

Is there a misfit between the CMM/CMMI and corporate strategy?



Stan Rifkin

Master Systems Inc.

2604B El Camino Real 244

Carlsbad, California 92008

USA

+1 760 729 3388

+1 760 720 9664 fax

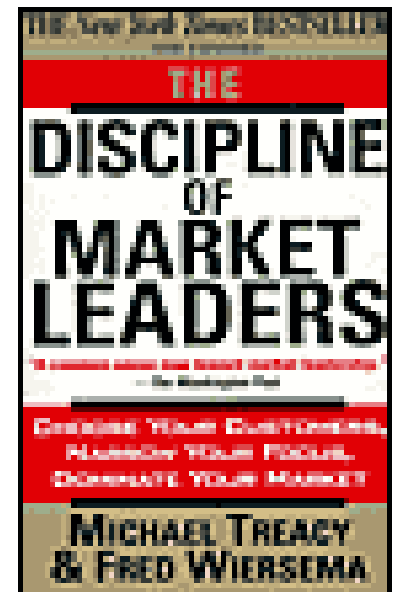
sr@Master-Systems.com

Copyright © Master Systems Inc. All rights reserved. CMM is a trademark registered to Carnegie Mellon University.

Prepared especially for Intel Corp. SPIN. Version 1.0, 11 Apr 2005

Discipline of Market Leaders

- by Treacy & Wiersema
- Survey of 80 high performing firms
- Key to success: **Focus**
- One & only one of three strategies:
 - ✦ **Operational excellence**
 - ✦ **Product innovativeness**
 - ✦ **Customer intimacy**
- Must perform to a threshold level in other two.



Operationally Excellent

- Highest quality => lowest cost
- “Formula” => short menu
- *Process* innovative



FedEx

 **MOTOROLA**

WAL*MART

 **TEXAS INSTRUMENTS**

Customer Intimate

- “Infinite” menu
- Measure: “walletshare”
- Total solution, 1-stop shopping, “one throat to choke”
- “Schmoozes”



Deloitte Touche
Tohmatsu



PRICEWATERHOUSECOOPERS 



MASTER
SYSTEMS



Product Innovative

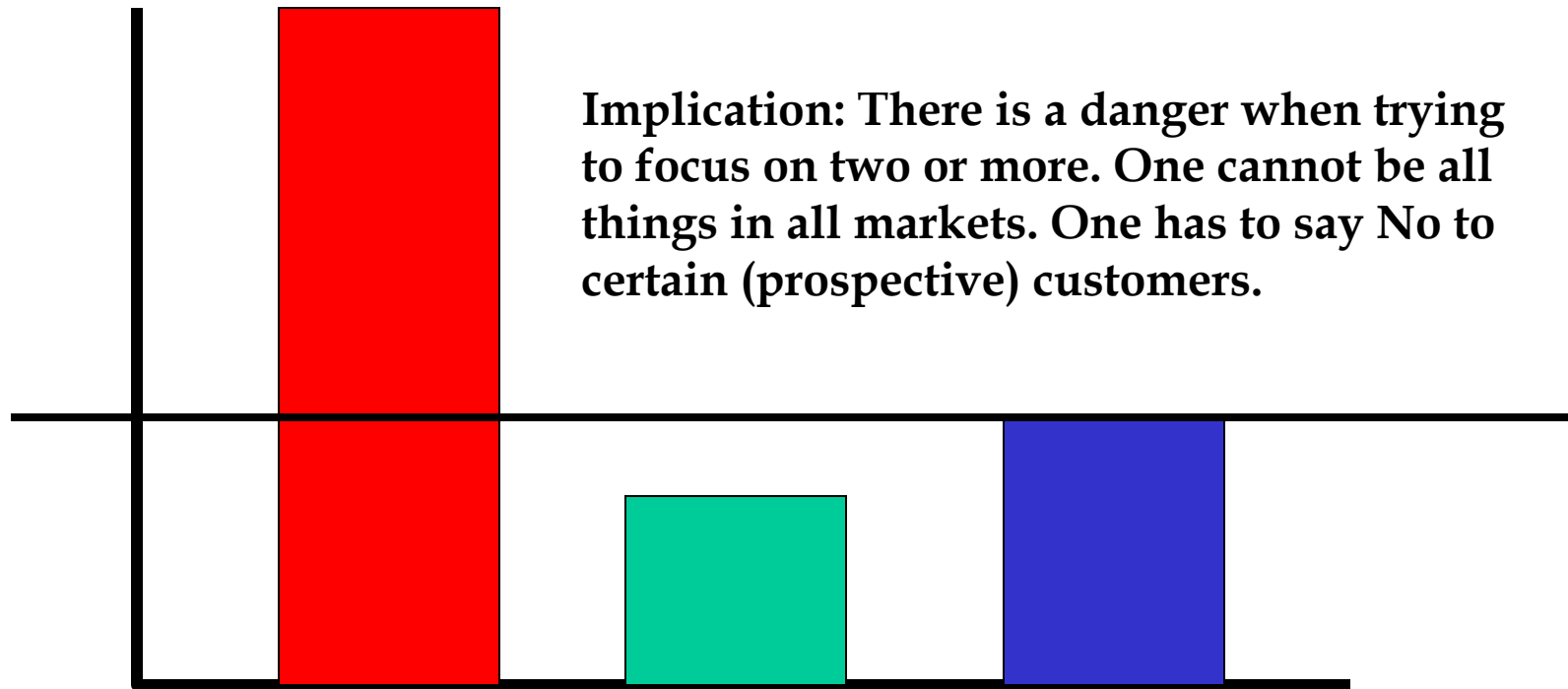
- Market leader in *product* innovation
- Measure: number of patents, Nobelists, turns in the marketplace



Johnson & Johnson



Focus on one, have to meet the threshold in all



Square peg - round hole??



Operationally Excellent

- Highest quality => lowest cost
- “Formula” => short menu
- Process innovative



FedEx

 **MOTOROLA**

WAL*MART

 **TEXAS INSTRUMENTS**

Product innovative: features are key

- ***CMM KPA Goal 1: “xx is planned”*** **Planning is not as important as understanding & challenging constraints**
- ***Plan: “1.4 blinding insights per fortnight”*** **Innovation cannot be planned**

Innovativeness (cont.)

- ***Instead - risk manage*** **Create an environment of creativity (= OK to fail *in the small*)**
- ***Lightweight processes*** **Probably documented only at highest level**

Innovativeness (cont.)

- ***“Good enough quality”*** – quality that meets the threshold value

Benchmark quality & other attributes to tune values

- ***High differentiation, high integration***

Lots of experts + people whose job it is to benchmark and integrate, stay focused

whoosh!

- **Summary**

- ◆ “Fit” is an important, practical reality
- ◆ When there is “fit” then adoption goes *Whoosh!*



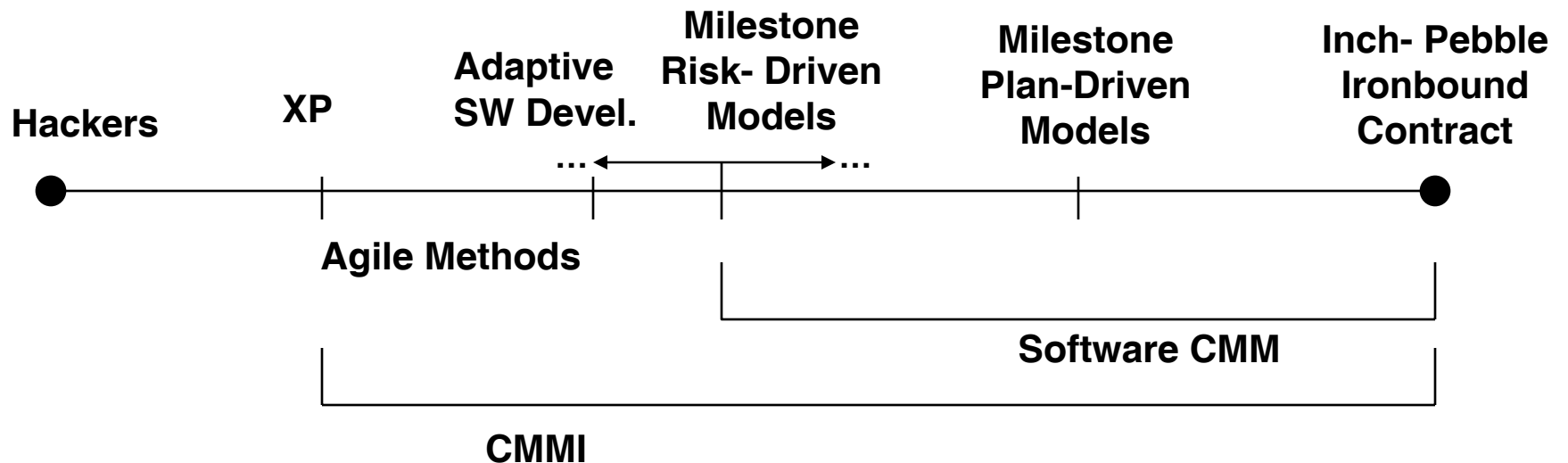
It's better to do one thing and do it well.

That's why at Delta Dental, we focus on giving you the best group dental plans you can find. That's all we do. It's also why we give you over 100,000 dentists to choose from. A wide range of customized plans. And hassle-free claims. So it's really no surprise that more people choose Delta Dental than any other dental carrier. Ask your employer, union or benefits advisor about Delta Dental. Find out more on the web at MidAtlanticDeltaDental.com or call toll-free 877-DELTA-EZ (877-335-8239).



WE KEEP YOU SMILING®

The Planning Spectrum



Agile & Plan-Driven Home Grounds

Agile Home Ground

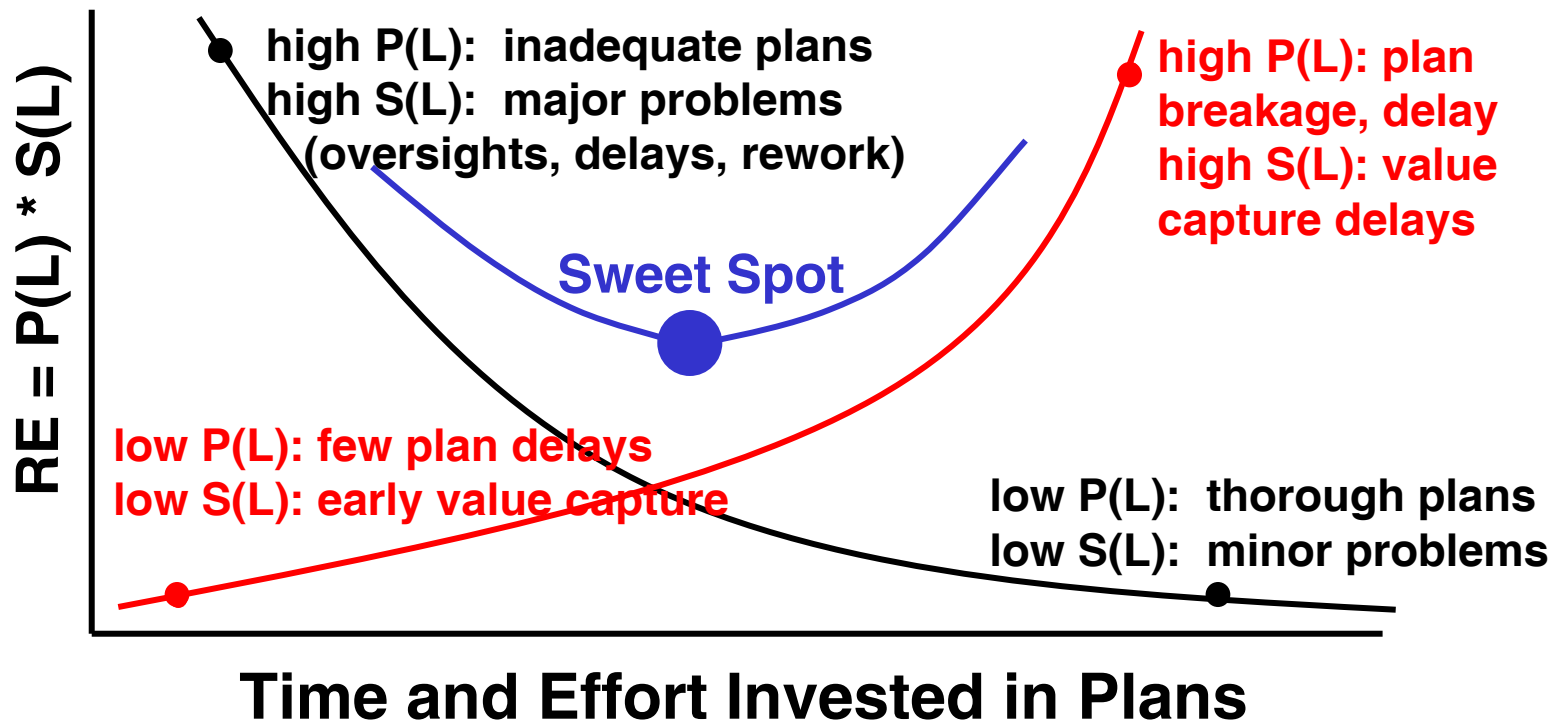
- Agile, knowledgeable, collocated, collaborative developers
- Above plus representative, empowered customers
- Reliance on tacit interpersonal knowledge
- Largely emergent requirements, rapid change
- Architected for current requirements
- Refactoring inexpensive
- Smaller teams, products
- Premium on rapid value

Plan-Driven Home Ground

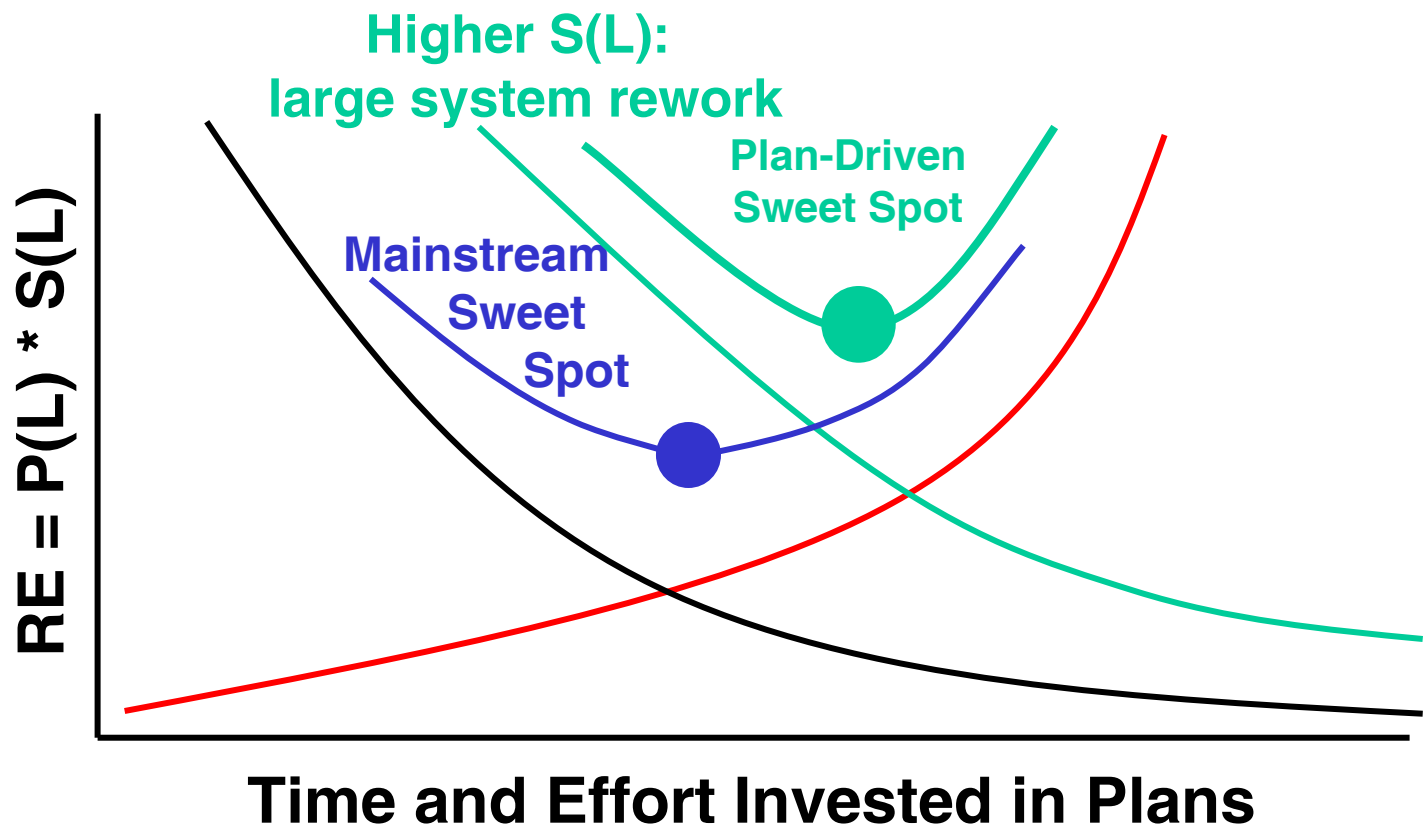
- Plan-oriented developers; mix of skills
- Mix of customer capability levels
- Reliance on explicit documented knowledge
- Requirements knowable early; largely stable
- Architected for current and foreseeable requirements
- Refactoring expensive
- Larger teams, products
- Premium on high-assurance

Example RE Profile: Time to Ship

- Sum of Risk Exposures



Comparative RE Profile: Plan-Driven Home Ground



Comparative RE Profile: Agile Home Ground

