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AN ISACA ENTERPRISE

Flexibly Boosting Performance in ANY Size Business

By Ron Lear, Chief Architect and Director of IP Development at CMMI[®] Institute

In today's competitive markets, companies large and small face similar tremendous pressure to continuously improve performance, with many being pressed by the seemingly contradictory goals of cutting costs while improving quality.

Larger enterprises routinely turn to process improvement models or frameworks that help identify the weak links in their process flows or supply chains, then show them how to wring out greater efficiencies that cut down costs or re-think processes to drive quality higher.

But small companies rarely consider such frameworks. Even hearing “consultant-speak” words like “model” and “framework” triggers a knee-jerk perception that they're just not suited to small business use: they cost too much, bring too much overhead, and their scale and complexity make them of questionable value, at best, for small organizations.

Meanwhile, the typical small business is resource-challenged, budget-challenged and, at times, desperately trying to figure out what will move the needle on growth and help them outperform their competitors. And even when they do outperform, it's usually through individual heroics – solutions that solve the immediate problem but aren't repeatable, so they can't be used to streamline the business long-term, or to avoid similar problems recurring in the future.

That small business perception of performance-improvements models may once have been true, but it is no longer.

Small Firms with Big-Enterprise Results

New, more flexible and modular performance-focused frameworks have emerged that break the mold. They enable organizations to pick and choose the practices most meaningful to boosting *their* business performance, thus making them easy to use for smaller organizations — even individual teams or projects.

One company with fewer than 10 employees that benefited from using a modular performance-improvement framework worked on the requirements definition and testing for the US Department of Education's guaranteed student loan program. Despite software spanning mainframes, PCs and the web, the company was nonetheless able to streamline processes and cut testing from 12 weeks to three.

Similarly, a tier 2 electronics supplier to the “big three” US automakers with fewer than 15 employees used the framework to map the value chain of its own downstream suppliers, achieving a 33% cost reduction. Rather than look for one big cost savings element, the approach identified cost points throughout the supply chain. That enabled the company to drive cumulative savings across many different related cost points. And the best part: the company now has a much more collaborative relationship with its suppliers thanks to better information sharing, recommended by the model.

What these and other small businesses have in common is that they turned to [the Capability Maturity Model Integration \(CMMI\) performance-improvement framework](#). The newly released [Version 2.0 of this model](#) is being used by companies of all sizes, as well as government agencies, to quickly identify key elements that directly impact business results, boosting return on investment (ROI), quality and performance, while reducing cost and time-to-market. CMMI V2.0 is extremely flexible and modular, so businesses – and even small teams within a business – can pick and choose the elements that matter most to them.

Which is not to say that a small business can’t use the entire model. Consider [Rabbath](#), an exclusive Australian restaurant open only from Thursday to Saturday with two owners and three employees. The entire restaurant is set up around CMMI, from the layout of the eating area and kitchen to where the wine is stored. The entire process of ordering, cooking, and getting food to the table has been optimized by CMMI to be efficient and timely. “They used CMMI to drive performance and have received fantastic reviews for superior service and great food,” notes Ron Lear, Chief Architect of CMMI V2.0.

[CMMI V2.0 has significant improvements from earlier versions to help companies of all sizes improve performance](#). Key upgrades include the fact it is written in plain business English, is easier to use, and is modular so that companies can isolate the most meaningful practice they want to upgrade. Most importantly, CMMI V2.0 includes new performance practices so organizations can better track progress and ROI as they scale five “maturity levels” of CMMI implementation, from Level 1 to 5, in which processes are stable and flexible and the company is focused on continuous improvement.

Performance Doctor for Companies of All Sizes

Lear likens CMMI V2.0 to an annual medical physical. “It can tell you about the overall health of the business by focusing in on those areas where things are not doing well, like a doctor’s checkup where they check your blood pressure, cholesterol level, blood sugar, heart rate, and more. CMMI gives any size organization the ability to check its own health and self-administer a plan to improve its wellness.”

This is especially important for small businesses that may have separate project managers or planners trying to individually improve process management and quality in their different sections, but then find that it is very difficult to scale those isolated process improvements across the company.

Just as the consumer technology revolution upended the old process of enterprise information technology “trickling down” to smaller businesses and eventually consumers, nowadays small businesses can have access to all the best technologies and tools to help them get, and stay, competitive.