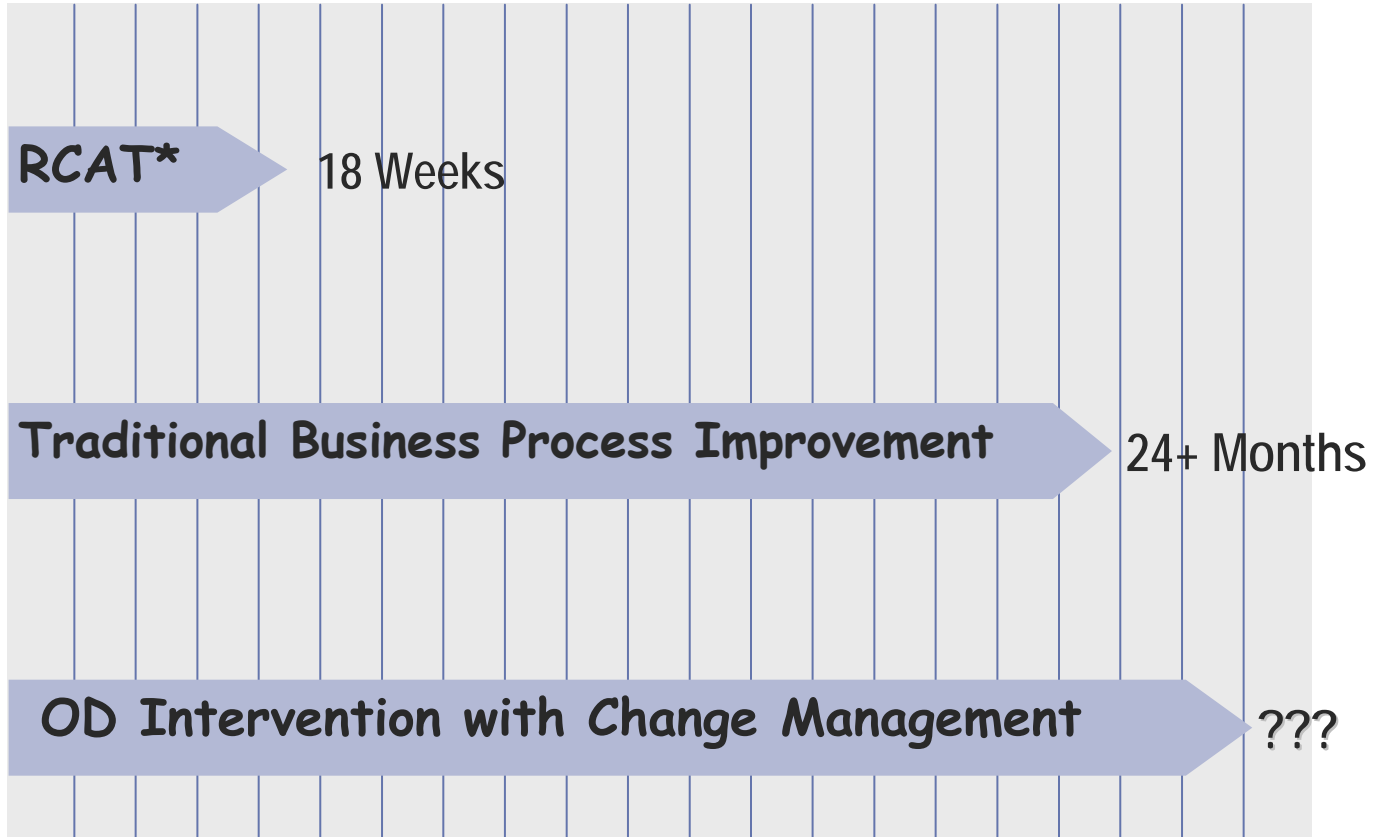
CS3-Steady Progress toward L2

???

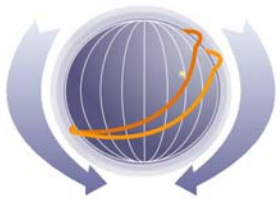


Case Study 1: Project Methodology vs Other Approaches Used During Initiative

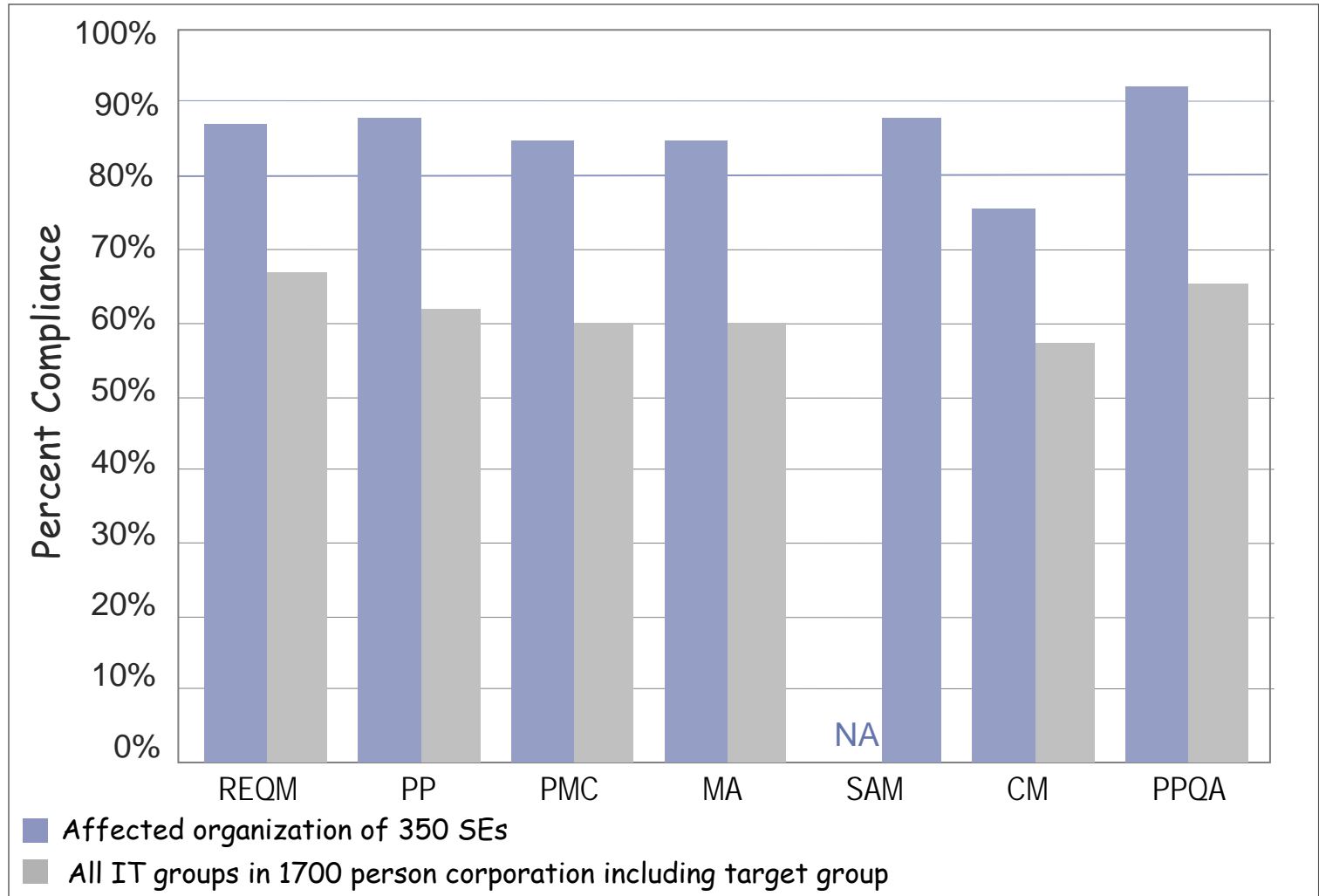
Elapsed time to Sustainable Process Maturity



*RCAT=Rapid Change Attainment Team



Case Study 1: Project (after 6 Months) vs Total Organization After 24 Months (L2 only)





Common Practices





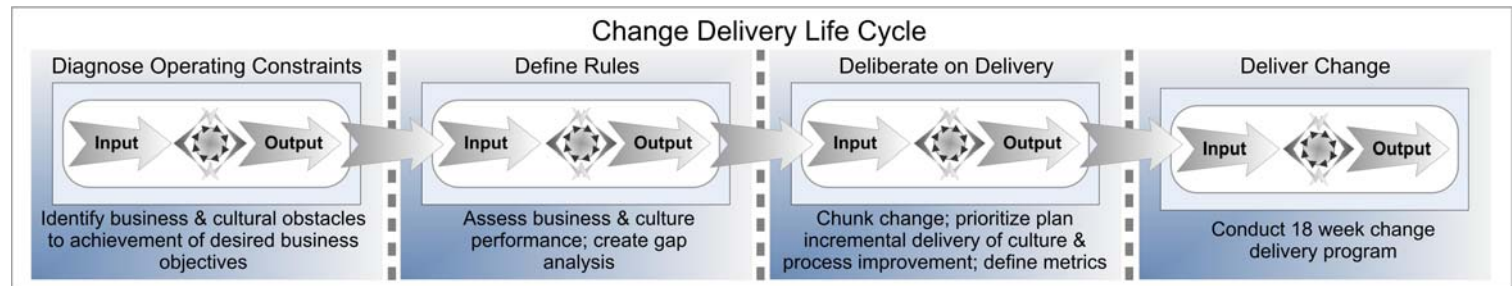
Common Practices

- Understood Risk
- Focus on what works best here
- Best performance and local best fit rather than on global best practices
- OSSP reverse engineered from multiple instantiated PDSPs
- Non-project work performed by consultants so the “real work” of business could go on throughout the transformation period

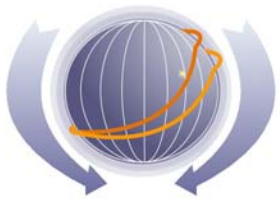


Common Practices

1 Use of standard methodology designed for Rapid Acceleration of Change

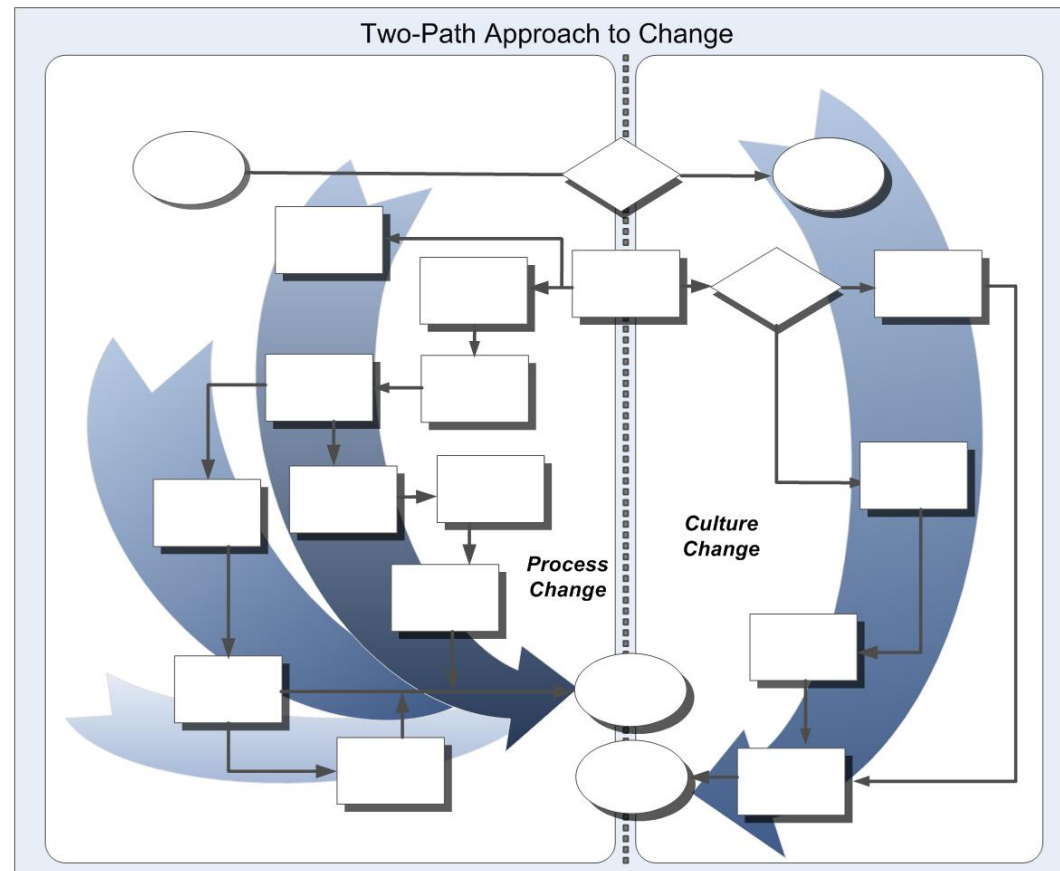


CMMI Change Agents who would never develop software without a PDSP frequently attempt organization change without a quantitatively proven transformation process



Common Practices

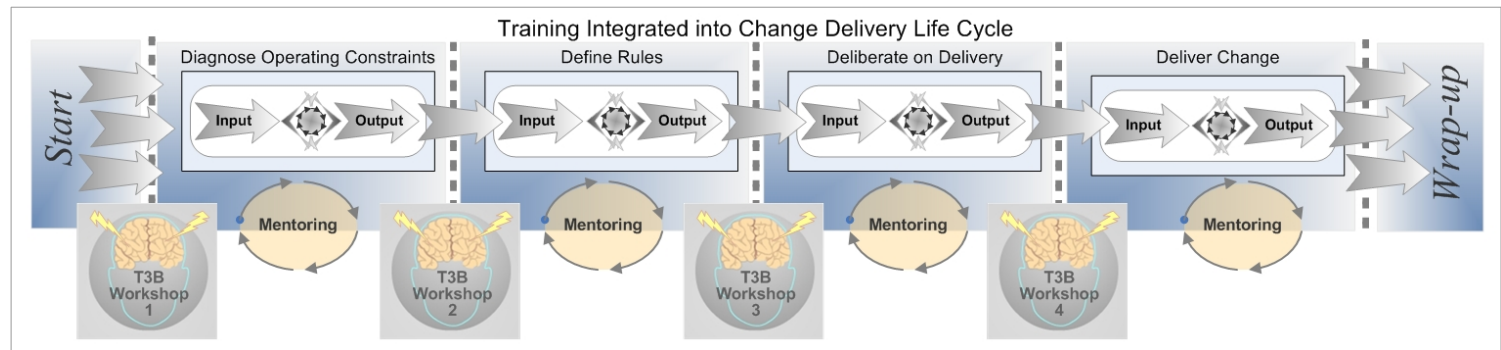
2. Culture Change concurrent with Process Change





Common Practices

3 Organization training on how to reengineer corporate culture



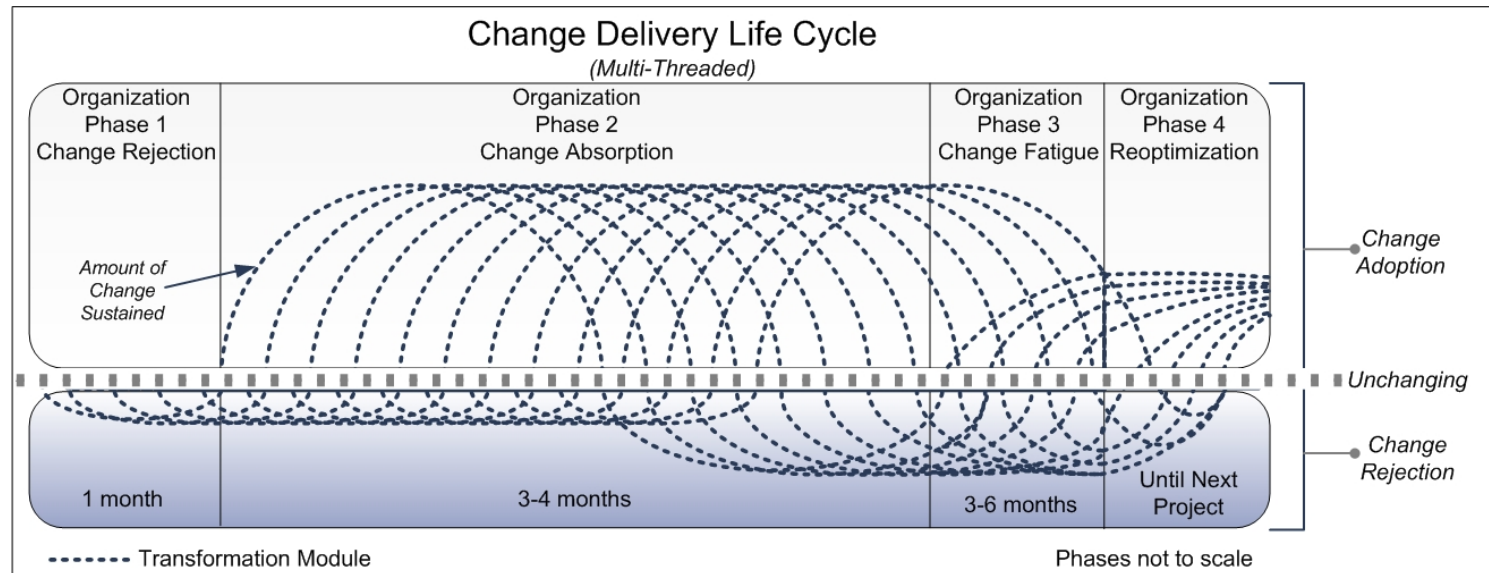
4 Cultural assessments occur throughout the process improvement process

Culture coaching helped teams overcome barriers to change

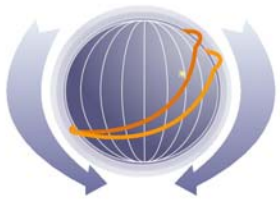


Common Practices

- 5 Multi-threaded, iterative implementation cycles matched to the organization's natural change cycles



*14 KPAs were institutionalized in 18 weeks
(or less) once planning was complete*



Accelerating the Pace of Change





Critical Success Factors

- 1 Expected corporate benefits aligned with actual CMMI benefits
- 2 Leadership was stable and remains engaged throughout initiative
- 3 One qualified consulting group led the change initiative
- 4 Consulting group had ready access to leadership throughout program
- 5 Core transformation team was trained on methods & tools used for culture change
- 6 4-10% organization work effort was committed to transformation activities

Contact Us for more information on these
and other projects

Change Delivery Group
303.680.0895

www.changeperfect.com



Tips to Accelerate Pace of Change

Design business rules to be used: Understand the constraints of organization culture on employee behavior and design new business rules, processes, and technology to accommodate those constraints

Limit disruption to business: When it is a choice between business as usual and organization change, business always wins. Minimize disruption by implementing changes in tiny chunks

Include the right people on your team: Some people are keepers of culture. They can tell you "what works around here". Listen to them

Understand the comprehension of your sources: Typically, people who work in organizations do not explicitly understand the basic rules of culture or how culture encourages them to behave. Success depends on knowing more about culture than employees do

Design, develop and implement agilely: Organization culture is constantly changing. Tap into this "native" change ability to propel your project to success

Minimize negative culture responses during implementation: Small bits of change delivered incrementally over time cause less change resistance than larger chunks



Tips to Achieve Strategic Goals

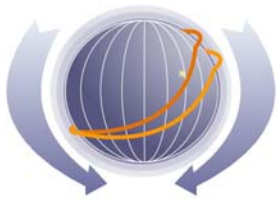
Apply culturally reinforcing techniques: Culture will not push back when processes and technology support the status quo by conforming to existing organization rules

Limit your stay inside the organization and work fast: Organizations tolerate outsiders temporarily and attacks outsiders who refuse to comply. Most change agents are immune to attack for 6 months. After that they either leave or they become an agent of culture (rather than an agent for change)

Be suspicious of corporate rule books: Although culturally sanctioned behavior is pervasive and persistent, it is rarely documented. Most rule books document behaviors management wishes were present and want to enforce

Understand employee motivation: Persistent behaviors, especially crazy, dysfunctional or destructive behavior continues because culture rewards them

Be wary of initiatives under new management: New managers, especially those brought in to run a change program, often leave within 2 years. (Average time in position is 21 months). Plan your project accordingly



Presenter Bio

Ms White is a business enterprise architect specializing in the design and rapid implementation of IT and corporate transformation programs. With over 20 years experience in a wide range of organization transformation projects she has led strategic engagements resulting in the rapid implementation of CMMI, agile software development methods, ISO and six-sigma. She is the author of *Change on Demand: The Science of Turbo Charging Change in Millennium Corporations* (2007).