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Tips For Organizations Working Together at Different Maturity Levels

SEPG March 6-9, 2006
Nashville, Tennessee

Agenda

- Accenture overview
- Case study context
- Change curve overview
- Tips and hints for achieving maximum performance across the change curve

Accenture Overview (NYSE: ACN)

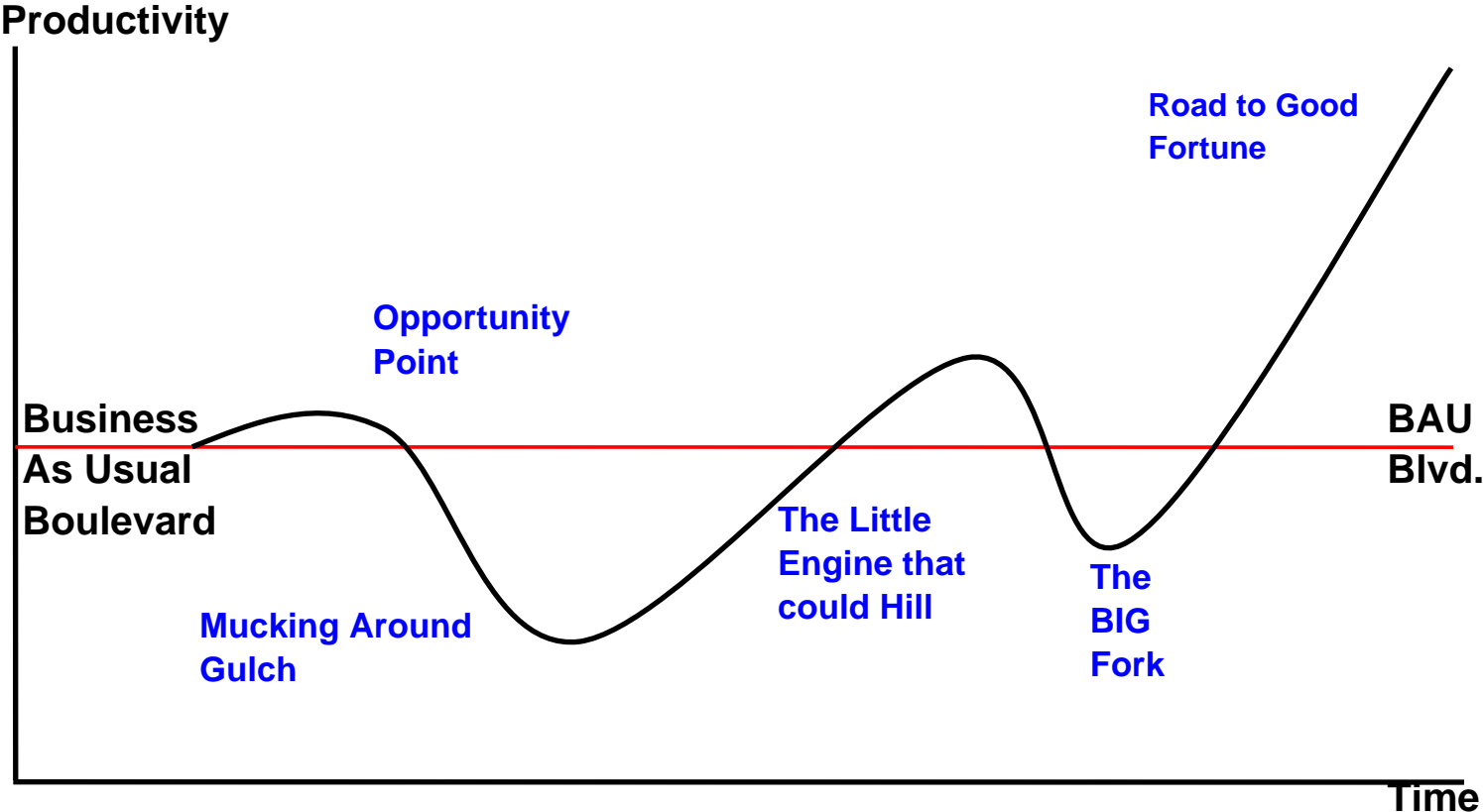
As of December 1, 2005

- Global management consulting, technology services and outsourcing company. Committed to delivering innovation, Accenture collaborates with its clients to help them become high-performance businesses and governments.
- Deep industry and business process expertise, broad global resources and a proven track record, Accenture can mobilize the right people, skills and technologies to help clients improve their performance
- US\$15.55 billion for fiscal 2005 (12 mos. ended Aug. 31, 2005)
- More than 123,000 people in 48 countries
- Accenture's clients span the full range of industries around the world and include 84 of the *Fortune* Global 100 and two-thirds of the *Fortune* Global 500
- In addition, 93 of our top 100 clients in fiscal year 2004, based on revenue, have been clients for at least five years, and 73 have been clients for at least 10 years. .

Case Study Context

- Special challenges happen when an organization's IT group decides to move up the maturity curve and integrate or use their resources with their outsourcing vendors
- An outsourced vendor at CMM/CMMI Level 5 integrated with a CMM/CMMI Level 1 IT organization does not produce a CMMI Level 3 organization!
- This presentation looks at the challenges involved when integrated teams have different process maturity levels and describes tips, hints, metrics and approaches to enable high performing teams

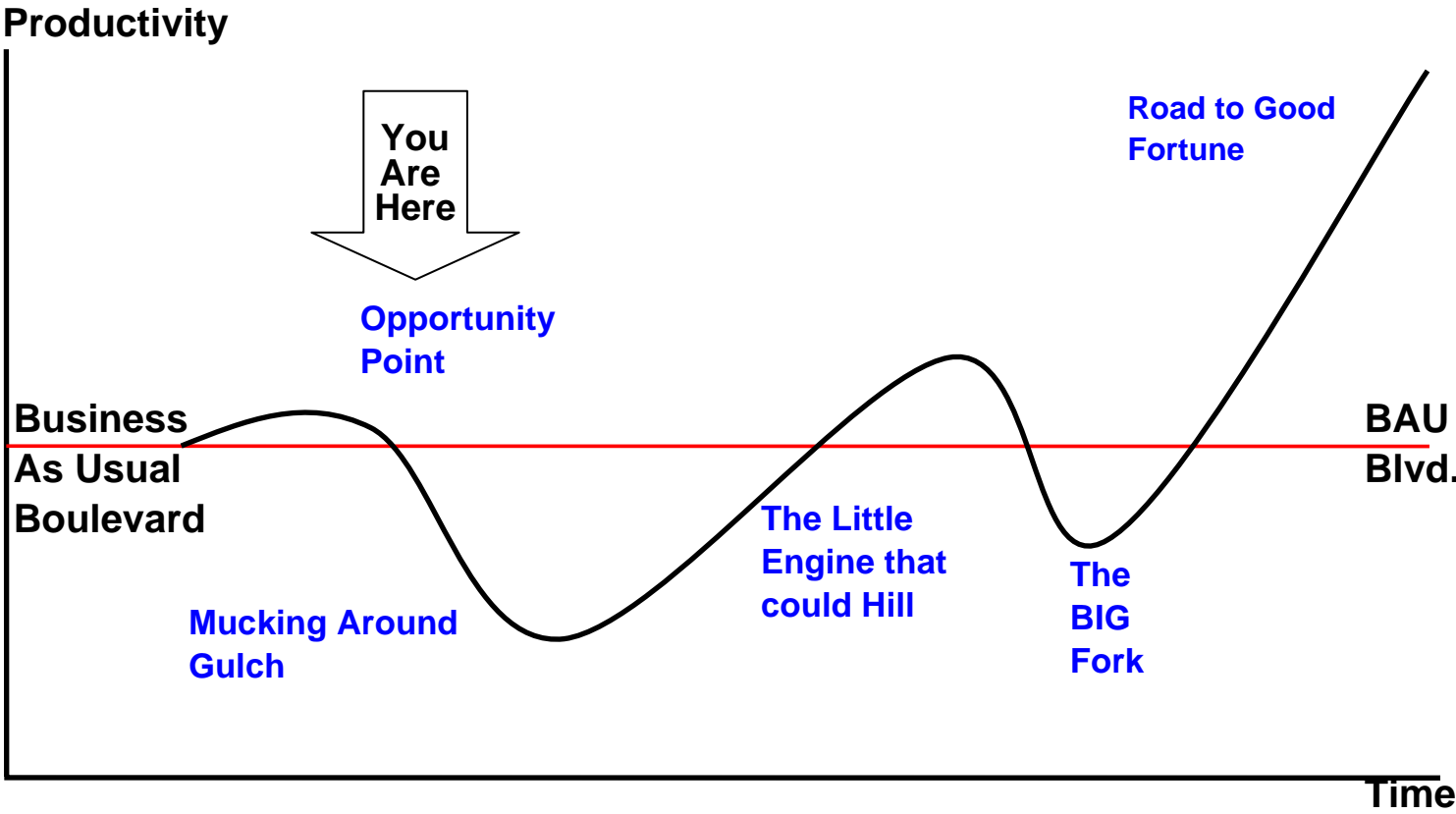
Change in an Organization is Predictable



Dimensions to Large Change in Organizations

- **Strategy/Alignment** – initiatives aligned to overall strategy
- **Decision Support System** – consensus, fact-based, ad hoc
- **Process/Methodology** – Systems delivery life cycle, CMMI
- **Talent Management** – skill gaps, training, succession planning
- **Structure/Organization** – hierarchical vs. matrix
- **Culture/Communication** - order taking vs. empowered

Change in an Organization is Predictable



1st Stop: Opportunity Point – Why?

Organizations are looking at strategic sourcing options:

- Cost reduction
- Access to additional resources
- Project team spread across multiple locations
- Specialized skills
- Everyone is doing it

Great, but we just added risk, complexity, multiple locations, and multiple time zones.

1st Stop: Opportunity Point – Difference of Opinions



- Lower maturity organizations think:
 - This is the silver bullet
 - This reduces my overhead
 - I am lowering my risk
 - All of my problems will be solved by someone else
 - I have a better chance of delivering on-time and on-budget
 - This will solve my employee morale problem
 - People will be more committed since we will be outcome driven
- Higher maturity organizations think:
 - This is a great opportunity
 - We made a sale !!!
 - We will deliver what they want
 - We will bring rigor to the lower maturity organization
 - We will show them how to do it right

1st Stop: Opportunity Point - Challenges

- How do I convince people this is the right thing to do?
- What is the correct decision-making process across the organizations?
- What critical processes need to be monitored?
- How do I integrate the work processes?
- How do I leverage the experience of my people?
- How do I hold the other group accountable for results?
- How do I handle the cultural differences?
- How do I communicate with a distributed workforce?

1st Stop: Opportunity Point - Suggestions

- Address cultural and structural differences between the organizations
- Communicate, communicate, communicate
- Use an approach such as eSourcing Capability Model for Service Providers (eSCM-SP*) for supplier selection
 - Give service providers guidance that will help them improve their capability across the sourcing life cycle
 - Provide clients with an objective means of evaluating the capability of service providers
 - Offer service providers a standard to use when differentiating themselves from competitors
- eSourcing Capability Model for Client Organizations (eSCM-CL*) is being developed to
 - give client organizations guidance that will help them improve their capability across the sourcing life-cycle
 - provide client organizations with an objective means of evaluating their capability

* Owned by IT Services Qualification Center
Carnegie Mellon University
Pittsburgh, PA, USA
itsqc.cmu.edu

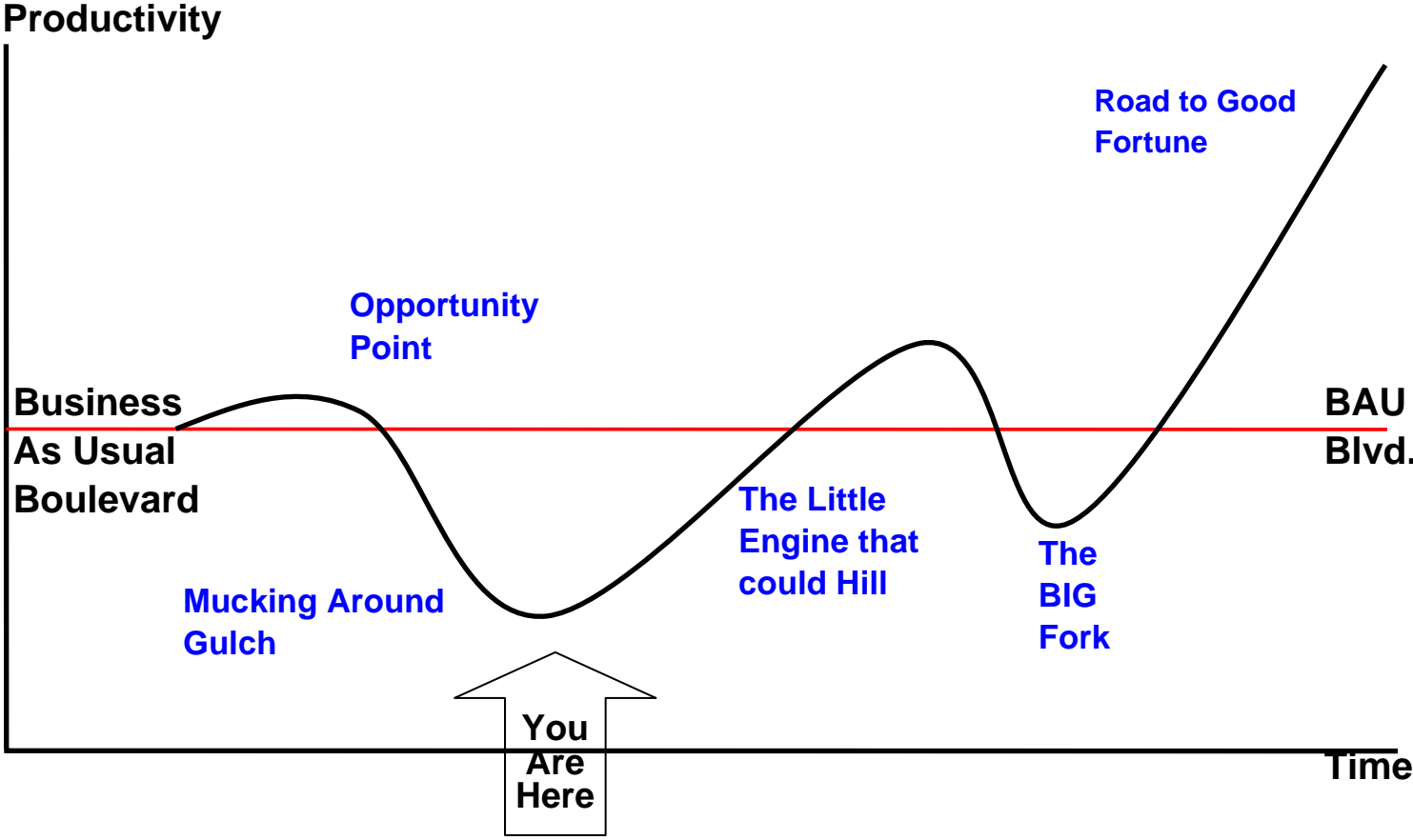
1st Stop: Opportunity Point – Suggestions, cont'd.

- Emphasize important items such as
 - Stability and control of requirements
 - Collaboration in designs
 - Deliverable ownership and management
 - Ownership of test scope and test execution
- Spend energy on building sponsorship within the organizations so they begin to feel the value of following process
- Start small and scale fast – pilot, pilot, pilot
- Build time to establish the delivery model along the way
- Build in contingency
- Answer some key questions (next slide)

1st Stop: Opportunity Point – Key Questions

- What are the goals for this initiative?
- Are the goals in conflict with the overall strategy?
- How do the goals affect the chosen delivery model?
- Is the approach the lowest cost or the fastest time to implementation?
- Is the less mature organization process oriented?
- Are the documentation and communication needs understood?
- Does the less mature organization have a strong project management history?
- Does the less mature organization have a history of partnering with others?
- Does the culture of the organizations support sharing control of project success?

Change in an Organization is Predictable



2nd Stop: Mucking Around Gulch – The Honeymoon is Over

- Lower maturity organizations see the higher maturity organization as:
 - Difficult to work with
 - More focused on the CMMI model rather than results
 - Not as good as they should be
 - Inflexible
 - Taking more time because they are following standard processes and we do not have that kind of time

2nd Stop: Mucking Around Gulch – The Honeymoon is Over

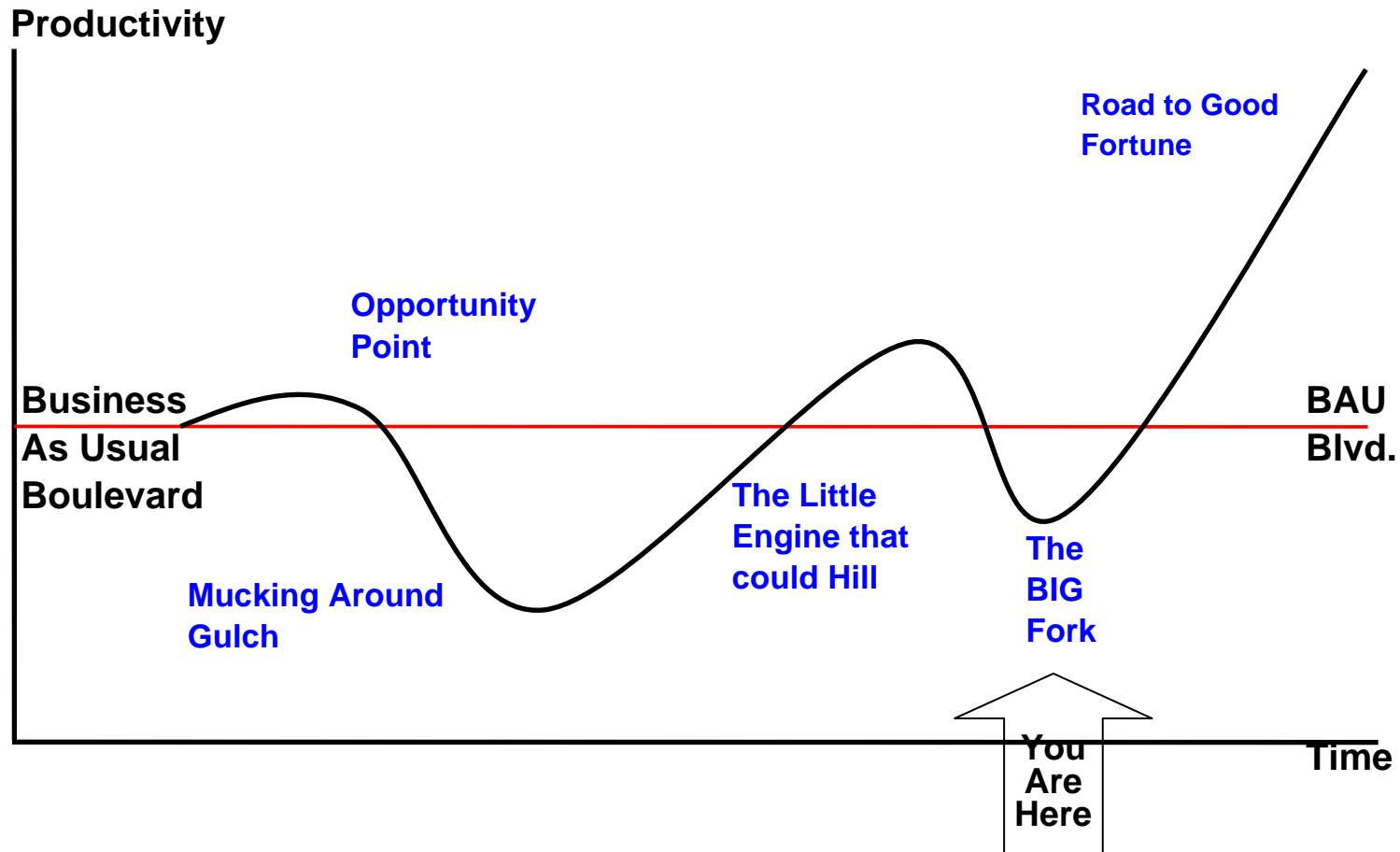
- Higher maturity organizations see the lower maturity organization as:
 - Always firefighting and not planning on what will be done next week
 - Not understanding
 - Lacking scope control
 - Unaware of their current situation
 - Dragging them down to their maturity level
 - Not allowing us to manage issues and the project based upon data
 - Making us less effective than we know we can be

2nd Stop: Mucking Around Gulch – Suggestions



- Make sure the transition points are clearly defined with entry and exit criteria
- Agree to the terms of a cooperative relationship
- Define the vital few metrics to measure success and progress
- Clearly define sign-off steps
- Be aware that estimating is different
 - Management time is increased
 - Time zone differences can increase or decrease productivity
 - Follow the sun development
 - Delays in responding to needed information
- Define how the quality assurance for the selected processes and products will be performed

Change in an Organization is Predictable



3rd Stop: The BIG Fork – It is Make or Break

- All parties are frustrated
- Finger pointing occurs
- Denial of the root cause of the problem

3rd Stop: The BIG Fork - Suggestions

- Understand and evaluate the root cause of problems
- Define the conditions under which the supplier relationship can be revised
- Make sure resources are integrated and processes are clearly defined for monitoring and evaluating critical processes and work products
- Leverage the power of the remote teams – do not use them simply as additional staffing
- Tools are necessary to enable the virtual environment

Key Points to Take Home

- There is no magic answer – understand the characteristics of your organization when evaluating alternatives
- Carefully evaluate the capabilities of the potential suppliers – often they are not selling the same service
- Clearly define roles and responsibilities
- Spend energy on sponsorship
- Get everything on paper
- Conduct a CMMI training program for the lower maturity organization so they understand what is different

Key Points to Take Home, cont'd.

- Coach and mentor people on deliverables and processes
- Allow time in the project schedule for the learning curve
- Do not underestimate the learning curve
- Evaluate and reward progress
- Build a strong partnership with all location and suppliers
- Do not be afraid to experiment and encourage new ideas

Contact Information

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