



## CMMI in a Business Context

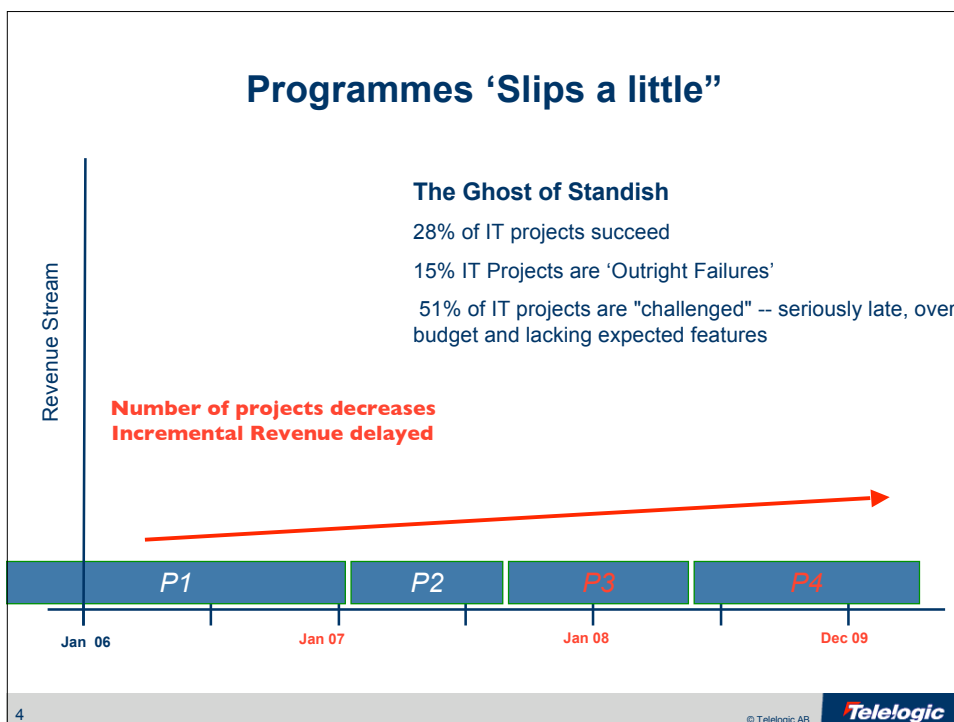
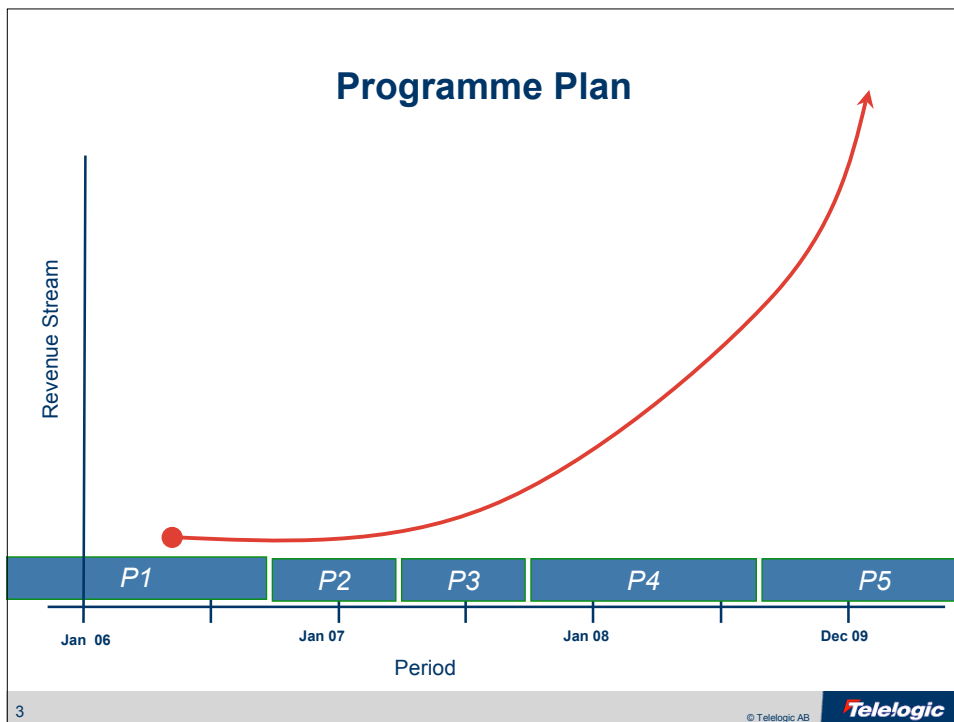
John Wood

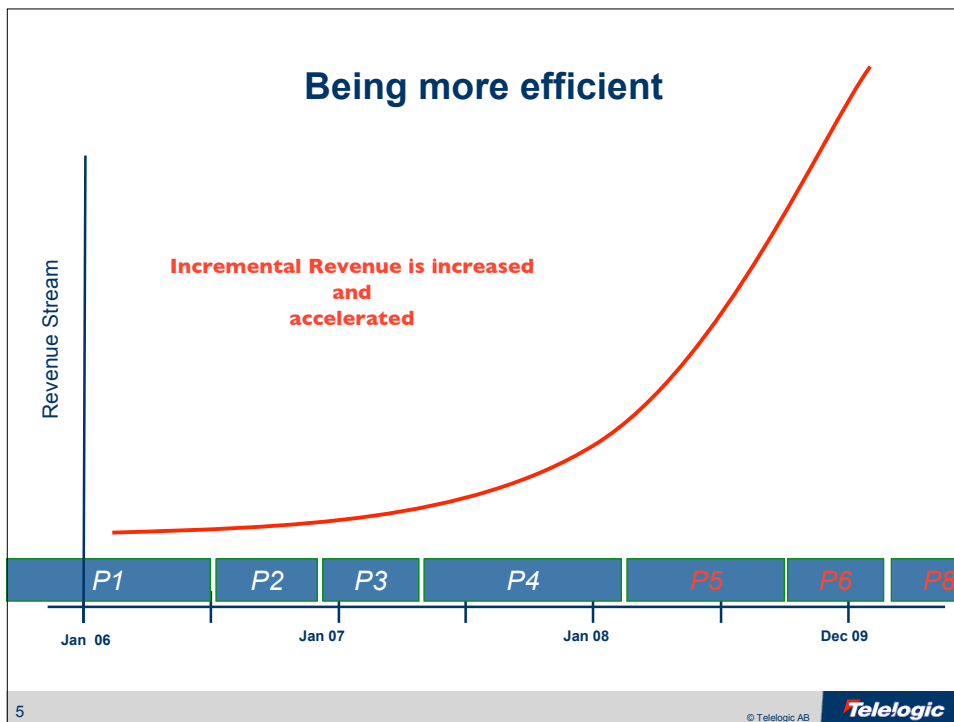


**Software is running your business**

**So improve your software development capability  
and improve your business...**







## But this is not happening. Why?

- The response of the Organization and the IT Departments to the “Standish Paradox”
  - Implement a Framework
  - Outsource to achieve the capability
  - Continuing failure of the linkage between IT Strategy and Business Strategy

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## Corporate Reaction 1: Implement a Framework

### Why Organizations Implement CMMi

<b>Product</b> <i>e.g. software/service quality</i>	66%
<b>Performance</b> <i>e.g. dev. time, dev. cost, productivity</i>	64%
<b>Process</b> <i>e.g. process visibility, SPI, process measurement</i>	52%
<b>Customers</b> <i>e.g. customer demands, market advantage</i>	20%
<b>People</b> <i>e.g. work environment, leadership</i>	5%

Source: NICTA, Why CMMi is chosen by Organizations

## IT Departments Strategic Reaction

- Goal or objective statements such as "Implement ITIL," "Achieve CMMI Level 2," or "Achieve Certification XXX"
- Measures and metrics of success based on process maturity
- Lack of analysis or discussions connecting process initiatives with relevant business benefits
- An obsession with documentation at the cost of what's actually happening on the ground
- Program meetings focused on activities related to the certification

## The Problem with Frameworks

Worldwide IT organizations are going "process mad." Many are obsessed with Capability Maturity Model Integration or the Information Technology Infrastructure Library. Organizations that focus on them as end points, rather than as means to an end, will achieve no material improvement in performance.

*Gartner 2005*

## Corporate Reaction 2: Outsource

If the IT Department or its Processes are perceived to be

- Too expensive
- Provides no "added value"
- Too complicated

**Outsource or Threaten the  
IT Department with  
Outsourcing**

*- And lets outsource to a CMMi Level 5 company who can 'deliver' -*

## IT Departments Reaction 2: Outsource to Achieve Capability

### Ingredients

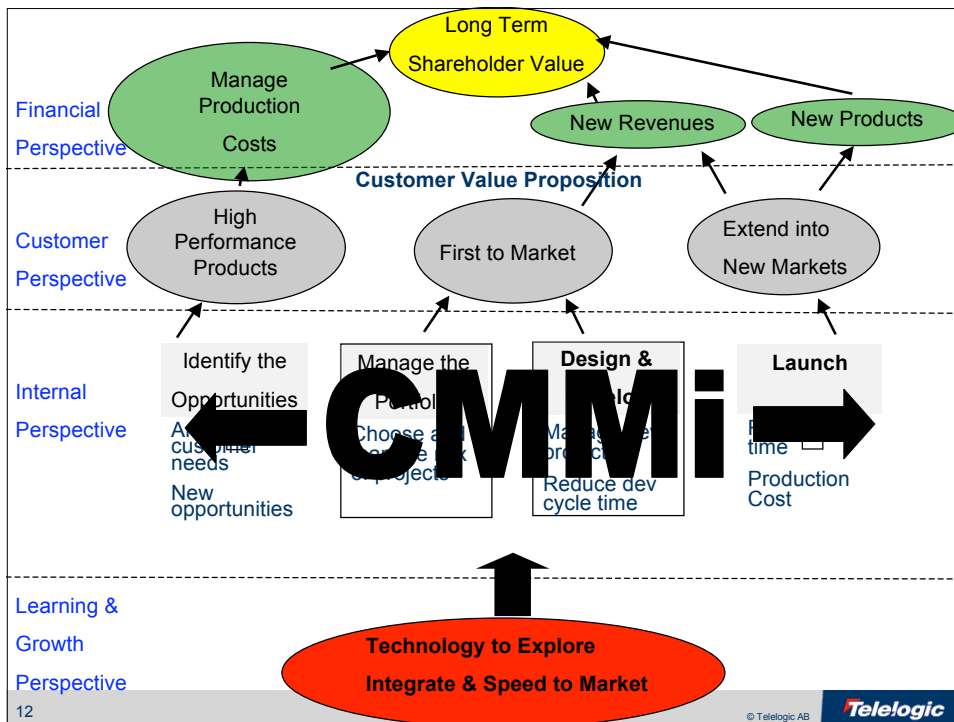
- Take a CMMi Level 5 Outsourcing company and a CMMi Level 1 company
- Transfer key activities and process
- Add a pinch of Change Management
- And...
- You still do not get a CMMi Level 5/4/3/2/1 Organization



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## In Summary

- Have clear linkages between the CMMi initiative and the business strategy
- Be pragmatic
- Outsourcing is not a silver bullet
- Understand there are no simple and easy answers
- Measure success by Business Metrics