

# The CMMI for Acquisition A Strategy For Successful Outsourcing

Dr. Tami Zemel

# Consequences

- Immature acquirer's processes are the main reason for acquisition failures
- Improving the acquirer processes for the supplier selection and technical management is a key for successful acquisition
- The CMMI-ACQ model provides detailed guidelines for the acquisition processes improvement

# Acquisition in Reality

## Motivation:

- Reduce costs
- Time to market
- Missing technologies/  
expertise
- Human resources

## Common Results:

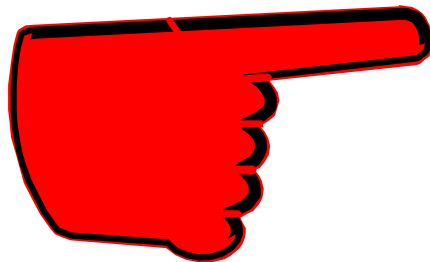
- Higher costs
- Delays
- Reduced  
performance
- Low quality

Only 11 programs out of 72 major defense programs were on time, on budget and meeting performance criteria

# “Reasons” for Acquisition Failures

- Contractor has not the required skills
- Contractor got other opportunities
- Contractor did not estimate the required effort
- Contractor’s staff left the company

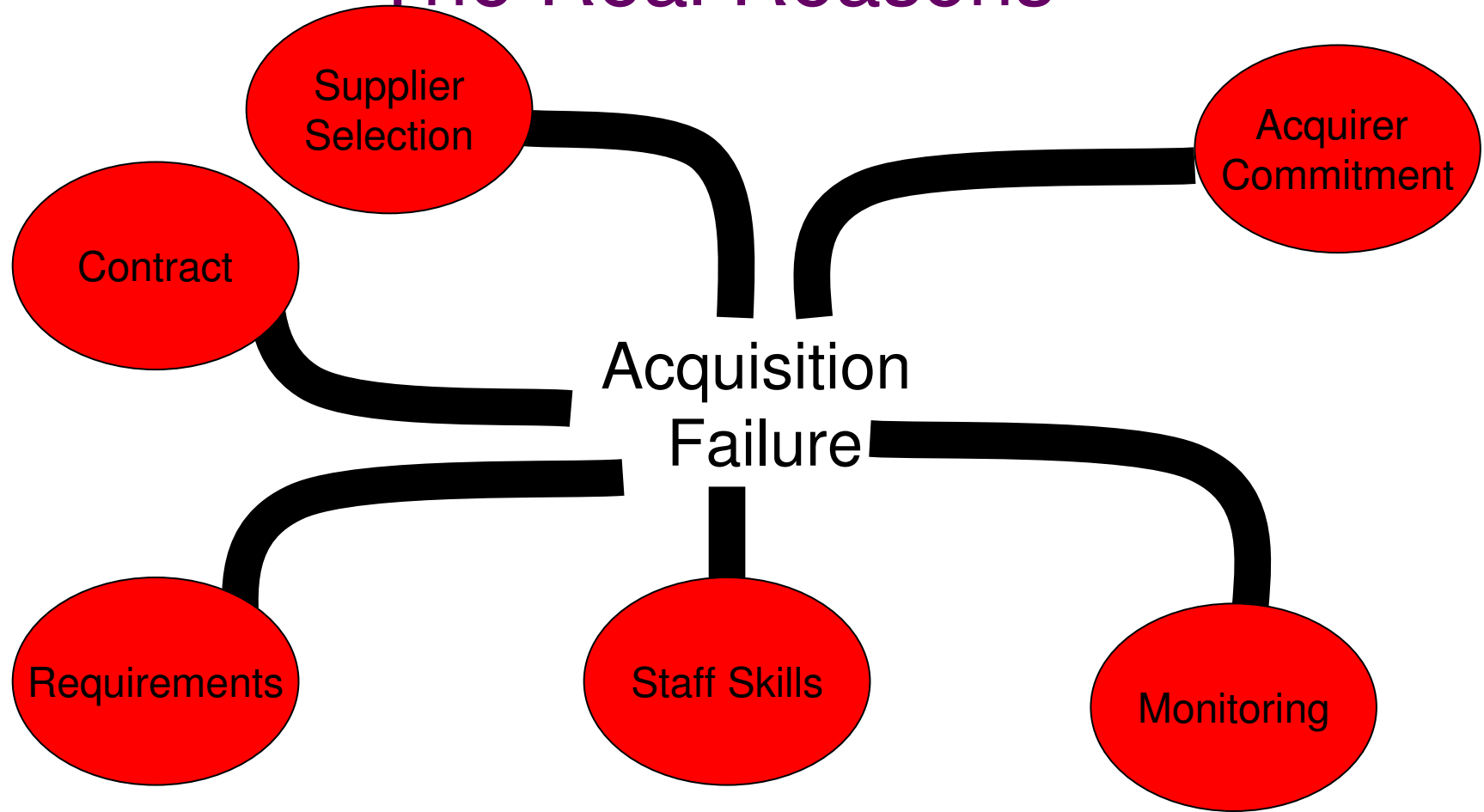
Acquirer



Supplier



# The Real Reasons



# Motivation for Process Improvement

“Insanity: Doing the same thing over and over again and expecting different results.”

Benjamin Franklin / Albert Einstein

# Content

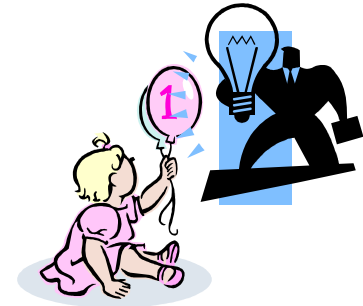
- Motivation for process improvement
- The CMMI Product Suite
- The CMMI for Acquisition
- Summary

# What is the CMMI



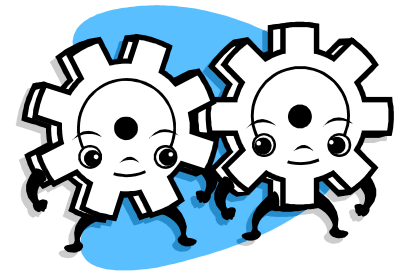
**Capability** – Ability, competence

**Maturity** – Level of Professionalism



**Model** – A set of guidelines

**Integration** – A number of disciplines together

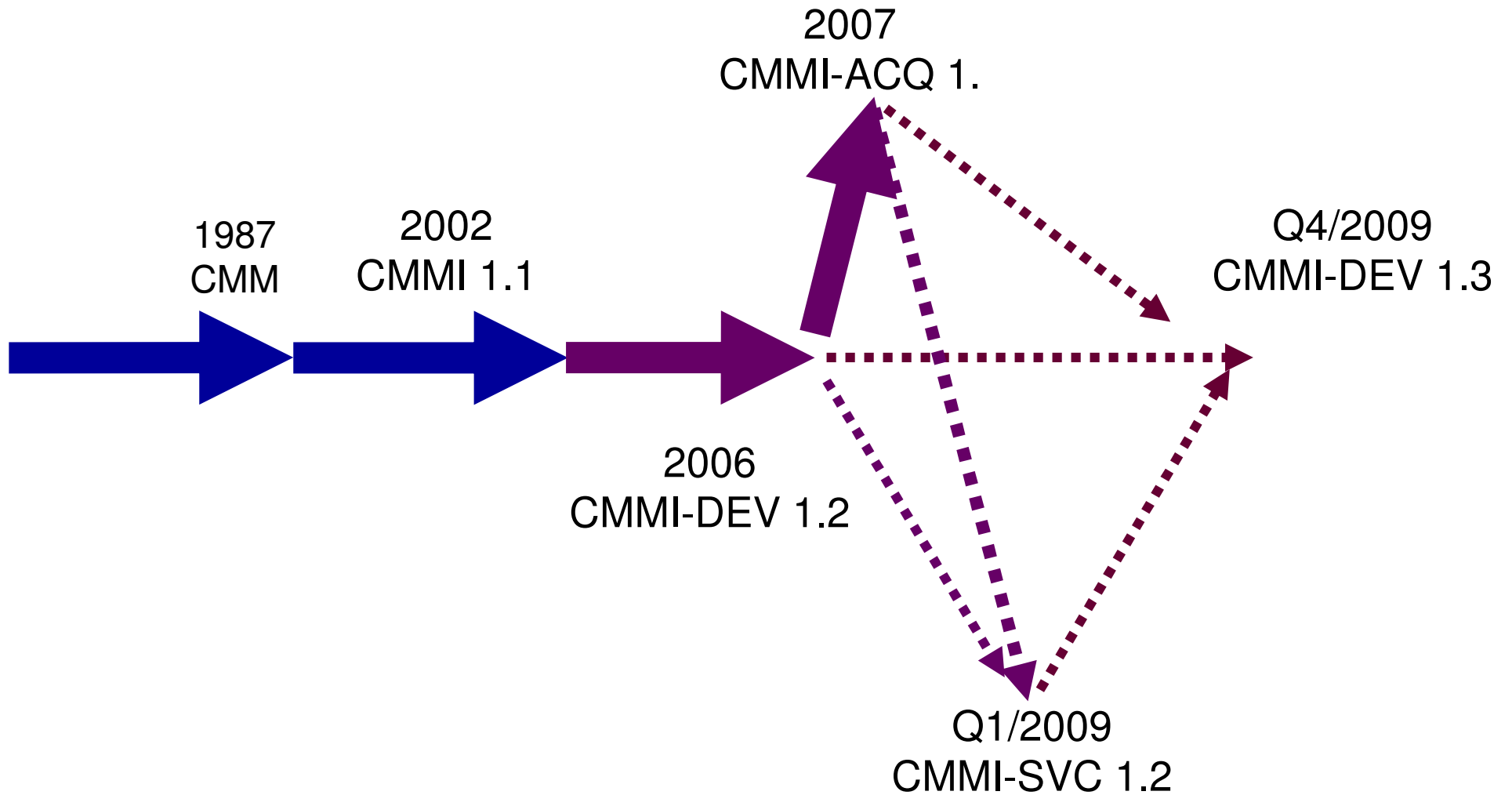


# The CMMI - What is it?

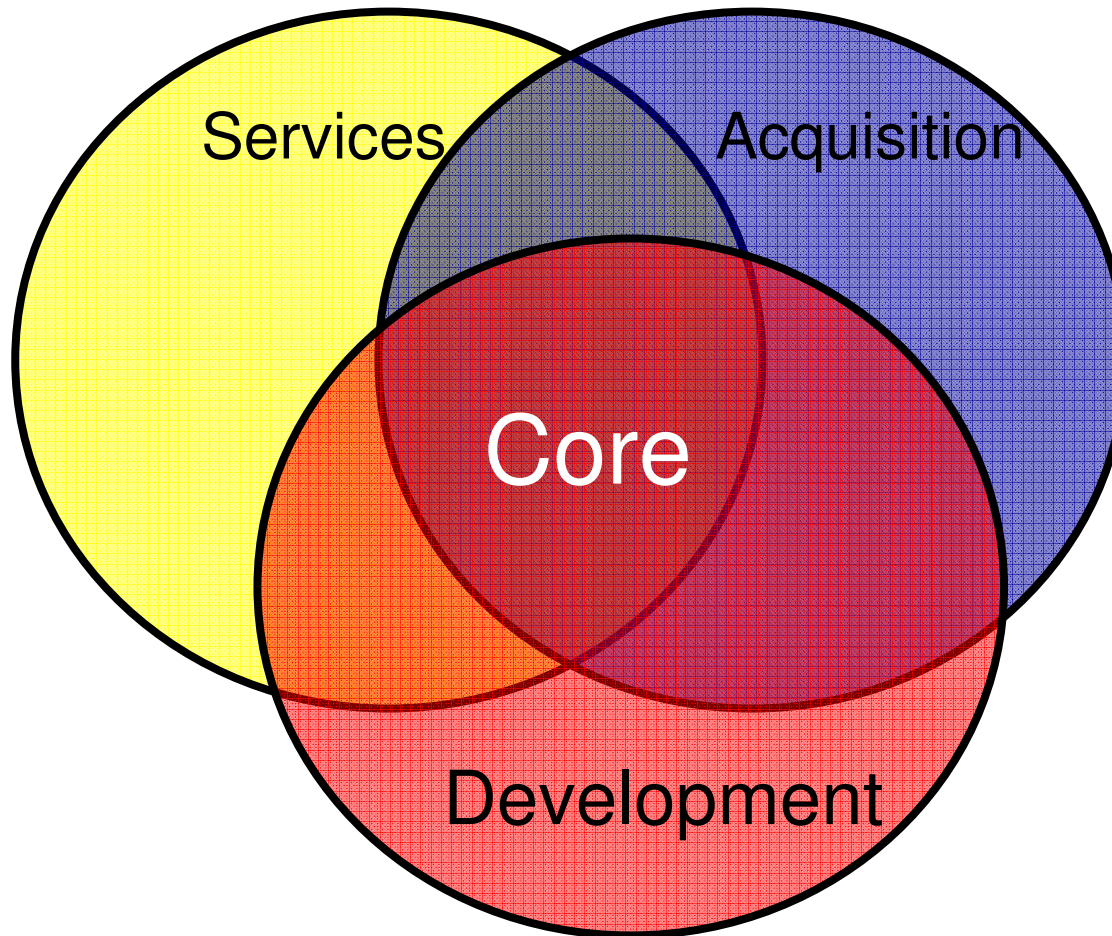
- A **comprehensive** set of **best practices, appraisal method and training**
- Used for processes improvement and evaluations of organizational capabilities
- Developed by SEI in Carnegie-Mellon University
- Used by thousands of companies around the world currently for SW and System development and for acquisition Organizations
- Used by **large and small** companies in various domains
- Enables **incremental** process improvement



# CMMI Evolution



# The CMMI Models

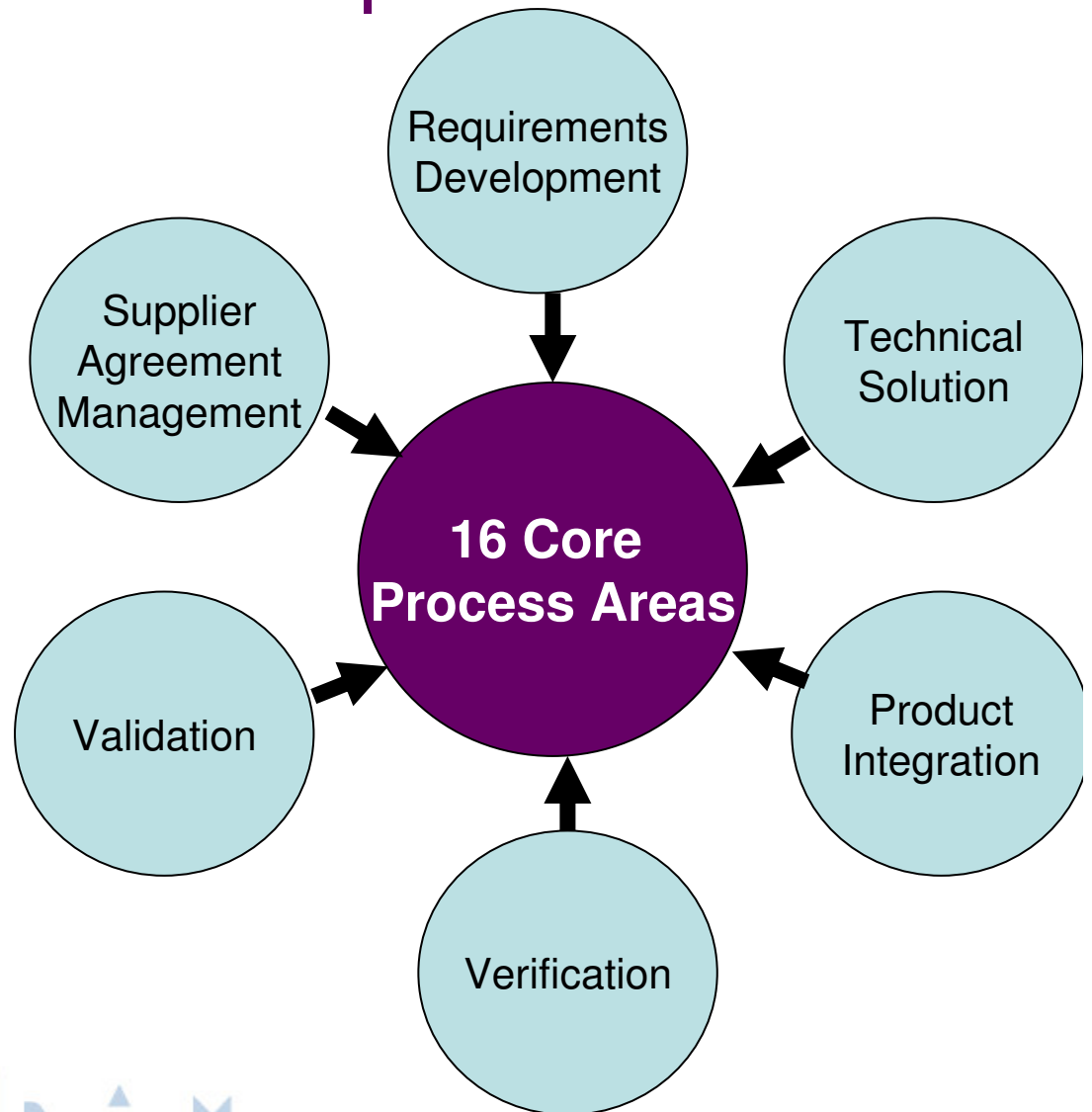


# CMMI's Core Process Areas

ML	Project management	Support	Process Management
2	<ul style="list-style-type: none"> <li>• Project Planning (PP)</li> <li>• Project Monitoring and Control (PMC)</li> <li>• Requirements Management (REQM)</li> </ul>	<ul style="list-style-type: none"> <li>• Process and Product Quality Assurance (PPQA)</li> <li>• Configuration Management (CM)</li> <li>• Measurement and Analysis (MA)</li> </ul>	
3	<ul style="list-style-type: none"> <li>• Integrated Project Management (IPM)</li> <li>• Risk Management (RSKM)</li> </ul>	<ul style="list-style-type: none"> <li>• Decision Analysis and Resolution (DAR)</li> </ul>	<ul style="list-style-type: none"> <li>• Organizational Process Focus (OPF)</li> <li>• Organizational Process Definition (OPD)</li> <li>• Organizational Training (OT)</li> </ul>
4	<ul style="list-style-type: none"> <li>• Quantitative Project Management (QPM)</li> </ul>		<ul style="list-style-type: none"> <li>• Organizational Process Performance (OPP)</li> </ul>
5		<ul style="list-style-type: none"> <li>• Causal Analysis and Resolution (CAR)</li> </ul>	<ul style="list-style-type: none"> <li>• Organizational Innovation and Deployment (OID)</li> </ul>

# CMMI for Development

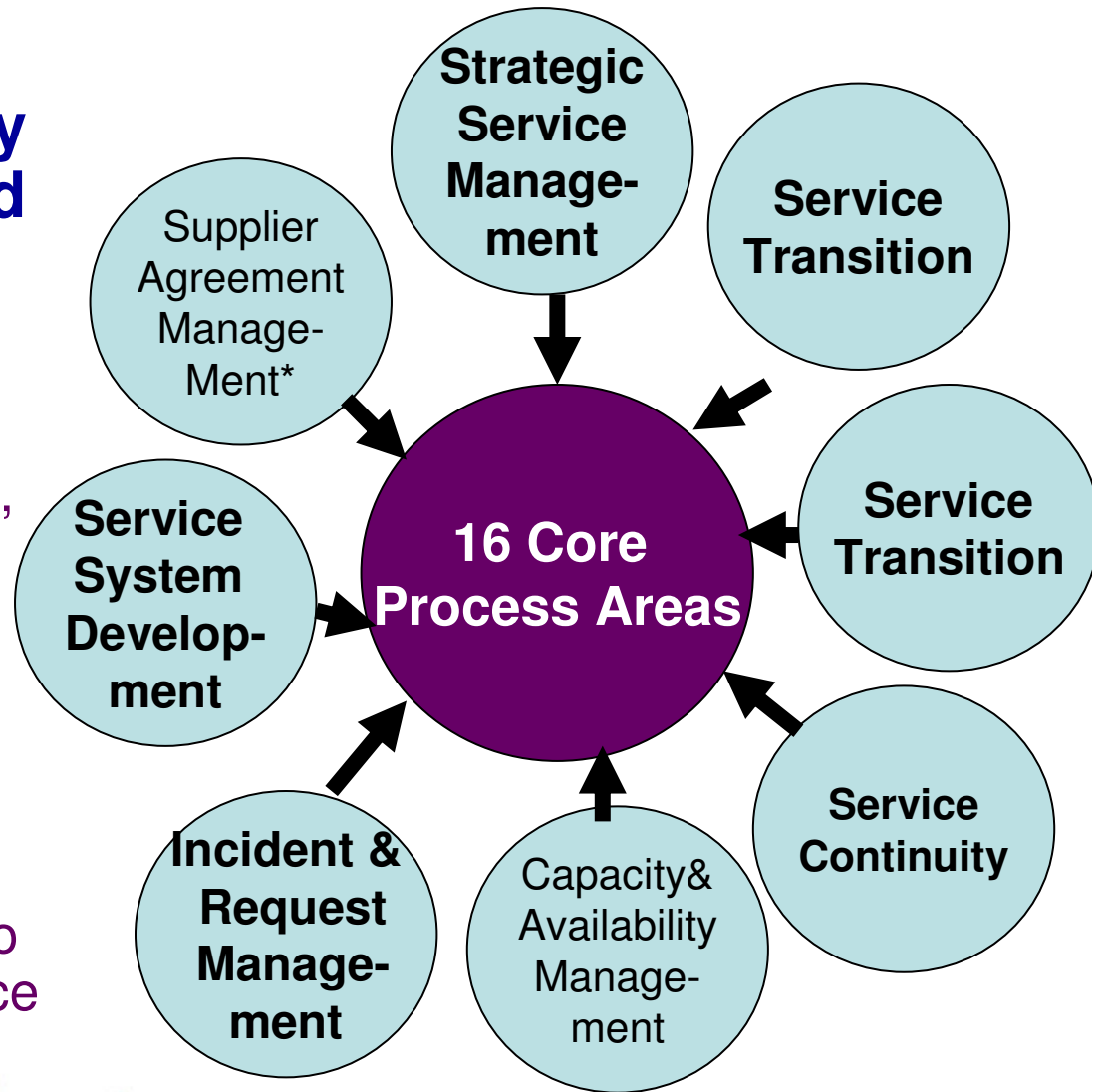
- A model relevant for organizations that develop and maintain systems and software
- Examples:
  - Automobile Industry,
  - IT Systems
- Specific Pas:  
best practices for the definition, design, implementation and testing of a product





# CMMI for Services

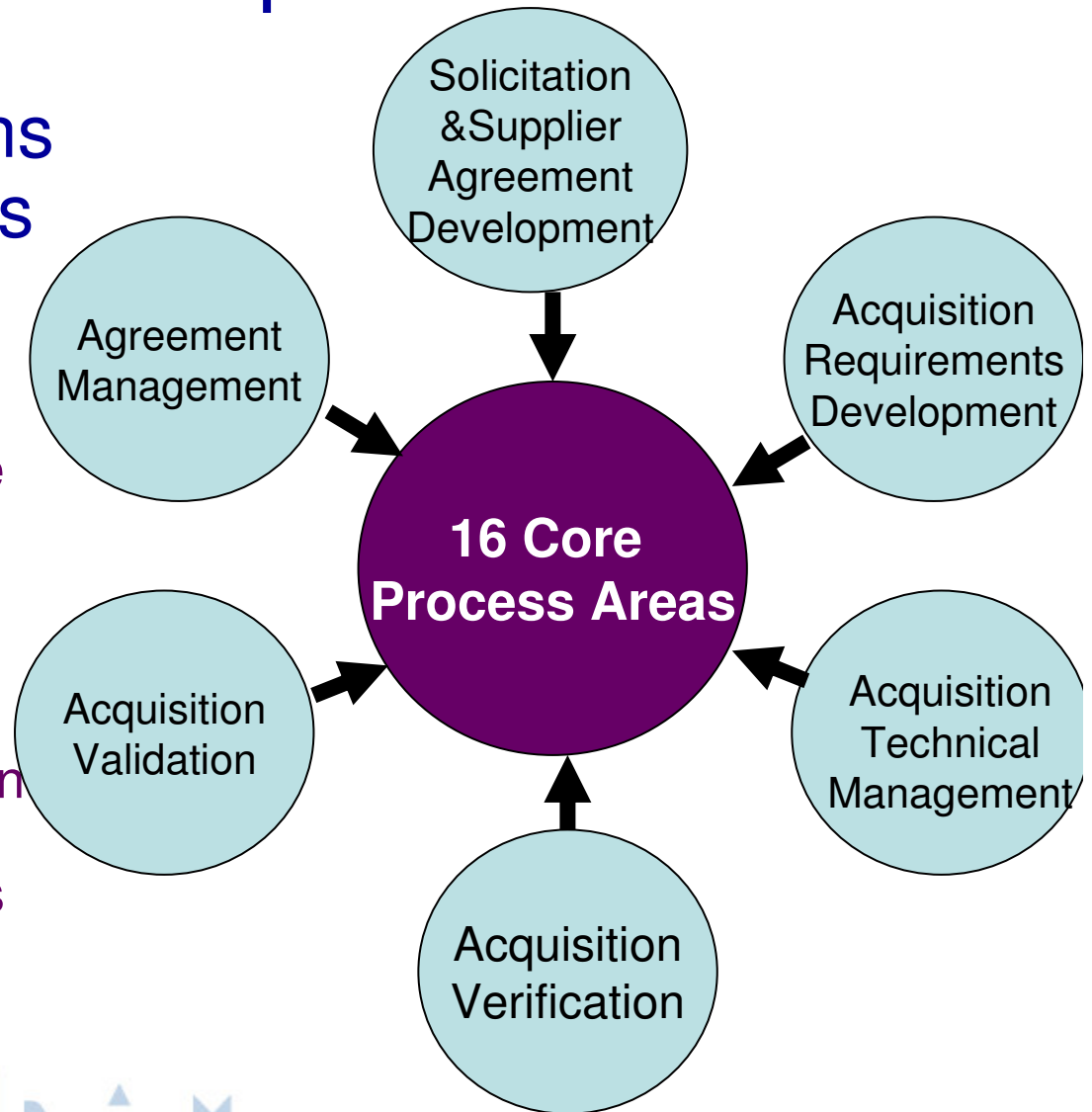
- **A model relevant to any organization concerned with the delivery of services**
- **Examples:**
  - Internet provider, Hospital, Banking, Consulting service, Testing, Training, Site developers
- **Specific Process Areas:**
- Best practices for the establishment of service system and service delivery to customers according to service agreements



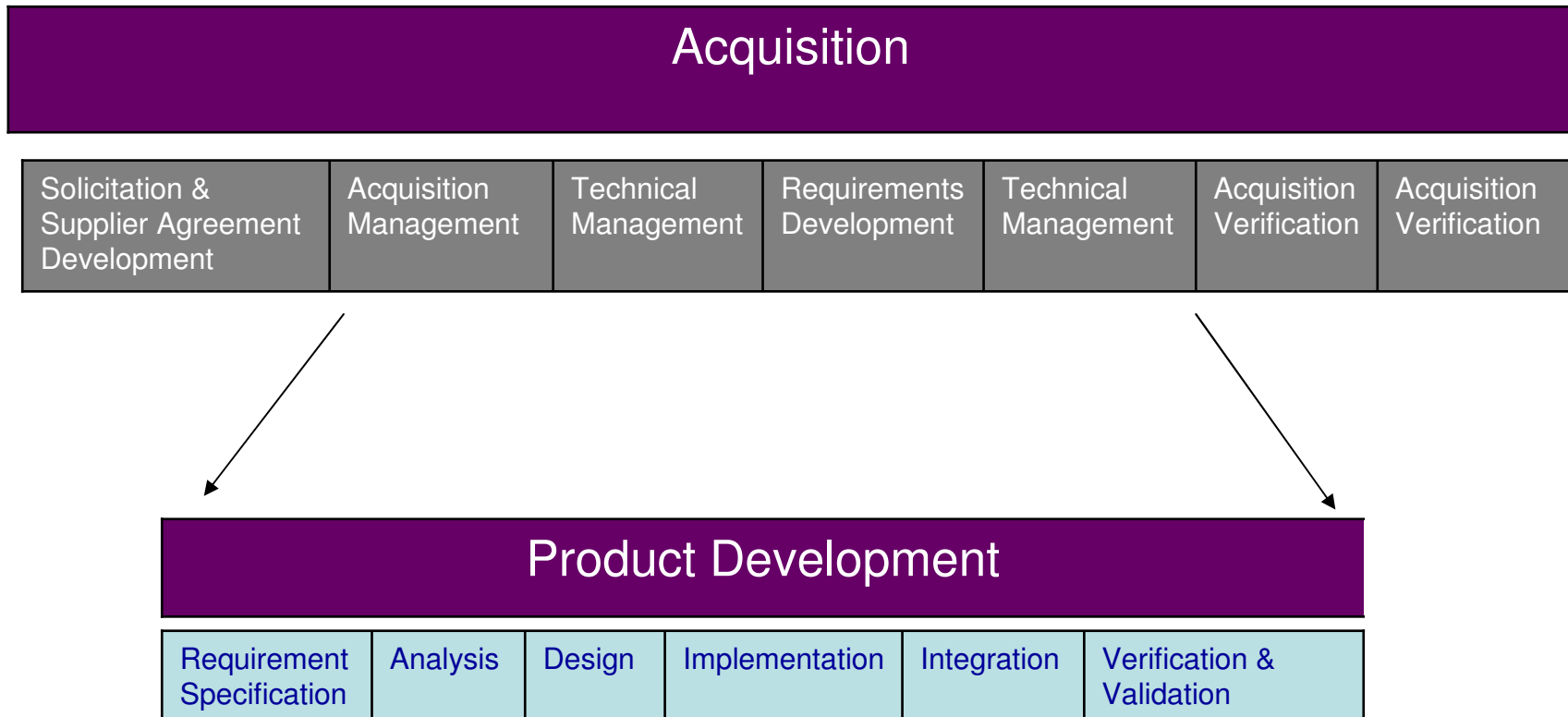
\* Shared, \*\* Addition

# CMMI for Acquisition

- Targets organizations that acquire products from suppliers
- Can be used to enhance the outsourcing processes in development and services organizations
- Specific Process Areas:
- best practices for preparation of a solicitation package (RFP), selection of suppliers and supplier monitoring



# CMMI for Acquisition and CMMI for Development



# Acquisition Requirements Development (ARD)

- Purpose
- Produce and analyze customer and contractual requirements.

# Acquisition Requirements Development Goals

- SG 1: Develop Customer Requirements
  - Stakeholder needs, expectations, constraints, and interfaces are collected and translated into customer requirements.
- SG 2: Develop Contractual Requirements
  - Customer requirements are refined and elaborated to develop contractual requirements.
- SG 3: Analyze and Validate Requirements
  - The requirements are analyzed and validated

# Solicitation and Supplier Agreement Development (SSAD)

- Purpose
- prepare a solicitation package and to select one or more suppliers for delivering the product or service.

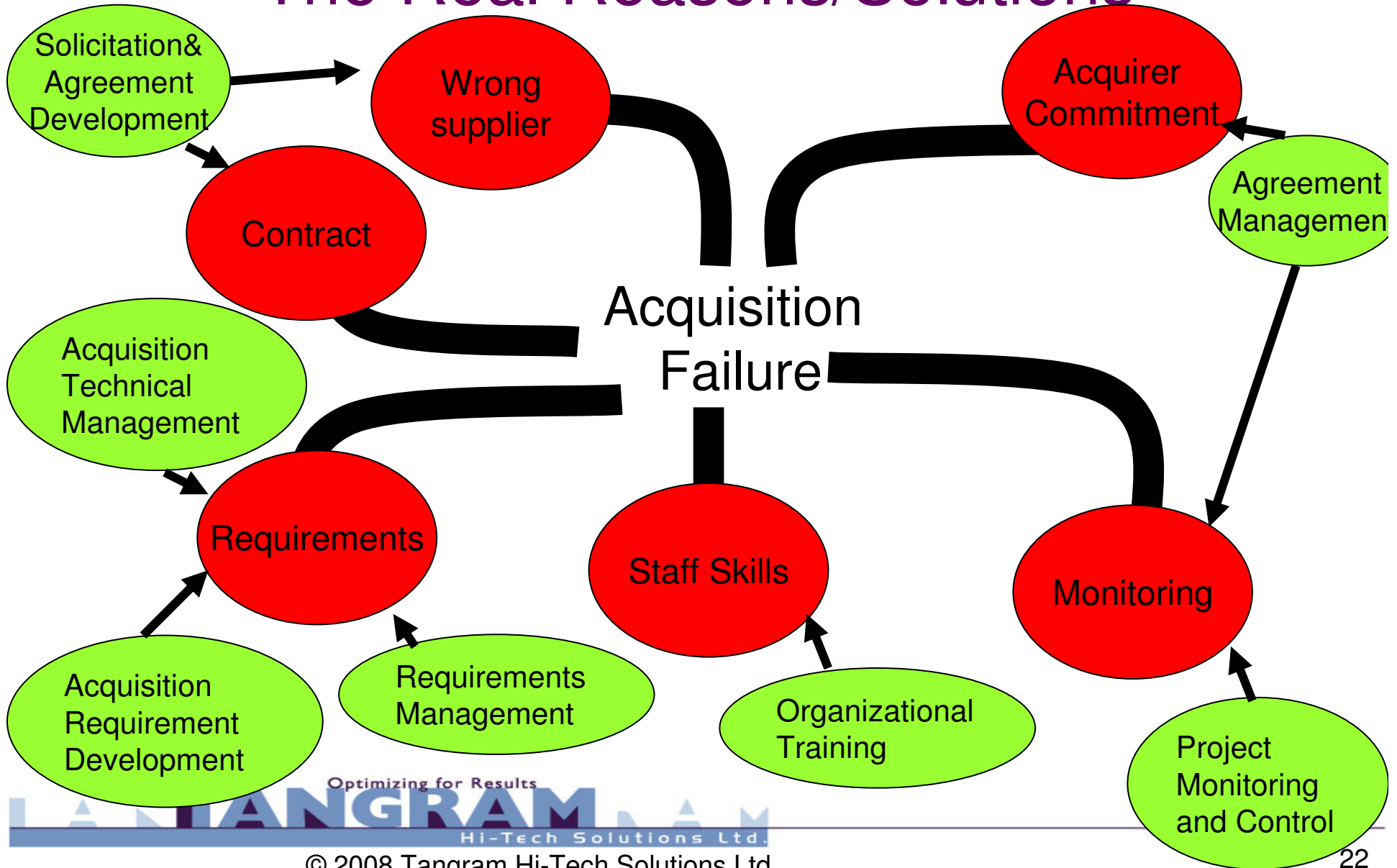
# Acquisition Management (AM)

- Purpose
- Ensure that the supplier's performance meets contractual requirements and that the acquirer performs according to the terms of the supplier agreement.

# Acquisition Technical Management (ATM)

- Purpose
- To evaluate the supplier's technical solution and to manage selected interfaces of that solution

# The Real Reasons/Solutions



Optimizing for Results

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- Thanks
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