Five Guiding Principles of a Successful Center of Excellence

Contents

What Is a Center of Excellence?

At some point in time, most companies find it beneficial to develop a Center of Excellence (CoE). The priorities of a CoE span several areas, with different sponsors, and are expected to change over time. Nonetheless, the fundamental principles of the CoE group should be clear and consistent, as these are critical to the CoE's continuous success and evolution.

A Center of Excellence is a (typically small) team of dedicated individuals managed from a common central point, separate from the functional areas that it supports within a practice or organization. Sometimes referred to as a competency or capability center, the CoE is often the team leading the way in exploring and adopting new technology tools, techniques, or practices.

This group operates across areas within the practice or organization, with a focus on:

- Providing thought leadership and direction

- Establishing and promoting best practices

- Research and development, to provide appropriate recommendations

- Support and education

- Performing other similar functions in specific focus areas considered critical to the success of the overall organization or practice that the CoE supports

In addition to its core focus areas, the CoE can also add value by contributing to:

- Optimizing the organization or practice by centralizing resources with high-demand and unique knowledge or skills and streamlining their contributions across a wide range of areas

- Improving ROI through the identification and development of reusable assets

- Reducing delivery times, development, and maintenance costs by increasing efficiencies and leveraging reusable assets

- Identifying and reducing duplication of effort across initiatives within the practice or enterprise

Developing and maintaining a catalog of reusable assets will add tremendous, and tangible value, and enable project teams to rely on proven, predictable results while avoiding common pitfalls.

Center of Excellence

Technical Development Standard

Performance Indicators

Industry-Proven Practices and Trends

Business Process Optimization

Keys to a Successful Center of Excellence

As a key to success, every Center of Excellence should have a set of clearly and concisely defined guiding principles that will provide its direction and focus. We suggest these five areas as a starting point for establishing and successfully evolving a CoE:

1. **Standardization**

2. **Leveraging assets**

3. **Measuring performance**

4. **Guidance and governance**

5. **Balance and subject matter experts**

Let's take a closer look at each.

#1 Standardization

At its core, the main purpose of a CoE is to define and develop standards and best practices. This includes developing and documenting templates, blue prints, and repeatable processes and methodologies for all significant work efforts such as:

- Estimating level of effort

- Standardizing format of documentation and deliverables

- Quality assurance

- Testing and validation

- Technical architecture maintenance

- Performance monitoring and optimization

- Program coding (standards and style)

- General project and resource planning

These best practices should consist of a blend of documented and generally accepted industry standards, along with the CoE's own practical experiences and successes. Prioritizing to begin with the most significant and ubiquitous work, all efforts

and products should be reviewed by the CoE team and then categorized. General questions the CoE should ask include:

- Have we solved this issue in the past? If so, how?

- What worked or didn't work? What lessons did we learn?

- Is there an industry standard that we can use as a baseline for comparative purposes?

To be successful, members of the CoE need to be steadily in tune with the latest industry trends, established practices, and emerging thought streams. All of the members of the CoE should be self-starters, who are interested in continuous learning and improvement of their skills and expertise.

Lastly, any artifacts produced by the CoE are to be considered living documents. These documents can and will evolve, change, and in some cases become obsolete and in need of replacement, based on the evolving needs of the industry, as well as the CoE itself acquiring new knowledge and experiences.

#2 Leveraging Assets

The Center of Excellence team should strive to identify all of the usable assets that exist within the organization and the CoE itself. These assets can be physical or intellectual, and typically include:

- **Human Assets:** These individuals or designated teams possess very specific or unique skillsets, deep and/or broad experience, and exude qualities that characterize the organization. Additionally, these people should have demonstrated an interest in contributing to the CoE's initiatives, as well as have (or manage) the time and availability to do so.

- **Relationships:** It is beneficial to include individuals inside or outside of the organization who have an influence in the industry. These key relationships may consist of specific customer or stakeholder contacts, vendor relationships and memberships, partnerships, and organized groups.

- **Code:** This includes actual program code, models or modules, design patterns, algorithms (possibly expressed only in pseudo code), templates, tools, and utilities developed by the organization. These will provide the basis for repeatable, consistent coding practices throughout the organization.

- **Artifacts:** These are documents describing policies, guidelines, advice, industry best practices, organizational best practices, constraints, and considerations. Additional artifacts include documented results of past brainstorming, troubleshooting, and post- resolution review sessions.

Some of these assets may be obvious and easy to recognize, while others may only be revealed during actual project work.

These assets – whether intellectual or physical – must then be harvested or developed by the CoE for use within the organization, and if unique and meaningful enough, be branded and introduced to the industry at large to generate revenue directly through sales or indirectly by establishing recognition.

These assets will play a key role in simplifying and improving the efforts and processes of the organization that the CoE supports and will directly affect cost. Because of this, the CoE needs to have the ability and the authority to continually inspect all current and past projects and deliverables, looking for sharable assets that can be beneficially leveraged throughout the organization in one or more ways.

#3 Measuring Performance

As with any successful endeavor, the CoE must develop the ability to track, measure, and report on the performance of the team's initiatives across all areas of its efforts, as well as specific metrics within the organization itself. This is critical to the growth and evolution of the CoE, since clearly demonstrating success will be a major factor in buy-in and support from stakeholders throughout the organization, particularly upper management.

All measuring relies on having an established baseline against which to compare performance. At the start of an initiative, the CoE team must immediately identify and establish baselines for the work efforts being performed or to be performed. These baselines can be developed from internal organizational experiences, industry-accepted and published standards, or both. For deliverables to internal stakeholders, the CoE should establish Service Level Agreements (SLAs), to define clearly and concisely what targets and thresholds are to be used to define a successful endeavor.

Measuring performance allows the CoE to set expectations for current and new work, thus providing answers to certain key questions such as:

- Are our design or resource presumptions reasonable?

- How do we know when things are "good enough" (point of diminishing returns)?

- What are our areas of confidence (where we may have opportunities to increase profits or speed-up delivery times)? What are our risk areas (where we may need to pay closer attention to avoid losing time or increasing cost)?

- How do we demonstrate to our customers or stakeholders that we met or exceeded the contracted requirements (SLAs)?

- How do our results compare to similar efforts across the organization? Across the industry?

Measuring performance also allows the CoE to re-engineer weaker or deficient areas through training, research, soliciting expertise from subject matter experts, or other means, thus leading to an increase in the overall quality of the CoE. By doing this, the CoE can market its strengths both internally, by securing further funding and support, and externally by driving sales through the demonstration of its products and publication of its documented successes as industry experts.

Roadmap

Measuring success factors allows the CoE team to know how it has performed in the past, and how it is doing now. Establishing and maintaining a CoE roadmap is beneficial because it enables the team to determine a future path and drive efforts towards accomplishing the goals set forth in the roadmap.

This can also be referred to as a historical timeline and will resolve the following basic questions:

- Where did we begin? Who made up the original team and who were our sponsors? What were our agenda and priorities?

- What have been our major accomplishments and disappointments, technical or otherwise?

- Where are we now? Who currently makes up the team and what sponsors do we have? What is our current agenda and priorities?

- Where are we going based upon funding, sponsorship, industry conditions, success rate, etc.?

- What is our short-, medium-, and long-term plan?

#4 Guidance and Governance

In order to provide useful input, the CoE should be aware of all significant work efforts in which the organization is currently involved, or which it has an interest in pursuing. The level of CoE involvement with individual organizational work efforts will vary based upon many factors including:

- The level of complexity of the planned work

- The level of success that the organization has had with similar work

- Resource availability (this is very important)

Guidance

It's important for project managers to understand that CoE member involvement in organizational work efforts will not include any actual development activities. Even given the most aggressive deliverables, the CoE team members cannot be considered for completing project work.

The involvement of the CoE needs to stay focused primarily in the areas of project acceleration and risk mitigation by providing guidance on proven practices and (when applicable) reusable components (sharable assets already identified or opportunities for developing such assets as part of the current work effort).

Governance

When it comes to the general approach, structure, and style of work efforts, the Center of Excellence team should possess the ability to not only guide and suggest but also to "govern" the work. This means that the CoE should be positioned as the authority entity that will cast the deciding vote on any and all significant development or methodology decisions.

#5 Balance and Subject Matter Experts

When establishing a CoE, it's reasonable to expect that most teams will not be appropriately balanced when it comes to experience and skill levels. This results in the under- or overutilization of specific team members and subsequent decreases in the effectiveness of the team, as well as a diminishing of the "health and happiness" of the individual team resources.

To stabilize and balance the team's utilization, effectiveness, and happiness, team "competency charts" should be established and maintained by the CoE. These will detail each team member's functional and technical experience and skill levels. Competency charts will identify strengths and weaknesses across the team, identifying which team members are better suited for specific work at the current time.

Additionally, it will highlight risks and opportunities in relation to current and developing market trends and define the anticipated needs of the organization, the team, and its individual resources.

Well-maintained competency charts should be considered during the recruiting process, individual resource career growth plans, and project planning and staffing requests. Along with CoE roadmaps, competency charts should also be used to ensure that the team is composed of the proper mix of resources based upon anticipated market trends and organizational work needs.

Subject Matter Experts

To maintain an appropriate level of support across all of the organization's work efforts, the CoE will need to identify subject matter experts (SMEs) who can be leveraged where and when needed, based upon their specific skills and experience, relevant to project needs.

SMEs can be industry experts from within or outside the organization, or could be members of the CoE itself. SMEs will support, service, advise, and consult the organization and the CoE team as needed. In addition, SMEs will often be asked to review, provide constructive feedback on, and approve project work as well as to provide guidance and thought leadership and direction. SMEs should focus on technologies or skills that are new or cutting edge to the organization and/or the industry.
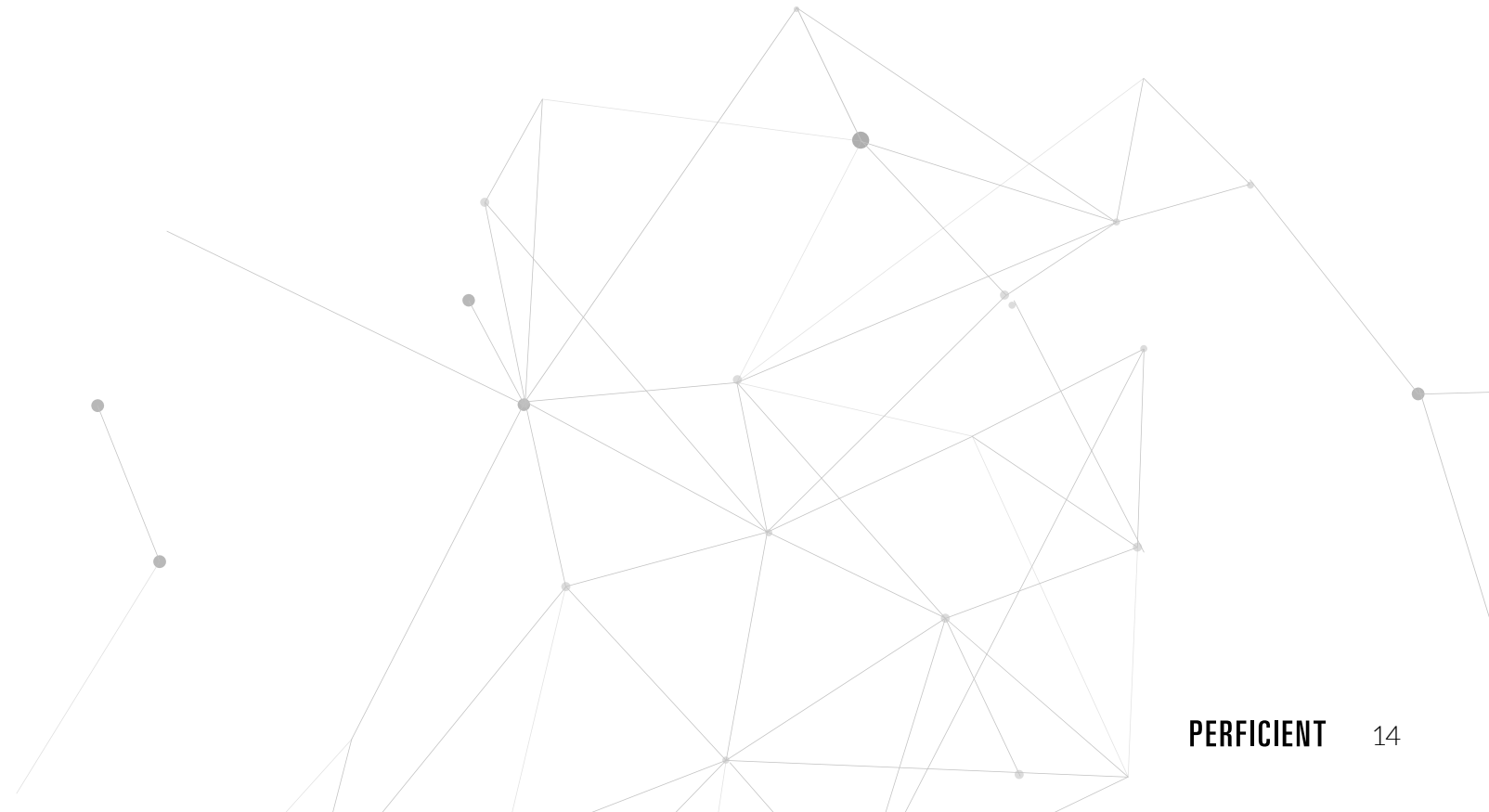
Identifying a Subject Matter Expert

The following characteristics are indicators that an individual may be a potential CoE SME:

- Has deep or broad expertise in a specific market, category, business segment, or discipline

- Willing and enthusiastic about the opportunity to share expertise with others

- Routinely catalogues knowledge and expertise for easy access by others

- Significantly contributes to the development of new materials such as white papers, seminars, POV pieces, and other similar content in their area of expertise

- Actively seeks to remain updated on current and emerging industry trends and networks with industry leaders

- Identifies opportunities to publicize and market their area of expertise

- Has an established and active online presence within their area of expertise, including reading and posting to blogs and online publications, fostering online relationships with bloggers and other online influencers, and developing and maintaining profile pages on social networking sites

Many current (or potential) SMEs will most likely already exist within an organization. But in many cases, they will need to be identified, acknowledged, and nurtured by CoE leaders, in order to leverage the value and potential of their contributions.

Get on the Path to Excellence

Specific approaches to implementing an a Center of Excellence will vary based upon each organization's needs, industry, resources, and level of maturity within their technical or functional space. Some may begin as informal or self-elected bodies comprised of experienced and knowledgeable personnel from within the organization who may split their time between CoE duties and other roles within the company, while others may require dedicated staff in full-time positions.

Over time, it is certain that the CoE will evolve and become more formalized, and should receive appropriate authorities and funding to expand the scope of its operations – usually on the merit earned from successful accomplishments and contributions to the organization's projects, operational or financial performance, and reputation within the industry.

While the road to success of the CoE may look very different across different organizations, adhering to the fundamental principles discussed here is sure to provide the essential building blocks to get started in the right direction.

Management Consulting at Perficient

No matter how complex your business challenges, we have the experience and the diverse set of capabilities to identify and realize endless possibilities. We invest the time to build trust, which translates into lasting relationships, sustained value, and tailored solutions for your organization. We connect strategy, technology, and design to deliver business-changing results while driving user engagement and adoption. Learn more at Perficient.com

Let Perficient help you on your digital transformation journey.

Perficient is the leading digital consultancy helping transform the world's biggest brands. As a trusted end-to-end digital provider, Perficient partners with its Global 2000 and other large enterprise customers across North America to design and deliver digital transformation solutions that exceed customers' expectations, outpace the competition and transform their business.

▶ PERFICIENT®

© PERFICIENT 2G0
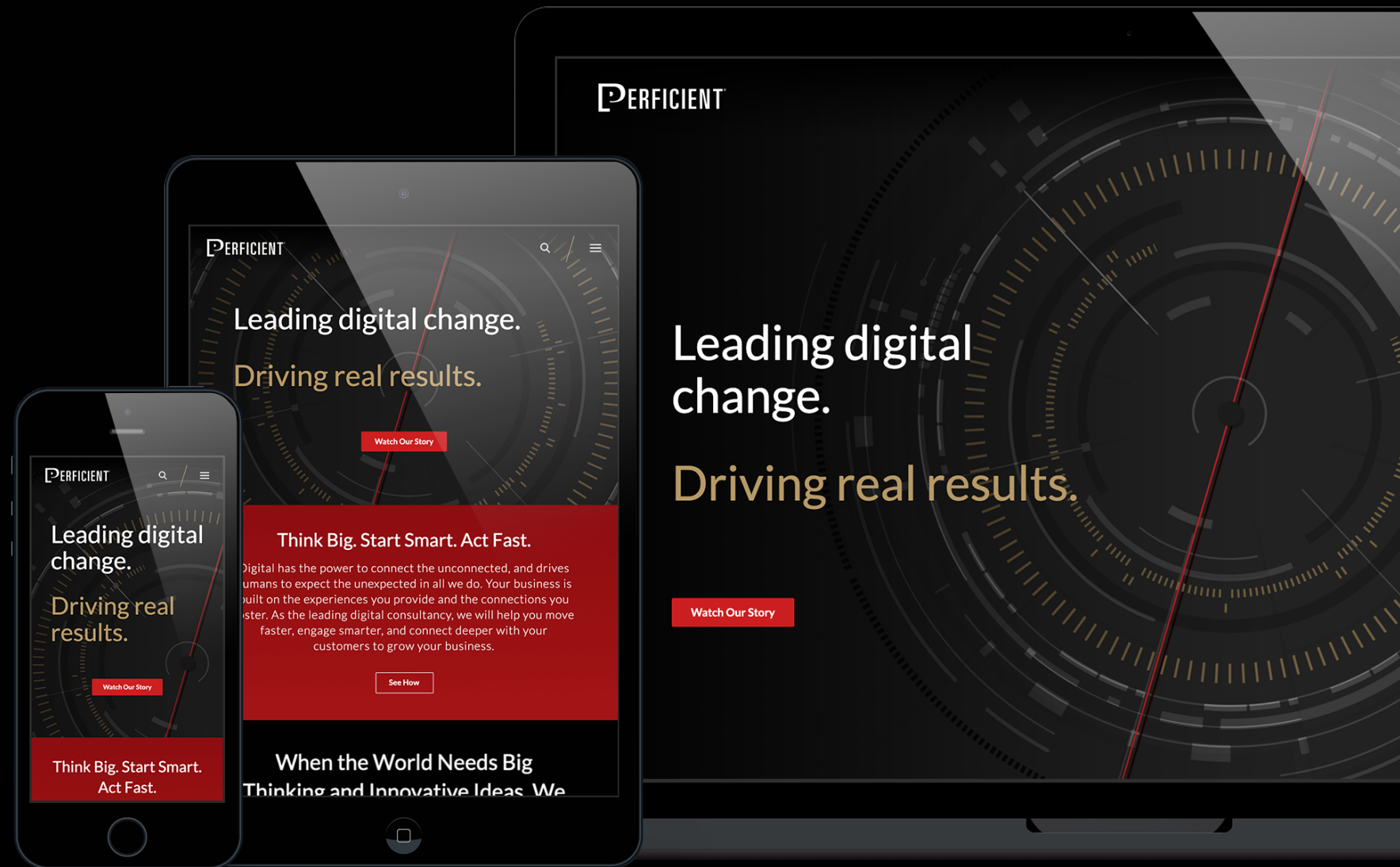
PERFICIENT.COM/BLOGS   PERFICIENT.COM/INSIGHTS   (855) 411-PRFT(7738)   PERFICIENT.COM/CONTACT