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Blue People Propels Business Growth with CMMI

A key challenge faced by many young companies is getting to the next level by winning the bigger customers that will drive revenue growth. For Mexican software company Blue People, CMMI was a key part of its solution, enabling the company to develop mature capabilities—and demonstrate an exceptional track record of on-time delivery that helped it grow revenue by 440 percent.

Today, Blue People is collaborating with other local companies to create a hub of CMMI expertise that further builds the region’s reputation as a source for high-quality software.

Founded four years ago in Monterrey, in the northeastern Mexico state of Nuevo Leon, Blue People focuses mainly on developing turnkey software, according to Javier Carro, director of the company’s development center. Blue People also provides headhunting services and “nearshoring”—IT outsourcing services for U.S. companies. With an average employee age of 27, the company aims to drive growth while maintaining values important to a millennial workforce, including work-life balance.

Large Clients’ Demand for Maturity Was a Barrier to Growth

In 2017, the young company ran up against a barrier that threatened to slow or even halt its growth. “We were doing great at smaller projects, but it was clear to us that we weren’t able to access top-tier clients or government opportunities—because as a typical two-year old company, we lacked the maturity they require from their suppliers,” says Ruben Chalico, who directs Blue People’s capability management initiatives. Some of the symptoms of that immaturity: projects often fell behind schedule or overran their budgeted cost.

To build and demonstrate the maturity required to win bigger customers, Blue People needed to overcome an obstacle that’s faced by many software companies: scaling its home-grown collection of agile software development techniques to operate at enterprise scale. Many companies that successfully use agile on individual small projects run into problems when it comes to applying agile techniques enterprise-wide on larger projects that may involve coordination among multiple teams. Blue People’s analysis also revealed that it wasn’t collecting the consistent, detailed project data that it needed to measure its performance and make data-driven decisions.

'A Clear Path to Achieving Higher Performance'

So Blue People began looking for a way to build maturity—and it selected CMMI. A key reason: the focus on organizational performance rather than dictating the use of specific methods and tools. “We looked at a lot of techniques, and we decided on CMMI because it gave us a clear path to achieving higher performance,” Chalico says. “The principles can be distilled in a way that delivers the most value to your organization.”

For example, Blue People was able to scale agile to larger projects by using CMMI to enhance and track the methods that it already used, which included agile scrum for communication and Kanban for visual aid and team alignment. CMMI also enabled the company to use a common language for communicating between teams and when reporting project status to upper management. “It’s not easy come up with processes that can be tailored to any kind of projects,” Carro says. “Every project is different and has different problems: Coming up with a common way to manage those projects so that we would always know the exact status was very, very challenging.”

Blue People initially achieved CMMI Level 3 certification, but within just nine months moved up to CMMI Level 5, which includes the statistical analysis and measurement practices that the company needed to track status and measure improvements in a more predictive manner. To capture that data, the company developed its own project management software, Blue Surf—and started offering it as a product after it found that other companies wanted those capabilities too. “It is very common in the software industry to have a project where you don't know where you're standing,” says Carro. “With accurate and precise data, we are able to know at any given moment the exact status of the project, to be very transparent to our customers and to make decisions before problems have a major impact.”

Higher Maturity Levels Drive Soaring Revenue

By applying CMMI to all its projects, Blue People achieved impressive results. Customer satisfaction was improved by more accurately predicting delivery dates and meeting commitments. Before CMMI, project schedule deviation averaged 80 percent; that was reduced to 15 percent with Level 3 and further reduced to an extraordinarily low 1 percent with Level 5. The effort in person-hours that went into each project—which largely determined the cost—also became much more predictable, with the average deviation shrinking from 55 percent to just 12 percent. The related cost reduction paid off handsomely, resulting in a six-fold ROI on the company’s CMMI implementation. The performance improvements also helped drive rapid growth: revenue soared 440 percent, and the company has expanded to around 100 people.

Blue People has also adopted [CMMI V2.0](#), which includes an even greater focus on business performance—and aligns with the company’s approach to continuous improvement. “We're focusing on developing a workforce that can identify the practical value of the CMMI practices and really harness it in the context of their projects,” Carro says.

The company is also applying CMMI to optimize more software development processes, including testing, and to other operational areas. For example, it's setting up an individual performance management system, akin to those used by some big U.S. technology firms, that helps teams and individuals establish quarterly goals and track progress. "Achieving these goals not only has a practical benefit—it also can increase employee engagement and motivation," Carro says. The company is also creating platforms to socialize and communicate the company's objectives and priorities. "Making this information accessible and transparent provides people with more context," he says. "We know that context has an impact on motivation, and motivation is a very important factor for performance."

Blue People Spurs Regional CMMI Initiative

Blue People's success with CMMI has spurred the company to create an initiative to build a regional cluster of technology firms that use CMMI to collaborate on projects and produce high-quality software.

"In order for people to recognize Monterrey as a great place to develop great quality software, we need to join forces," explains Alberto Pimentel, Blue People's director of marketing. Called the 2X10 Initiative, the goal is to build a pool of up to 20 companies with advanced CMMI expertise that can partner to attract and deliver large projects for U.S. and other international corporations, as well as Mexican customers. The approach has significant potential: a high performance community in a geographic co-located area could be very powerful.

With CMMI, Blue People transformed its business. Now, it sees the potential to raise the profile of software development throughout the entire Nuevo Leon region.