# Gaining CMMI Success in the US Private Sector

Prepared by
Mark Hilden, COO/PI-21, Inc.
And
Barbara Hilden, CEO/PI-21, Inc.
for presentation at
2008 SEPG Conference
Tampa, FL

# Purpose of this Session

1. Discuss what drives US private sector businesses to make choices that **do not** include formal PI models while Government Sector tends to embrace them.

2. Refute the reasons executives give for making other process model choices, or no process model choice at all.

3. Discuss ways to make CMMI, and other formal process models, more appealing to private sector businesses.

# Who Are We Talking About Here?

1. Financial Sector (Insurance, Banking, Investment)
2. Retail Sector
3. Marketing/Advertising
4. Publishing (Paper/Digital)
5. Agriculture
6. Logistics
7. Services (Consulting, Software, Inside & Outside Services)
8. Others

# Government vs. Private Sector Drivers

1. Private and government sectors have an entirely different set of key drivers

2. Private and government sectors answer to an entirely different set of stakeholders

3. Private and government sector stakeholders have different goals in mind

<>

# Either way efficiency, quality results and accountability are keys to success in both sectors.
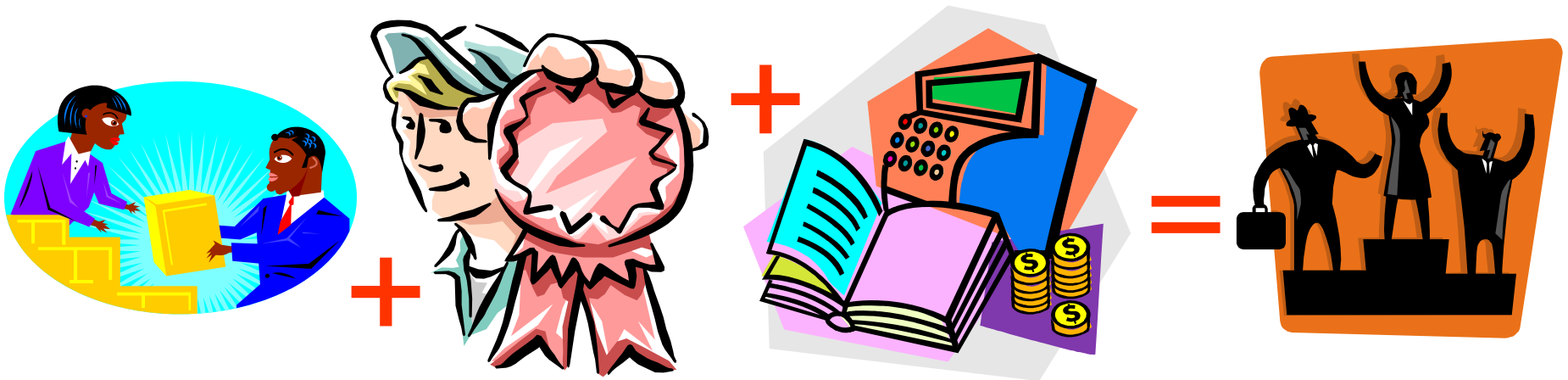
1. Why does private sector business avoid formal process improvement models while government sector tends to embrace them?

2. And why does the PI industry avoid, or more accurately "ignore", the private sector when fashioning marketing and sales plans?
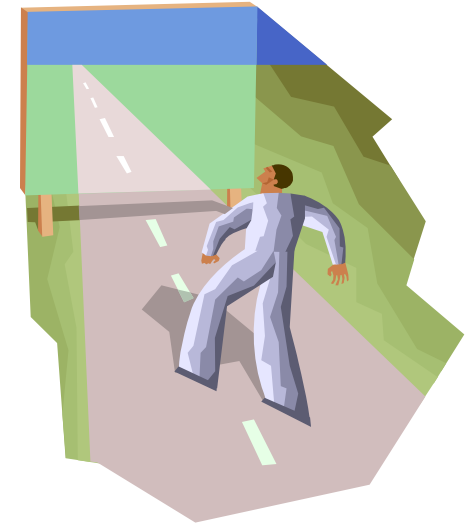
1. BECOUSE THEY CAN!

2. The key is to remember that:

   ✦ "Perception **is** reality!" and

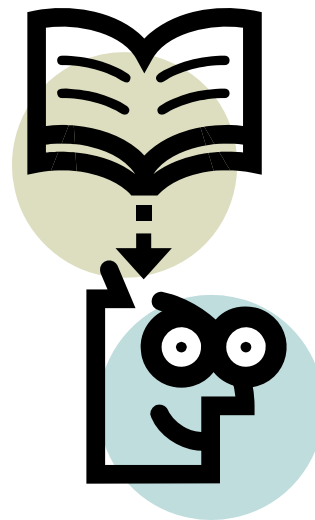   ✦ Perception often drives the decisions we make every day.

Private Sector executives perceive that:

1. "PI models made for government bureaucrats, or someone else who is not like them"

2. Models are built by academics that "do not live in the real world!"

3. Formal models are designed as **Bibles**

4. Hard to determine cost/value to implement CMMI

5. High maturity means even more bureaucracy

# Let's deal with these incorrect perceptions one at a time.

1.  Executives believe CMMI is designed to put business into a box

2.  Executives think models are **Predefined Processes**!

# Models are Designed by Academics

Although true – it's not the end of the story

- Stress tested for years in business
  - Strengths / weaknesses identified and corrected
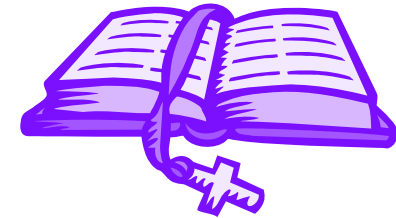  - Situational variety = increased flexibility

- Model goals/practices closely aligned with goals/practices of "home grown" processes

- Stress real-world cost reduction and quality improvement experience

# Formal Models Are Designed as Bibles

1. Models are, by nature, more roadmap than bible!

   1. But the above statement is the only conclusion they can come to based on available evidence

2. "'Bibles' are just another tool for bureaucrats, while roadmaps are used every day by PS businesses"

1. Executives view model implementation as huge initial investment

2. Also requires a very high long-term maintenance investment

1. **Offshore vendors experience has proved this**

   - Many off-shore HM vendors:

     - Focus on analyzing individual defects and filling gaps
     - Not optimizing existing processes and removing unnecessary process over time

   - Off-shore vendors have different issues to deal with

2. **US HM companies tend to be very large and bureaucratic even before they embraced PI Models**

1. Many PI industry insiders believe that private sector business "does not embrace PI in general"

2. Perceived to be a much harder sale with nothing driving PS business to use it

3. Too busy with government to focus on PS

4. DoD sponsorship limits SEI's ability to market to PS at all.
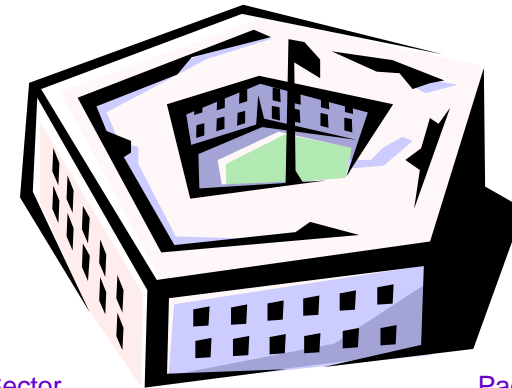
# Approaching Private Sector Businesses

1.  Appeal to driving additional profit without reinventing the wheel vs. focusing on ML or CL ratings

2.  Make pricing more obvious, easier to quantify

3.  Emphasize models as more road maps than bibles

4.  Don't throw current processes away

5.  Take advantage of tools and experience

1. Place more emphasis on two representations being of value in different situations

2. Portray model as a "roadmap"

3. Stress practical experience that the model has gained over years

4. Stress model flexibility

5. The right kind of firms must be making the pitch in an appropriate environment to PS companies

# Conclusions

1. Process effectiveness is just as important to PS as it is for GS, but for different reasons

2. Although a harder sale, much larger market is yet to be tapped

3. It's all in how model is perceived **and sold**

4. Private sector can be a huge win for CMMI and other process models if approached correctly by the right kinds of firms

**Contact information:**
Mark Hilden
COO, PI-21, Inc.
250 Vidaulan Court
Atlanta, GA 30022
Voice: (1) (678) 491-0636
Fax:    (1) (770) 518-6472
Email  **MHilden@PI-21.com**
Website: **http://www.pi-21.com**

**Mark D. Hilden, COO,** has had a distinguished career in business and information technology that spans over 25 years. For the last 18 years, Mr. Hilden has held key senior executive, management consultant, technical consultant, technical manager positions after spending several years as a software and network design and development engineer. Mr. Hilden's early background as an engineer and technical manager gave him an appreciation for the challenges of establishing and maintaining effective processes that can actually be used to generate high quality products and services. As a manager and executive of several major corporations, as well as a number of much smaller organizations, Mr. Hilden has consistently held the primary responsibility within a given organization of building and maintaining high quality products and services consistently and cost effectively. His success as a senior consultant and a senior corporate executive has to a great degree depended on his ability to establish and maintain effective and practical processes that do not depend on certain personalities within a given organization to produce successful products and services each and ever time. Mr. Hilden is committed to helping companies learn how to establish and maintain highly effective processes that comply with whichever process model(s) his clients have chosen to adhere to. Mark holds a BS in Computer Science from Weber State University.

**Barbara Hilden**, CEO, has over 22 years of experience in the computer industry. She is a certified SCAMPI high maturity lead appraiser, an authorized SCAMPI Lead Assessor and CMMI Instructor and internal auditor for ISO 9000. She has implemented process improvement initiatives, including CMMI, SW CMM, SA CMM, and ISO 9000, at various corporations. Ms. Hilden has led or participated in over 75 formal appraisals and multiple audits and mini-appraisal for the SW-CMM, the FAA-iCMM, ISO 9000, EIA/IS 731 SE CM, and the CMMI in a wide variety of organizations from very small to global organizations.

Acting as a consultant, Ms. Hilden has assisted organizations in determining and subsequently implementing effective strategies for process improvement efforts at a a number of diverse organizations. She taught and developed a wide variety of computer science, software engineering, systems engineering and process improvement courses. Ms. Hilden has been responsible for managing government systems development programs as a government contractor and has led numerous research and development programs in the field of signal processing while working as an instructor in the university environment. Ms. Hilden has published and presented numerous papers and books on management, software engineering methodologies, and process improvement.

**Contact information:**

8601 Beech Hollow Lane
Springfield, VA  22153
Voice: (1) 703 447-2001
Fax:    (1) 703 866-5554
Email  **BHilden@PI-21.com**
Website: **http://www.pi-21.com**