Center of Excellence Overview and Benchmark Results

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Today’s Discussion Topics

- COE Overview
- Global COE Picture
- Benchmark Results
- Q&A
- Next Steps

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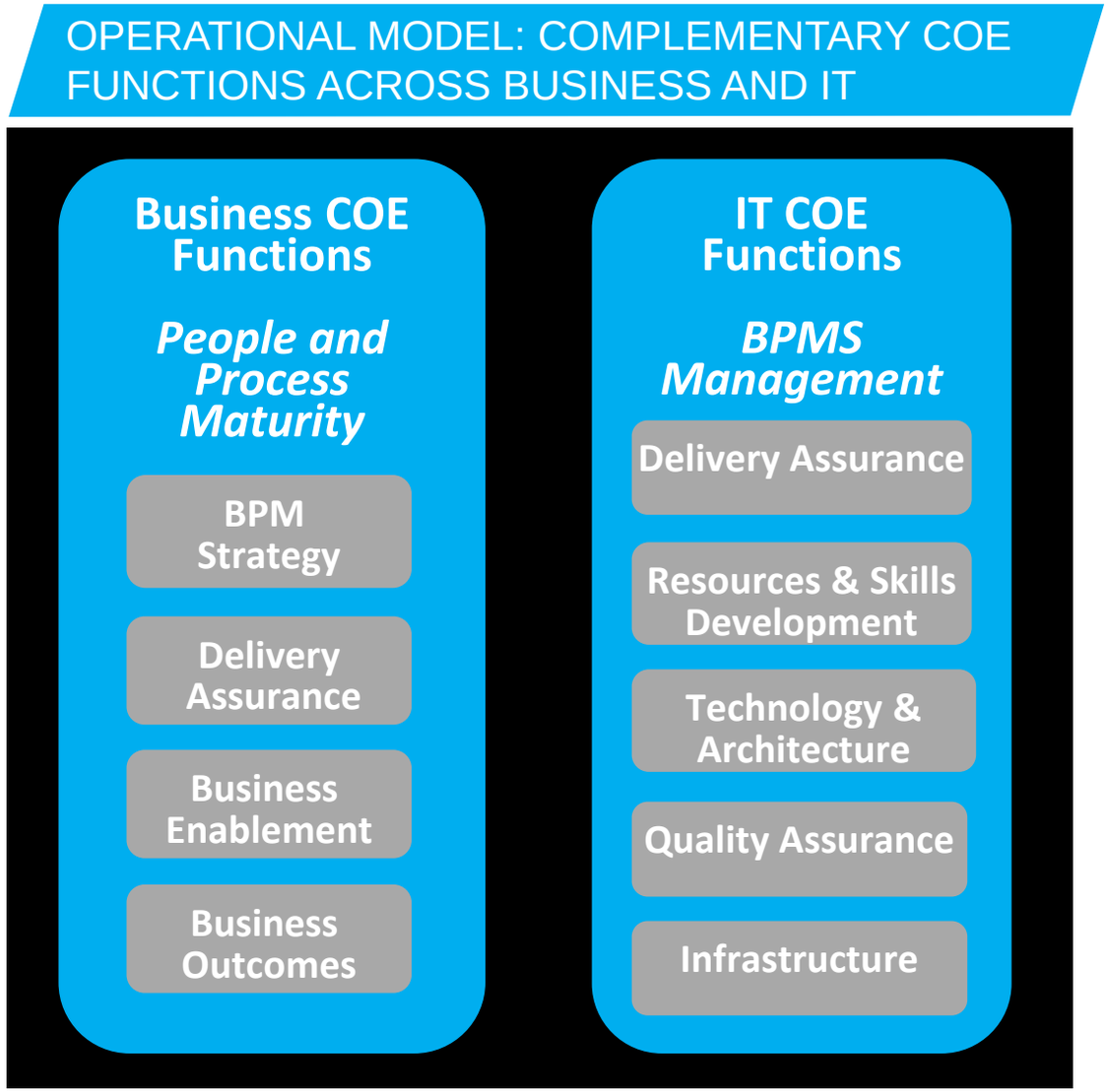
Industry Definition of a BPM COE



A formally appointed and documented body of knowledge and experience in business process management methodologies and technologies with goals of providing expertise, managing governance practices, and supporting BPM projects

FORRESTER RESEARCH

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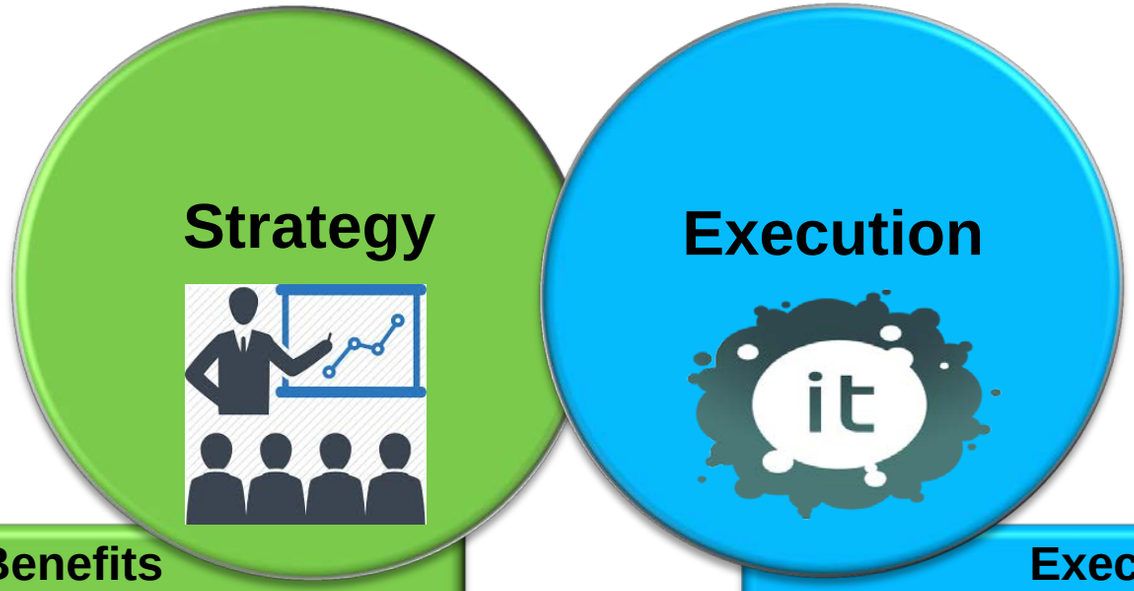
Benefits of COE



Strategic Benefits

- Choose the “Right” projects
- Manage High Velocity Change: Acquisition & Integration
- Drive transformation strategy
- Faster Time to Market: New Product & Service Offers
- Lower TCO: Higher Levels of Enterprise Reuse
- Greater Agility
- Continuous Improvement and Business Outcomes

Execution Benefits

- Deliver projects the “Right” way
- Standardized Execution
- Reduce Project Risk through Improved Controls and Strong Technical Governance
- Leverage Best Practices
- Resource Enablement
- Leverage reusable components across the enterprise

Successful COEs focus on high value items from both

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What Could Happen Without a COE?

- Ad hoc approach to reuse
- Use of traditional implementation methodologies versus Agile / Iterative ones
- Implementation of non-optimized processes
- Applications built outside the model and guardrails
- Inconsistent enablement / certification levels
- Inconsistent / ineffective governance

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Client COE Operational Strategies

COMMUNITIES OF PRACTICE

- Grows organically
- Volunteer structure and informal charter
- Goal to share, educate, and collaborate with fellow practitioners on projects
- Leverages internal libraries, discussion forums

COMPETENCY CENTER

- More formal organization with diverse skill sets
- Creates focus, momentum, processes and standards
- Operationally focused to resolve day-to-day activities
- Short to mid-term incremental improvements
- Foundation for COE structure

CENTER OF EXCELLENCE

- Formal organization combines different specializations into common field of knowledge
- Addresses short, medium, and long-term roadmap
- Closely integrated into the business
- More aggressive business model

STRATEGIC IMPACT

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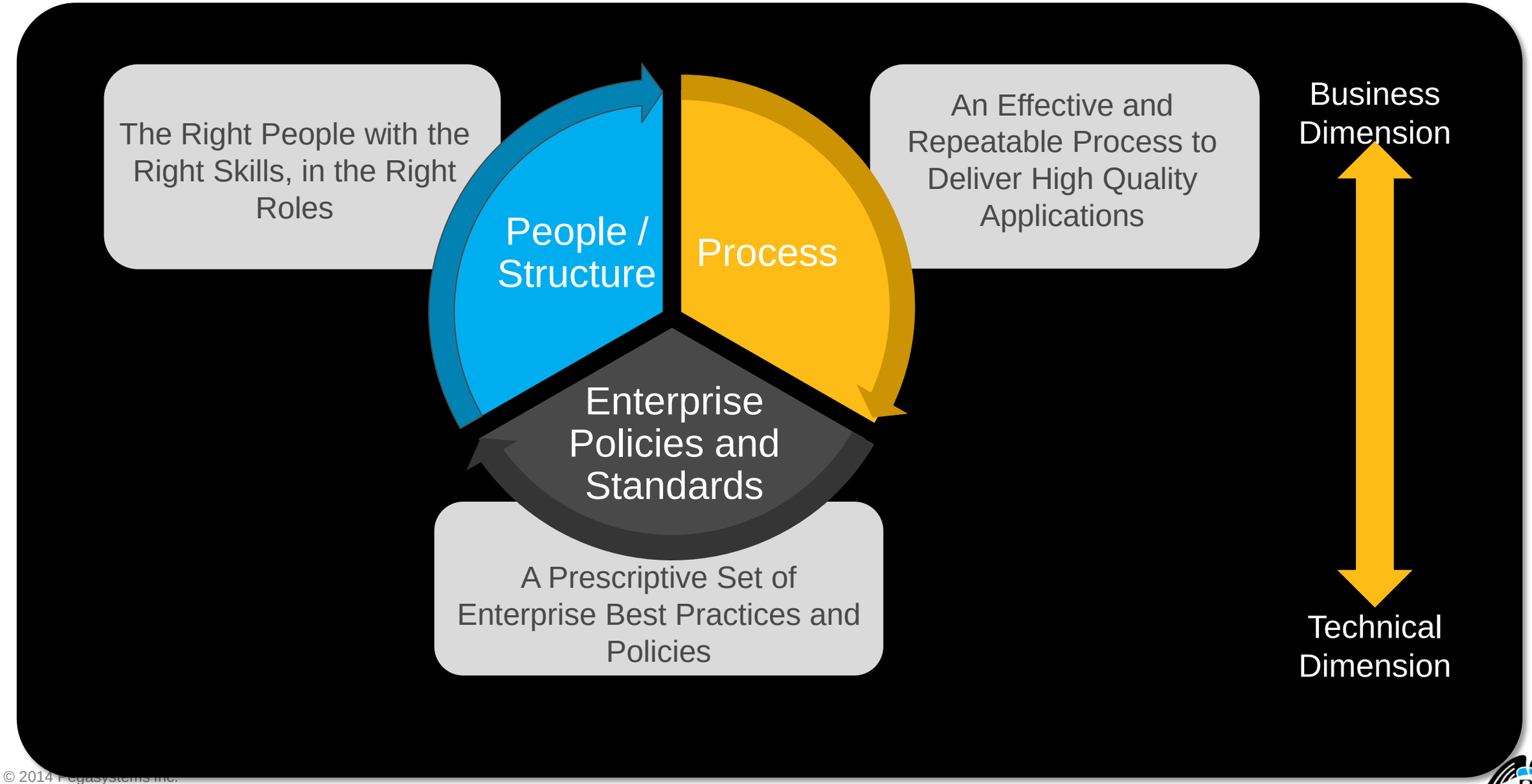
Focus Areas of Building the Pega COE



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Building a COE is a Journey

PLAN 2-4 Weeks	ESTABLISH 2-4 Weeks	OPERATE 52+ Weeks	OPTIMIZE Beyond

COE Screening Criteria

- Threshold experience & IT capabilities
- Strong and sustainable business demand
- Alignment with the Organization's vision
- Need for IT competency management and KM

Create the Core Team

Analyze Current State

- Define COE vision, mission, goals and objectives
- Evaluate current processes, standards, tools, methodologies, templates and solutions
- Create COE Charter

Establish COE – Roadmap to Implementation

Establish

- COE Organization Structure
- Roles and Responsibilities
- Engagement Processes

Define

- Knowledge Governance Approach
- Learning & Development Plan

Harvest

- Knowledge and Experience from past projects
- Reusable solutions from Experience

Build

- Standardized Processes
- KM Repository and Tools
- Frameworks and Templates

Stabilize COE – from building to nurturing

Improve

- COE Activities
- L&D & KM
- Methodologies and Frameworks

Initiate

- Solution Development Activities
- Competency Building

Optimize /Mature

Steady State Attainment

- Evangelize across Enterprise
- Optimize Costs
- Undertake Benchmarking
- Continue business process improvement

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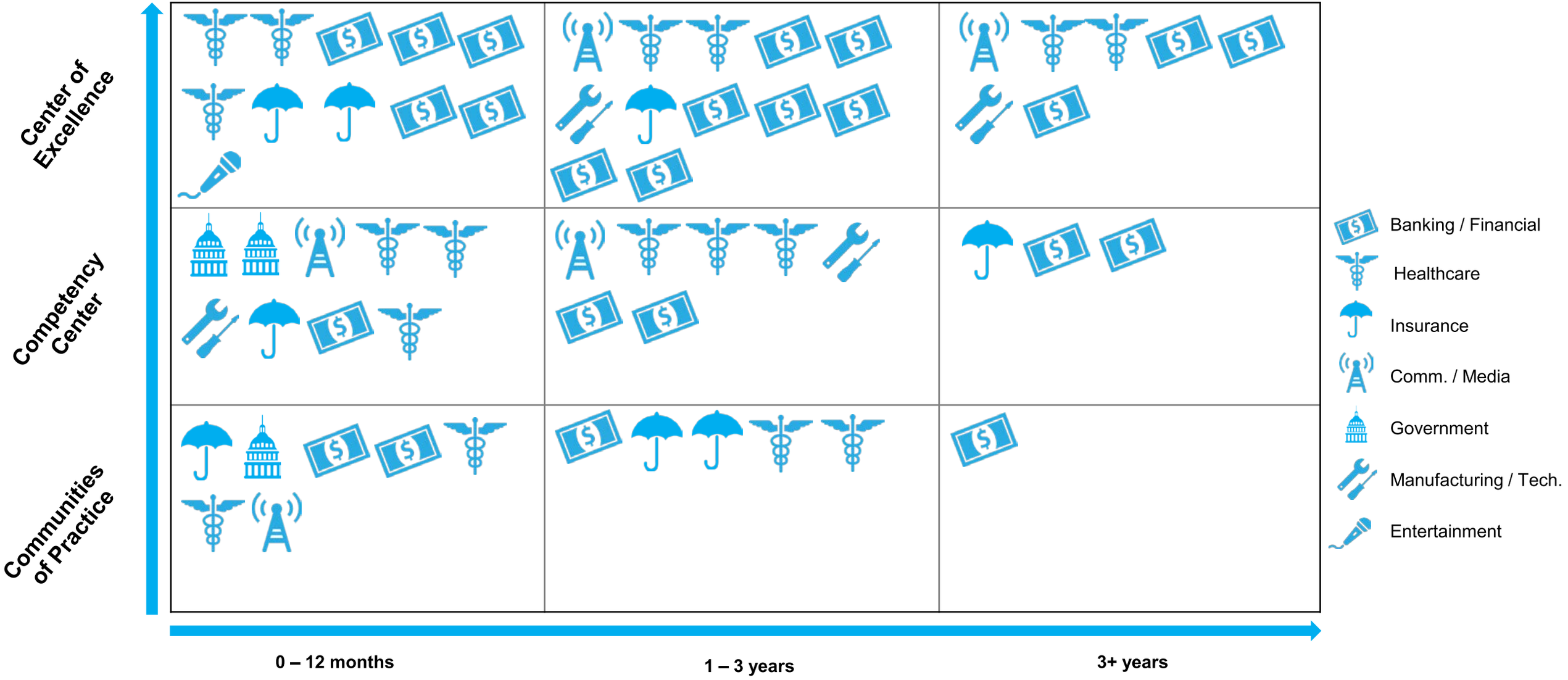
Global COE Community*



*Based on Q214 Survey of Pega Practice Leads

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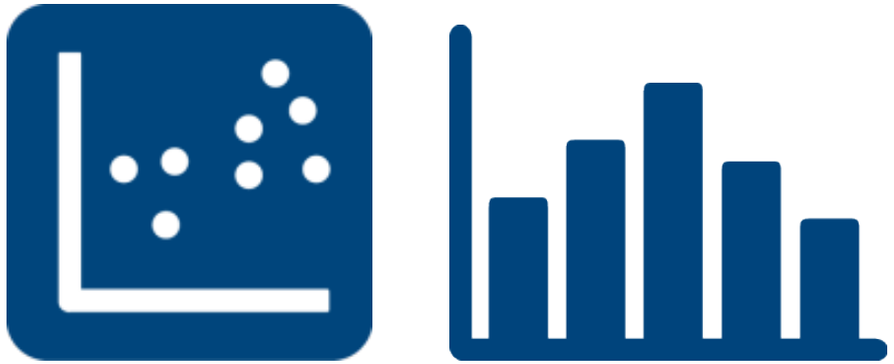
COE Benchmark Survey

BENCHMARK OBJECTIVES

- Understand the breadth and depth of the COE community
- Identify common goals and challenges
- Measure to what extent organizations are benefiting from the COE
- Establish baseline metrics as COE enablement and support continues



VALUE TO PARTICIPANTS

- Baseline your organization's maturity
- Validate structure, goals, and objectives
- Help define/refine your roadmap
- Highlight best-in-class examples
- Identify challenges and improvement opportunities

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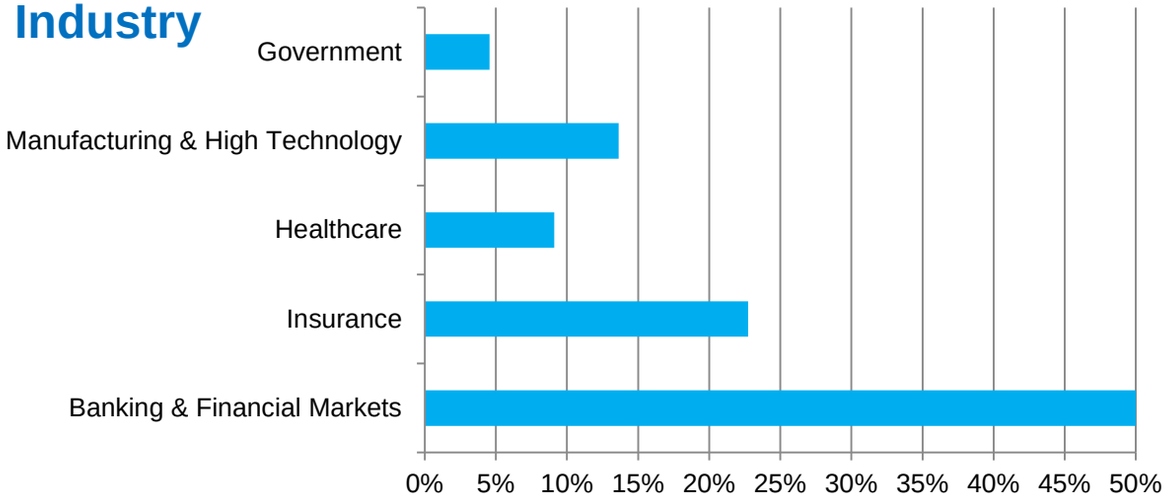
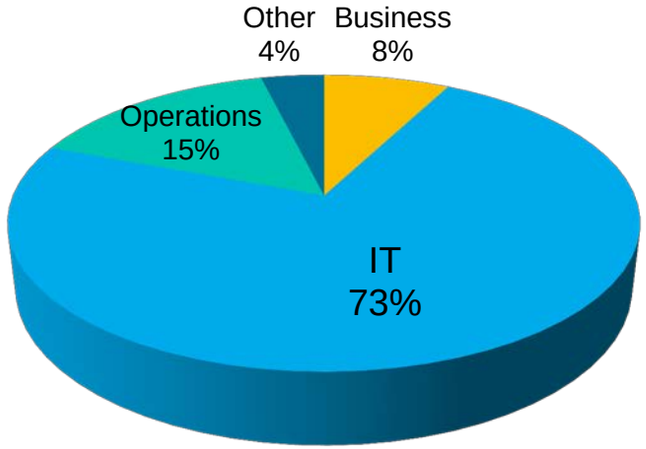
Survey Results: Industry, Sponsor, Tenure, Location

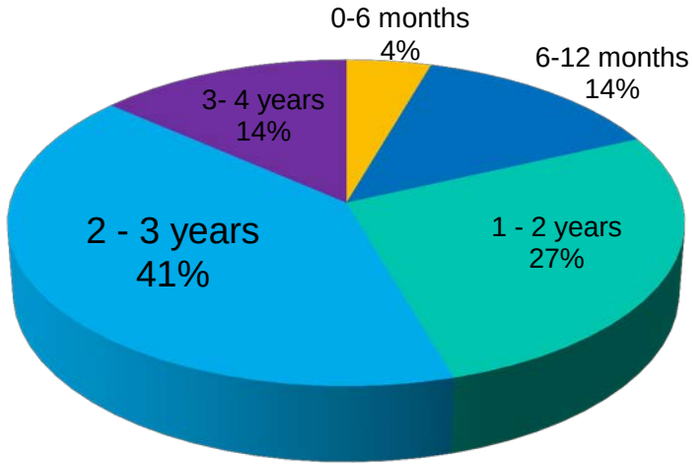
Industry



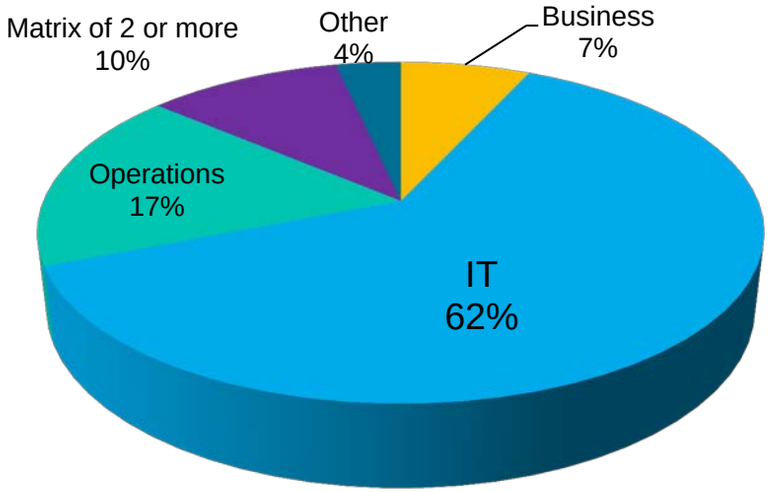
Executive Sponsor



Length of Operation



Where in Org?



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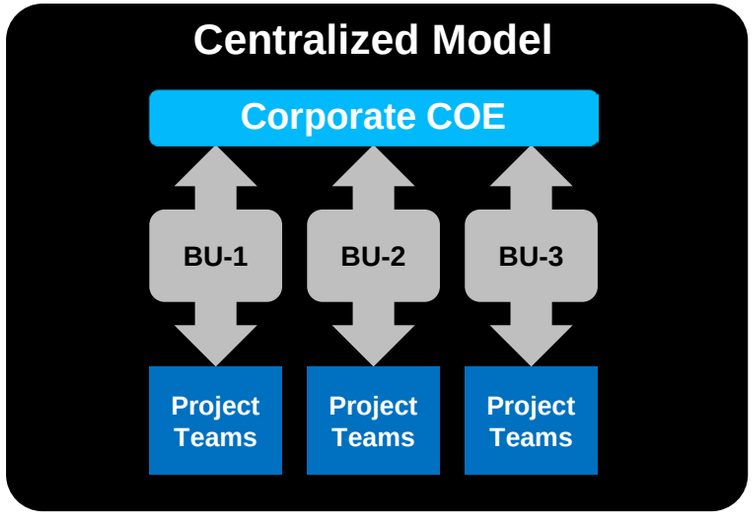
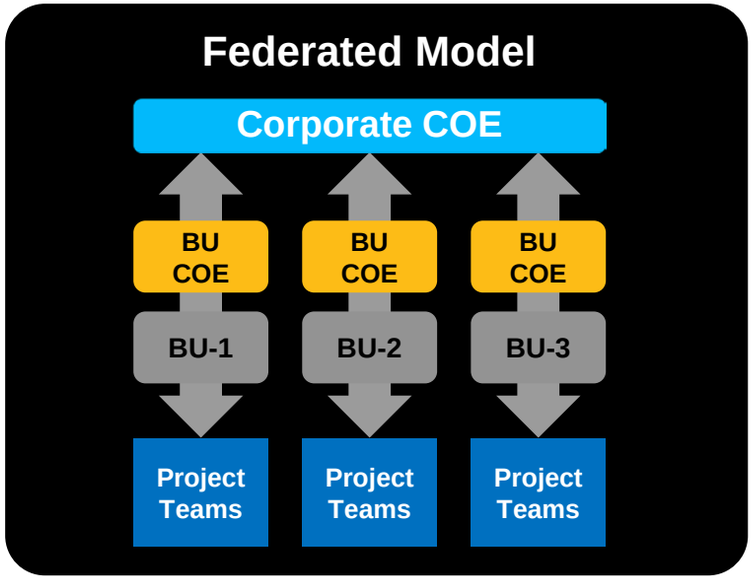
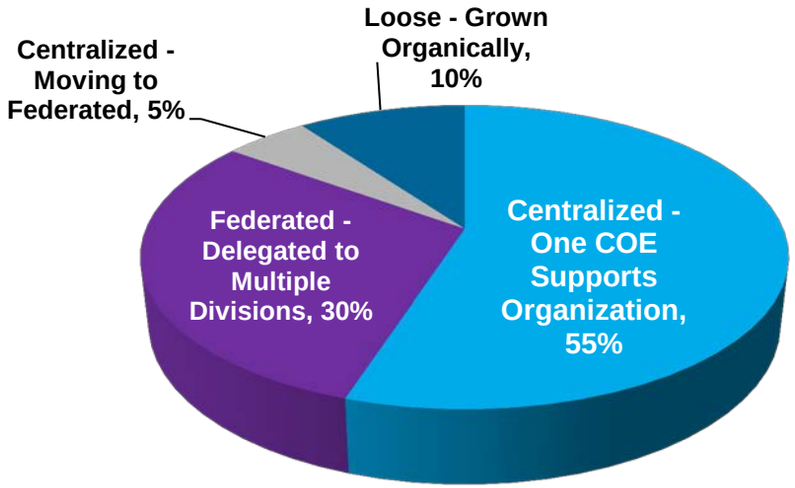
Pega COE Models





Corporate COE

- Owns Core Frameworks and Components
- Creates and Maintains Policies and Standards
- Maintains Global Shared Asset Repository
- Facilitates DCO / Prototypes
- Provides Expert Services to Business Solution Centers and project teams



BU / Line of Business COE

- Maintains knowledge of corporate assets and processes
- Owner of Business Process specific Framework
- Provides specific business knowledge
- Manages specific programs and rollout
- Coordination with project teams

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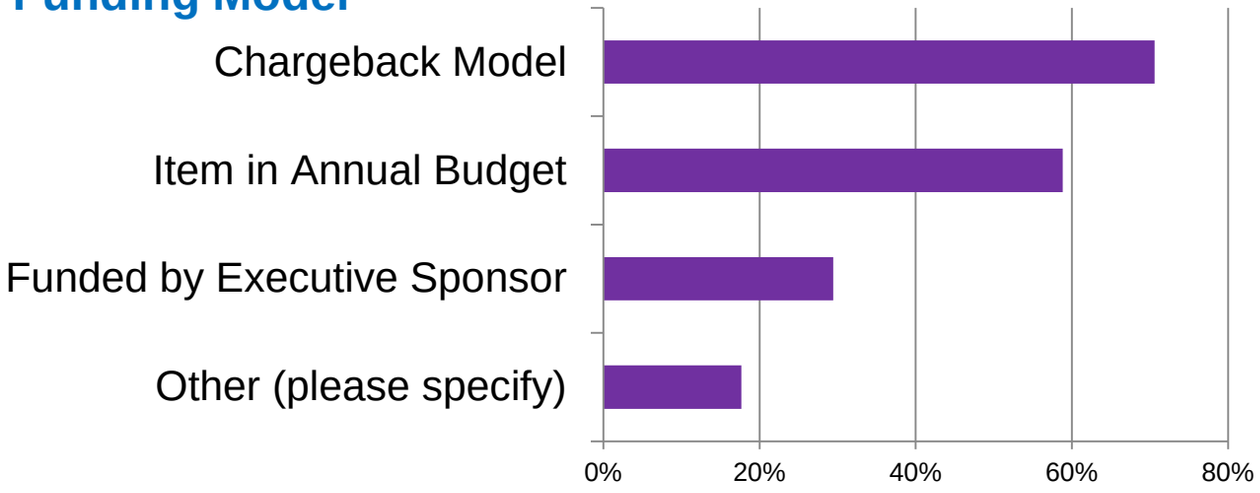
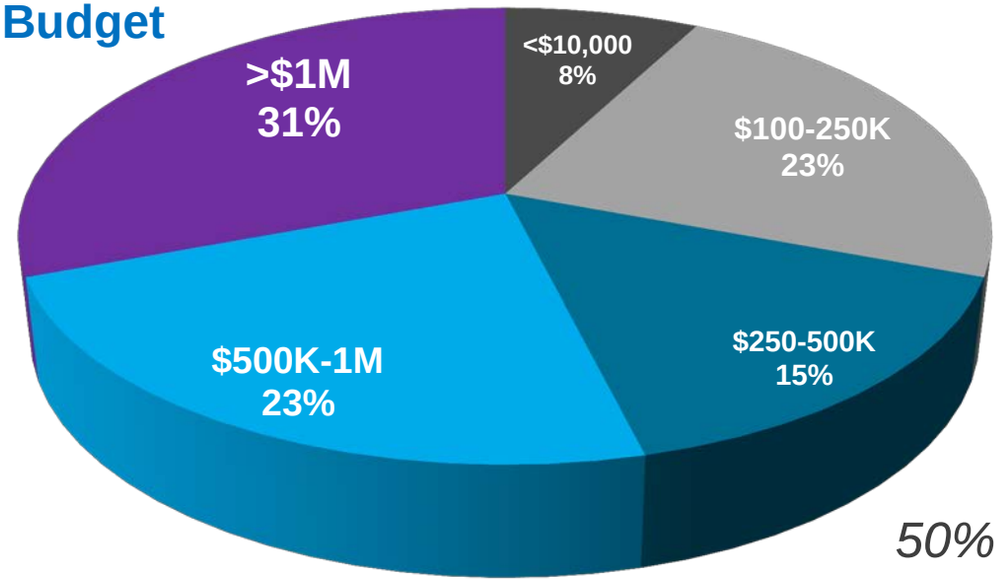
Survey Results: COE Funding Model and Budget

Funding Model



Budget



50% N/A

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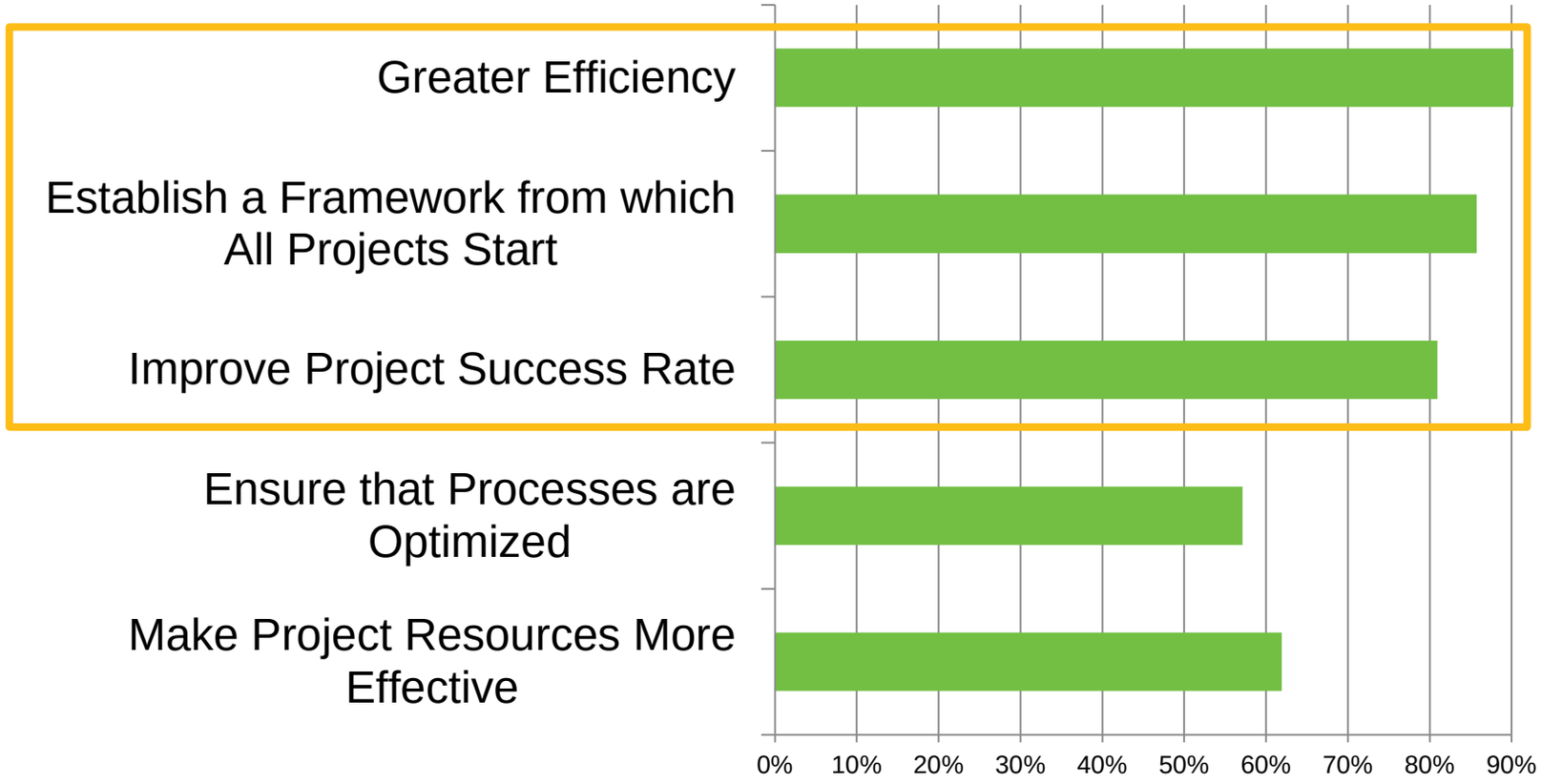
Survey Results: COE Purpose



Observations

- **Top 3** Purposes involve Efficiency, Effectiveness, and Success
- **Newer COEs** are tackling the **right projects** and **involving business** more
- Mid-range COEs are working to **reduce costs**, make **resources more effective**, and **optimize processes**
- **Most mature** COEs have **strategic purposes**: Enable Reaction to Changes (market); Change the IT Paradigm; Garner Best Practices

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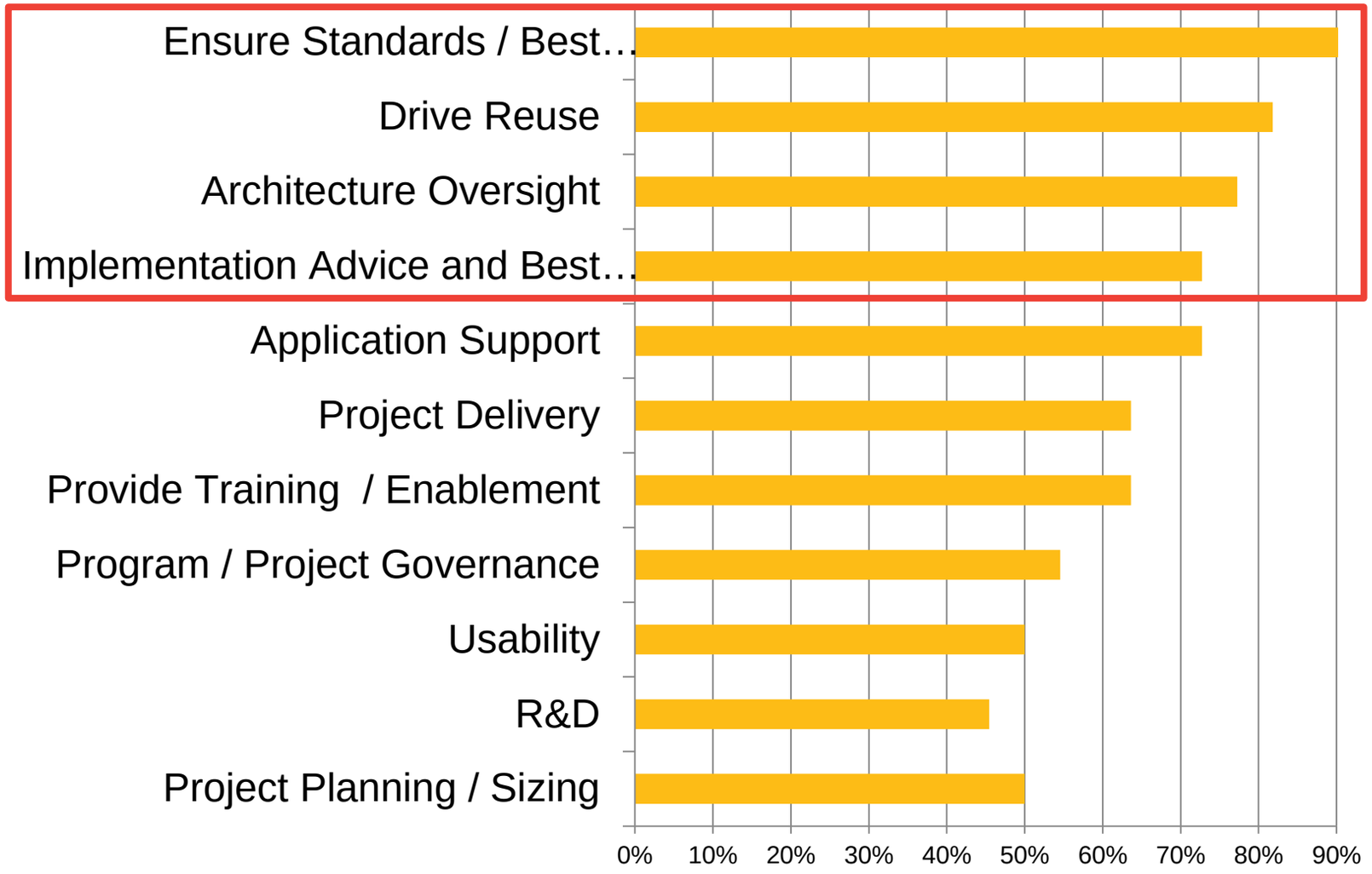
Survey Results: COE Focus



Observations

- **Top 4** responses in areas of **high level operational support**: Implement Standards/Best Practices, Drive Reuse, Architecture Oversight, Implementation Advice
- Next tier of common responses focus on providing **tactical delivery support**
- We recommend laser focus on 3 to 5 areas to begin; add more after demonstrating success / business needs

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Most Common COE Roles

	Near (<1 Year)	**Medium** (1 – 2 years)	**Long** (3+ years)
Leadership	Executive Sponsor (PT) Business / IT Executive (PT) COE Manager (PT)	Executive Sponsor (FT) Business / IT Executive (FT) COE Manager (FT)	Executive Sponsor (FT) Business / IT Executive (FT) COE Manager (FT)
Core	COE Manager (FT) Enterprise Architect (PT) LSA (FT) LBA (PT)	COE Manager (FT) Enterprise Architect (FT) LSA (FT) SSA (FT) LBA (FT)	COE Manager (FT) Enterprise Architect (FT) LSA (FT) SSA (FT) LBA (FT)
Extended	DBA Lead (PT) Infrastructure Lead (PT)	DBA Lead (PT) Release Engineer (PT) Infrastructure Lead (PT)	DBA Lead (PT) Release Engineer (PT) Infrastructure Lead (PT) Enablement Lead (PT) Test Lead (PT)

Senior System Architect - SSA
Lead System Architect - LSA
Lead Business Architect - LBA

Almost all COEs reported having a COE Manager and LSA
Only one-third staff an LBA, which is another essential role

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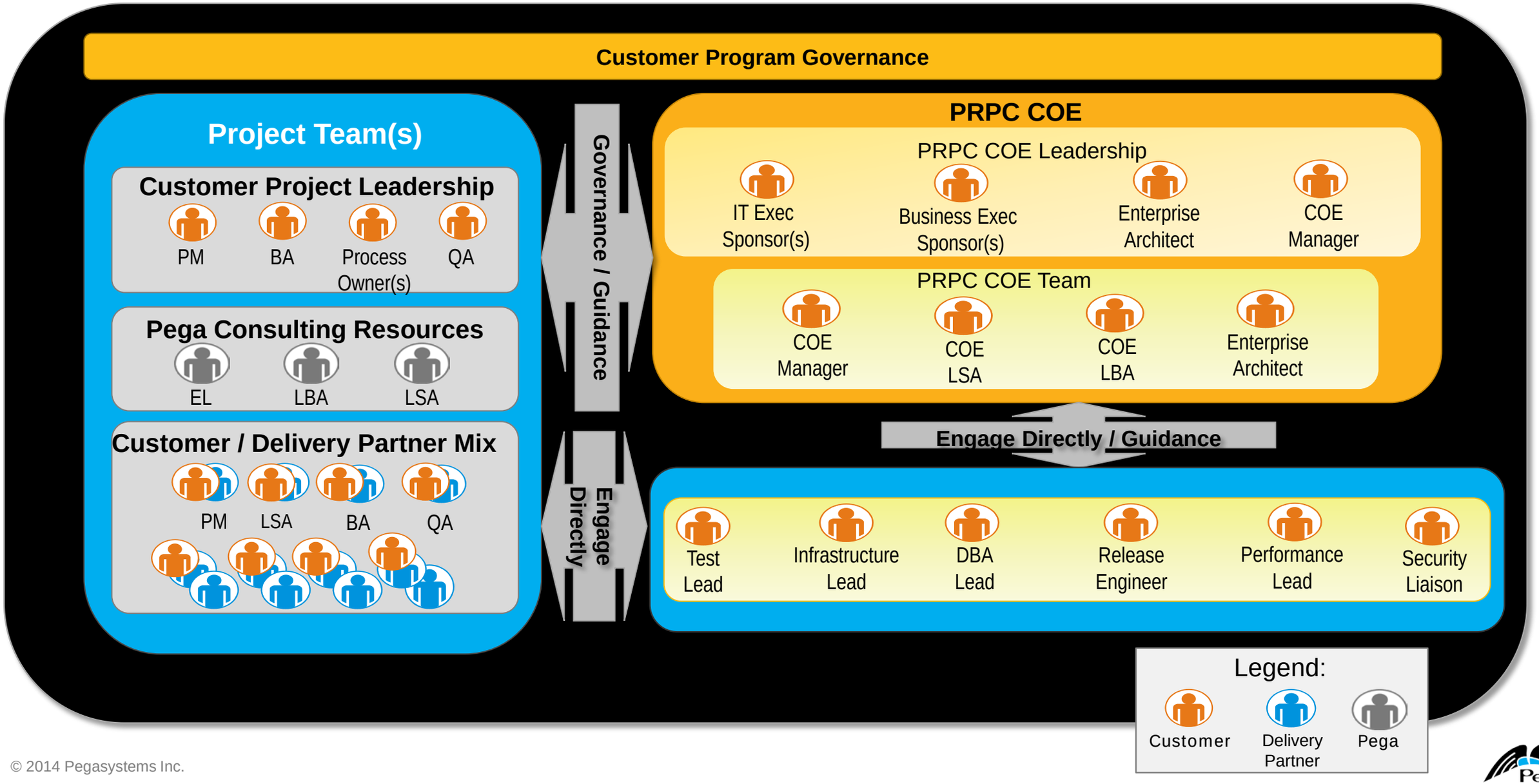
Typical Target COE Structure and Roles



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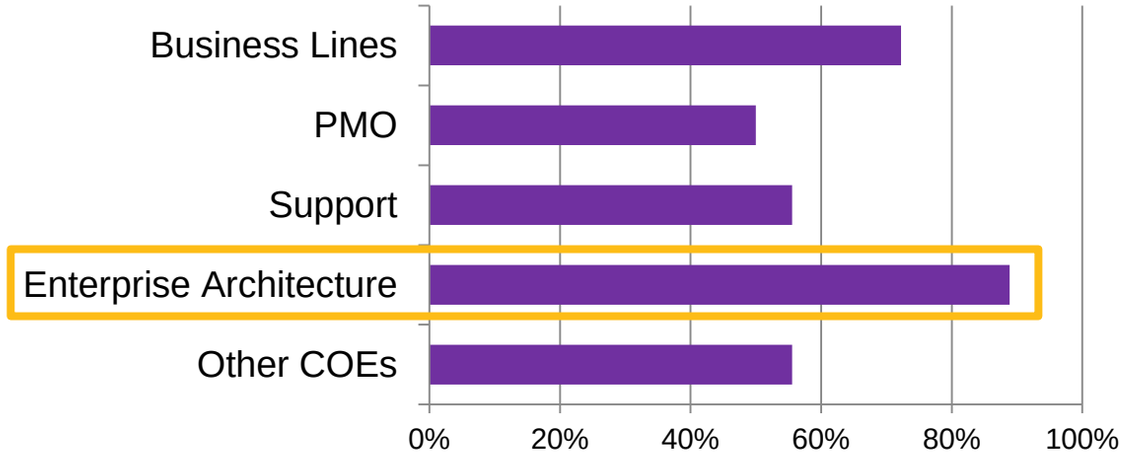
Survey Results: Interaction, Artifacts

Interactions



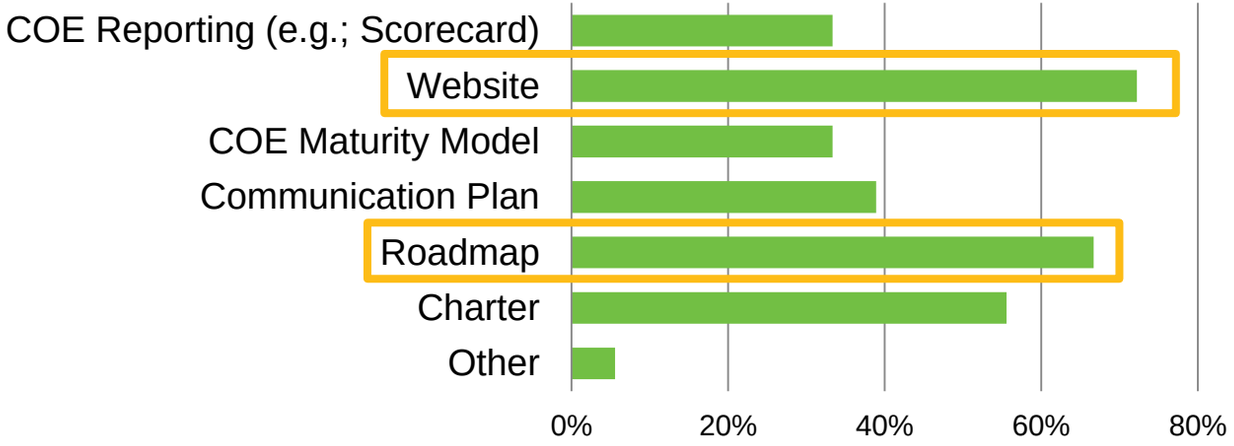
Observations

- Almost all COEs interact with **Enterprise Architecture**
- Most have interaction with **Business Lines**
- The most mature COEs interact with all parties

Observations

- The **website** and **roadmap** are the most commonly utilized artifacts
- Only half have a documented COE **charter**
- **Communication Plan** and **Reporting** are more common among COEs over a year in tenure

Artifacts



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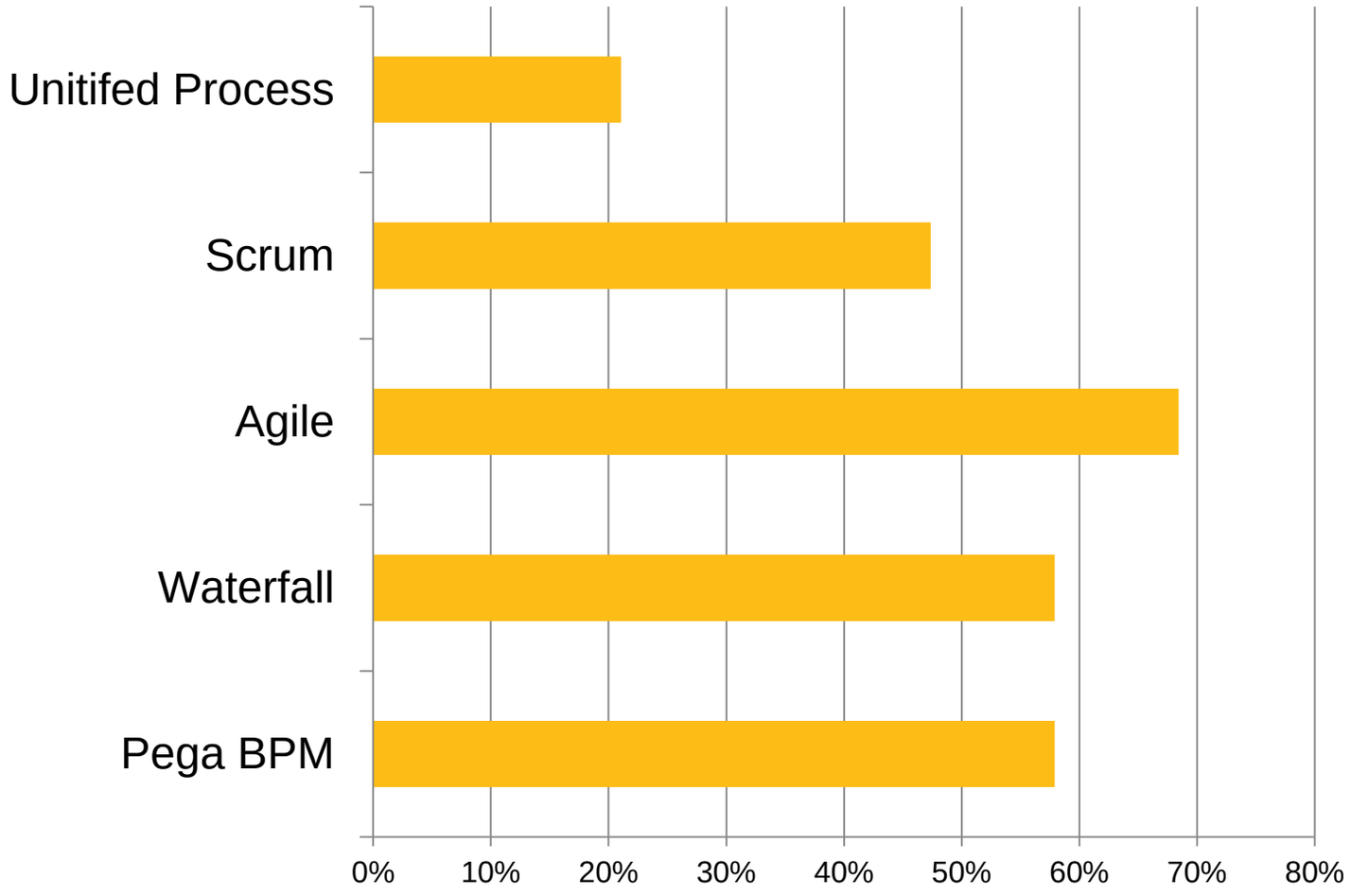
Survey Results: Methodologies



Observations

- Use of **Waterfall** and/or **Pega BPM** is typical of 0-2 year tenure
- **Agile** is more common in COEs of over a year old
- **Scrum** is adopted most by organizations with 2 to 4 years experience

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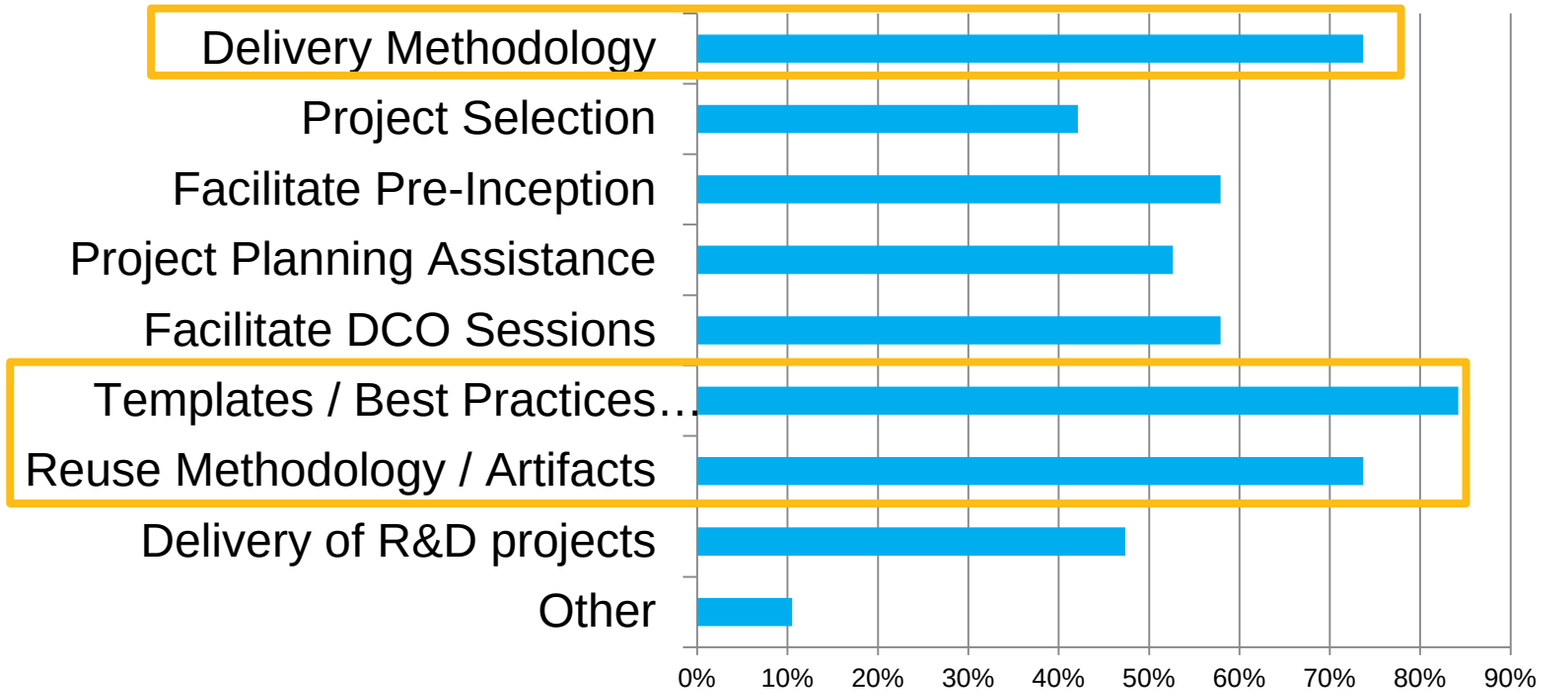
Survey Results: Processes



Observations

- **Top 3** processes are Templates/Best Practices, Reuse Methodology/Artifacts, and Delivery Methodology
- While it is important to have defined processes in place, what is more important is the **continuous improvement cycle**

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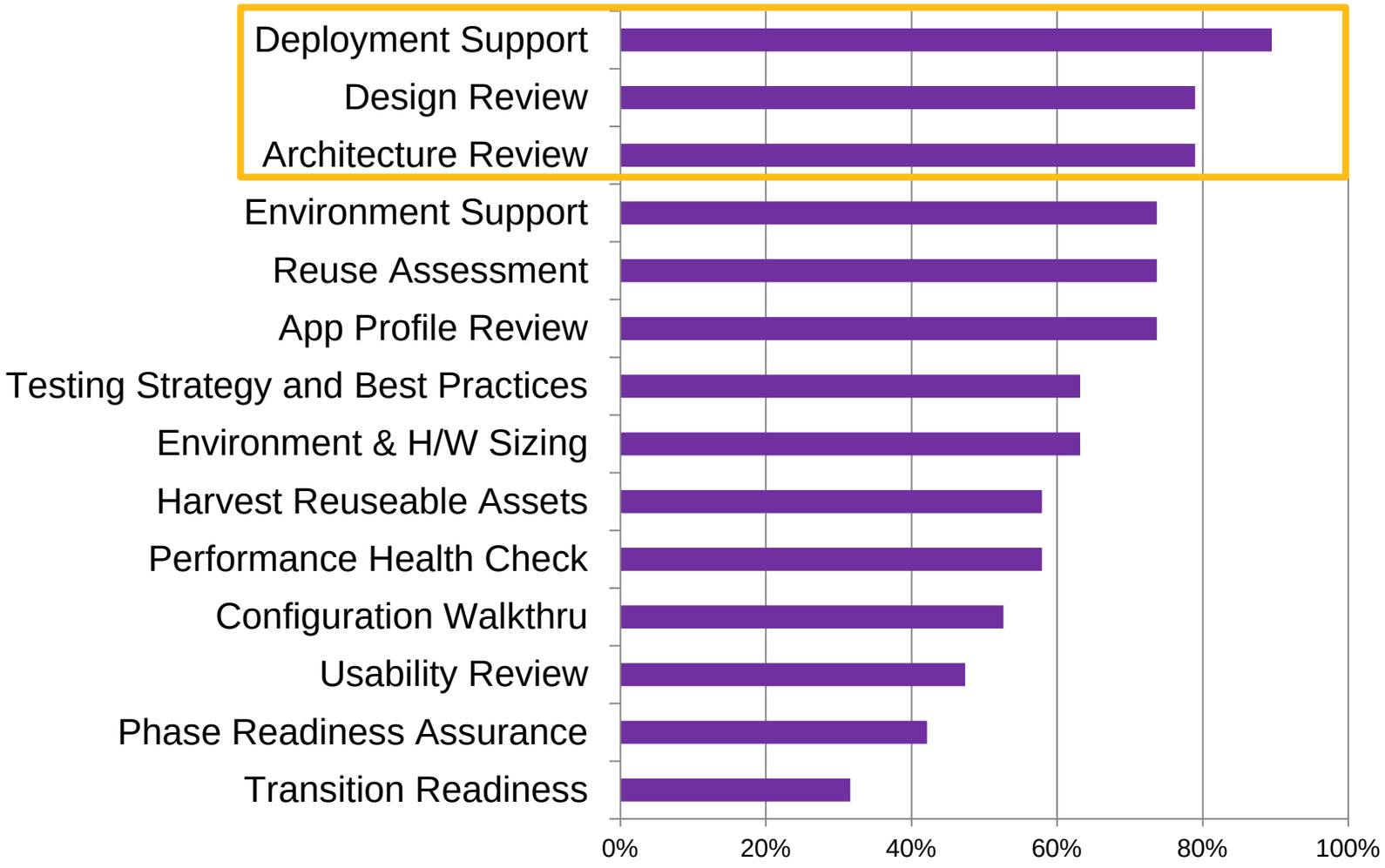
Survey Results: Enterprise Policy and Standards



Observations

- **Top 3**: Deployment Support, Design Review, Architecture Review
- Recommend a **focus on the 3 to 5 most impactful EPS topics** to your organization; add new topics iteratively
- EPS areas should be viewed as **value add**, rather than creating a "police state"

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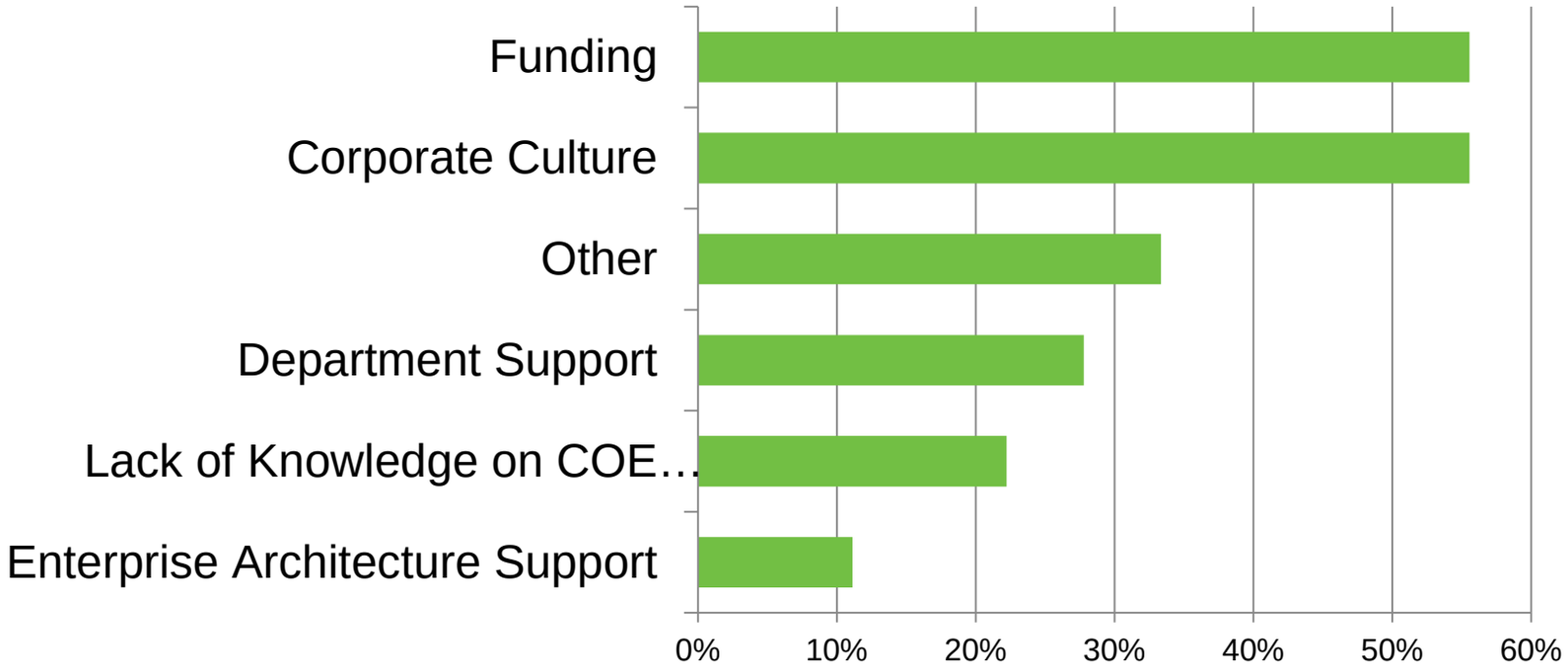
Survey Results: Challenges



Observations

- Biggest challenge when starting (0-6 mon) is **Scaling**
- From 6-12 mon, the **Funding** challenge peaks, even for COEs with strong ROI and larger budgets
- Typically from 1-3 years in COE existence, **Funding** persists and **Corporate Culture** emerges – seen as lack of knowledge of COE Best Practices and Dept. Support
- **Other** challenges mentioned: enablement, inability to scale, politics, application adoption

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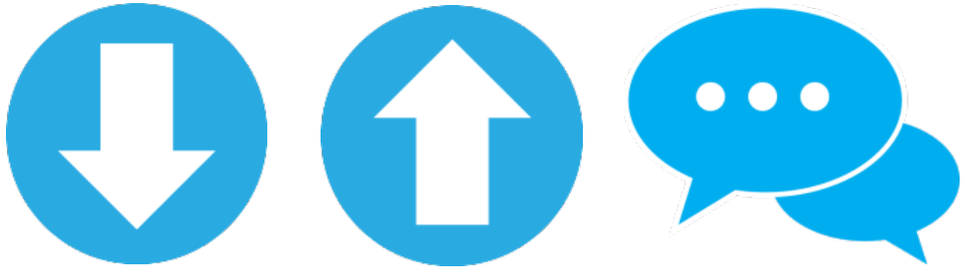
Overcoming Challenges

General Advice

- Executive sponsorship and funding are essential along with recognized results
- Key Roles: COE Manager, LBA, LSA
- Focus on the wildly important in near term and build on success
- Take a generational / phased approach
- Promote your success
- Define and measure KPIs

What it Takes to be Successful

- Support from the top down
- Gain credibility from the bottom up
- Collaborate, utilize existing resources, and reference Pega experts to accelerate the impact



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Staged Approach– Roadmap to a COE

Stage 1: COE Foundation

Define Vision & Approach

Objectives, Charter, Roadmap

Roles and Responsibilities

Inventory existing processes/Artifacts

Gap Analysis

"Go-Forward" Plan

Enablement

2-4 weeks

Stage 2: (tailored based on Stage 1) COE Development

People Track

Enablement, Coaching Plan

Process Track

Demand Management; Project Intake; Methodology Alignment Workshop

Project Execution; DCO Enablement

Technology Track

Enterprise Policies & Standards;

Governance through Expert Services

2-4 weeks

Stage 3: COE Operations

Option 1

Operationalize the COE through "shoulder-to-shoulder" support

Option 2

Enablement through Coaching (Scrum, DCO);

Implement Enterprise Policies & Standards

12+ weeks

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Questions and Answers

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Next Steps

- Today's recording and slide deck will be distributed to all participants
- Visit pega.com to find more materials, such as Case Studies and other presentations
- COE Blog – Coming Soon!
- Download the COE White Paper
- Any questions, comments, feedback, contact paul.roeck@pega.com

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