



Interpreting CMMI[®] for Business Development Organizations

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Presentation Outline

- **CMMI and Business Development**
- **The CMM[®] for Business Development**
- **Strategic Integration between CMMI and BD-CMM**



Capability Maturity Model Integration (CMMI)

- **Model/framework for product development**
- **Best practices**
- **Two representations**
 - **Staged**
 - **Continuous**
- **Widely used**
- **Goal: quality products, on schedule, within budget every time**



The Role of Business Development

- **Win the contract**
- **But there is more ...**
- **Usually a lengthy, complex process in a competitive environment**
- **Much uncertainty**
 - **Must understand customer needs**
 - **Must develop market strategies**
 - **Must execute tactical plans**
 - **Must collaborate with product development**



Business Enterprise Goal

- Favorable win rates at financially desired objectives
 - As sold
 - As delivered



Why Apply the CMMI to Business Development?

- **Outcomes are influenced by processes**
- **Relevant Process Areas**
 - **Project Planning**
 - **Risk Management**
 - **Etc.**
- **Delivery success influenced by the contract**
- **Seamless transition from business development to product development and delivery**



CMMI Domain Applicability to Enterprise Functions during Acquisition Life Cycle

Contract

Business Development ▼ Product Development

← Project Management →

← Engineering →

← Support (e.g. Finance, Purchasing) →

← Process Management →



Project Management Category Example

- **Risk Management**
 - **Identify risks before they occur**
 - **Proactively account for and mitigate adverse impacts these risks may have on achieving objectives**
- **SG 1 - Preparation for risk management is conducted**
- **SG 2 - Risks are identified and analyzed to document their relative importance**
- **SG 3 - Risks are handled and mitigated to reduce adverse impacts on achieving objectives**



Project Management Category- 2

Market Risk Scenarios

- A competitor introduces a new, “disruptive” technology
- Another competitor launches a new advertising and branding campaign
- A third competitor improves product features for the same price



Support Category Example

- **Decision Analysis and Resolution**
 - **Analyze possible decisions using a formal evaluation process that is used to evaluate alternatives against established criteria**
- **Could be used to:**
 - **Evaluate new product introductions**
 - **Define niche markets**
 - **Analyze alternative partners**
 - **Bid/No bid decisions**
- **Interpretation: Make marketplace decisions and select solutions from the alternatives based on criteria**



Process Management Example

- **Organizational Training**
 - **Develop the skills and knowledge of people so they can perform roles effectively and efficiently**
- **Interpretations:**
 - **Establish a marketing and sales training capability**
 - **Establish and maintain a business development organization training tactical plan**



Existing Business Development Model

Business Development Capability Maturity Model (BD-CMM) provides domain best practices

- **Based primarily on Software and People CMM's**
- **Initiated in 2000 by leaders in business development community**
- **Provides assessment and continuous improvement tool**

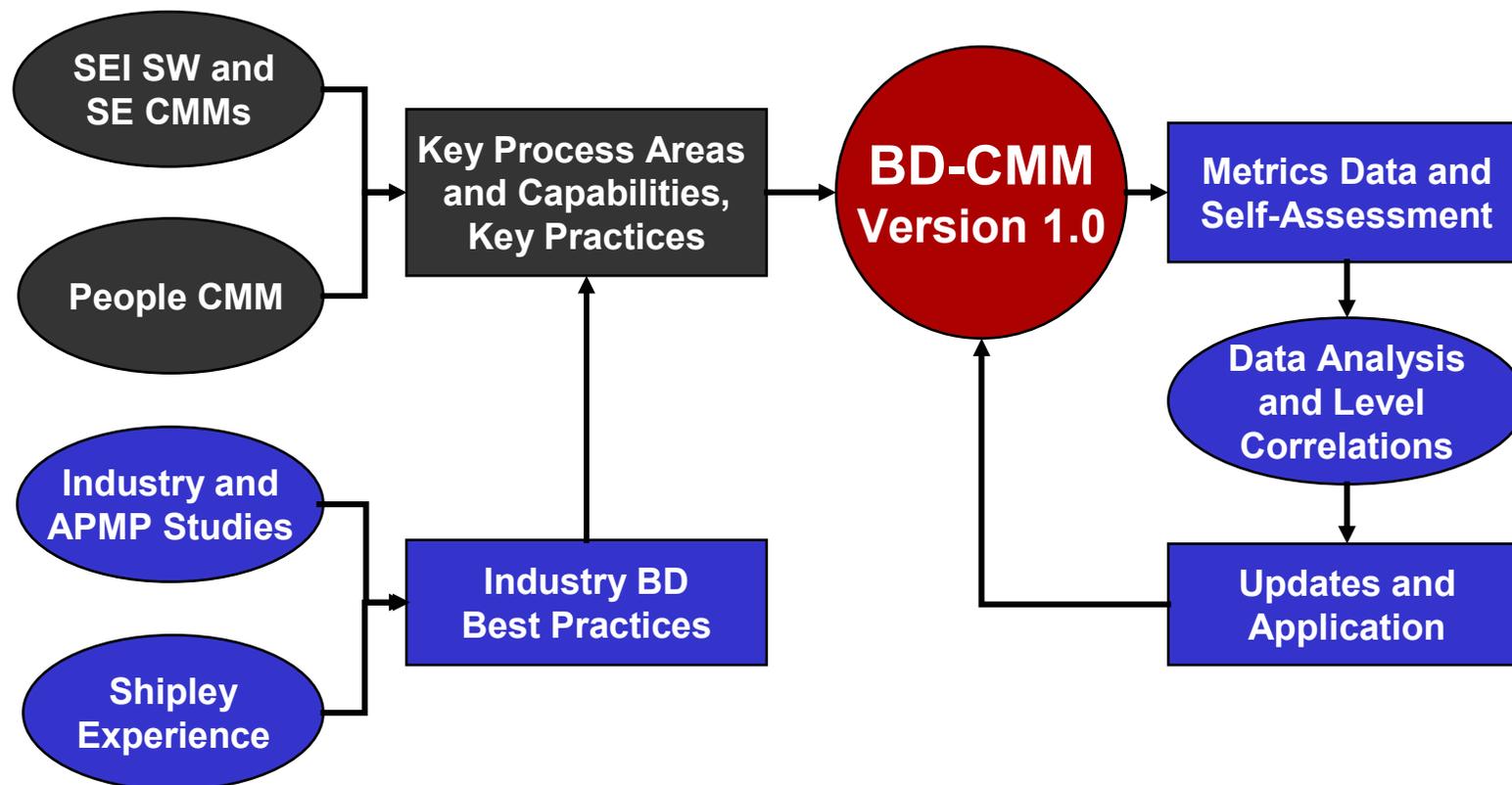


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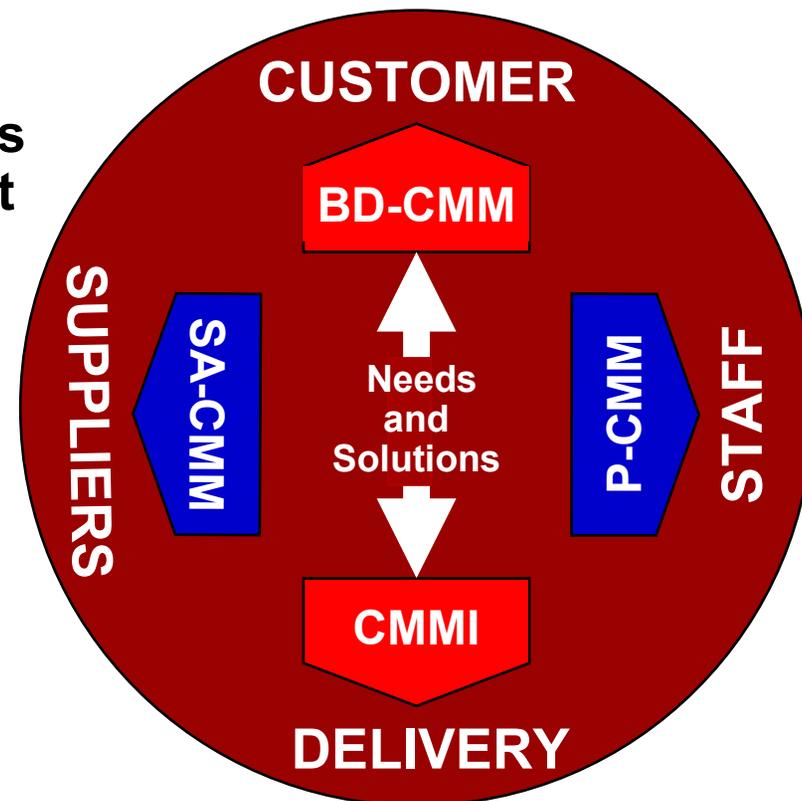
BD-CMM Development Path





BD-CMM Extension to CMMI

- Increases applicability to pre-contract activities where risk management begins
- Focuses on those practices that improve probability of winning
- Improves connection between Business Development and Delivery





BD-CMM Structure and Overview

Key Process Categories	Customer	Focus	People	Capabilities
Themes	Increasing Customer Value	Improving Performance and Synergy	Building Competencies and Teams	Enhancing Systems and Processes
Levels	Key Process Areas (KPAs)			
5 Optimizing	<ul style="list-style-type: none"> Innovation and Transformation 			
4 Managed	<ul style="list-style-type: none"> Relationship Management 	<ul style="list-style-type: none"> Enterprise Influence Quantitative Process Management 	<ul style="list-style-type: none"> High-Performance Teams 	<ul style="list-style-type: none"> Business Develop Systems Integration Infrastructure Management
3 Defined	<ul style="list-style-type: none"> Solution Development 	<ul style="list-style-type: none"> Organizational Tactics Quality Management 	<ul style="list-style-type: none"> Organizational Competencies Development 	<ul style="list-style-type: none"> Business Development Processes Support Systems
2 Repeatable	<ul style="list-style-type: none"> Response Generation 	<ul style="list-style-type: none"> Business Development Administration Quality Control 	<ul style="list-style-type: none"> Individual Skills Development 	<ul style="list-style-type: none"> Sales/Capture Procedures Work Environment
1 Initial	<ul style="list-style-type: none"> Ad Hoc 			



Customer Interaction Best Practices

- **External customer interactions evolve through the BD-CMM levels**
 - **From simple response to already defined requirements (reactive posture)...**
 - **To full collaboration in defining requirements and developing value (proactive posture)**
- **Internal customer interactions are shaped by BD process institutionalization**
 - **Increased professional capabilities and customer demand**



Policy Best Practices

- **Each KPA requires objective evidence of commitment**
 - **Senior management policy**
 - **Documentation of goals and resources**
 - **Guidance regarding execution of best practices**
- **Procedures and processes that are not linked to policy may not be able to be institutionalized**



Decision-Making Best Practices

A formal BD decision process

- **Allows all stakeholders to voice their opinions**
- **Provides a way to resolve issues related to decision-making**
- **Documents decisions and records the steps that stakeholders took to get to resolution**
- **Focuses on lessons learned for future opportunities**
 - **Show why**
 - **Enhance process**



Communication Best Practices

Each level is characterized by an increasing level of knowledge and information availability across all KPCs

- **Customer relationships increasingly collaborative**
- **Performance and synergy enhanced by increased information flow both up and down the organization**
- **High-performance teams and cross-functional training part of corporate communication planning**
- **Systems and processes designed to increase effectiveness and efficiency of communication**



Metrics and Capability Growth

- **Project management disciplines apply**
 - **Cost Performance Index – Resource planning and allocation**
 - **Schedule Performance Index – Percentage of completion**
 - **Performance/Quality – Reporting and analysis**
- **Measurement activities increase with maturity**
- **Corporate metrics for existing programs may apply**
 - **CMM/CMMI**
 - **Others**



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Strategic Integration

If CMMI is institutionalized, leverage into business development

- **Build on in-place infrastructure**
 - **Culture of continuous process improvement**
 - **SEPG**
 - **Other**
- **Extend the infrastructure for business development**
- **Implement improvements at incremental costs**



Possible Uses

- **Basis for business development process improvement**
- **Gap analysis**
- **Professional body of knowledge**
- **Reuse/modification of existing templates and techniques**
- **Transformation of the business development culture as part of the CMMI change process**



Benefits

- **Aligns product development and business development**
- **Aligns and integrates business development functions**
- **Applies CMM culture for business development, using many of the same enablers as CMMI**
- **Improves revenue realization**
- **Improves cost performance**



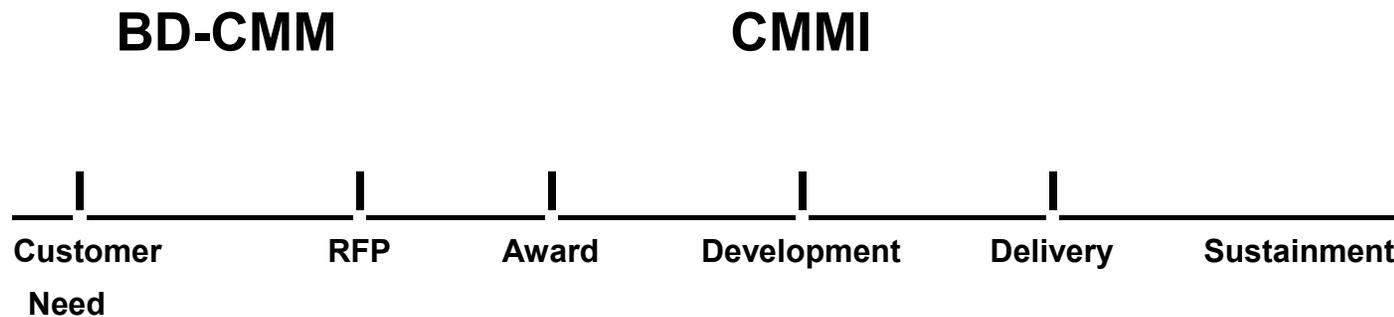
Possible Model Evolutions

- **Benchmarking and best practices**
- **Refinement of Process Areas**
- **Staged representation**
- **Development of appraisal methodology**



Conclusion

CMMI can add value across the entire life cycle





Backups



Engineering Example

Requirements Management – manage the customer requirements of the organization’s products and ... to identify inconsistencies ...

CMMI Goal SG 1: Requirements are managed and inconsistencies with project plans and work products are identified.

BD Interpretation: Customer requirements are understood and managed and inconsistencies with the organization’s marketing plans and work products are identified.



Culture

CMMI can change organizational cultures

Applying CMMI for business development uses many of the same enablers

Culture changes in a business development organization can also occur