

Executive Field Guide:

Launching a Center of Excellence

CENTER OF EXCELLENCE DEPLOYMENT PHASES

	DESIGN	BUILD	PROTOTYPE	OPERATE
ACTIVITIES	<ul style="list-style-type: none"> Find a champion Identify Scope Agree on performance measures Define key processes, policies, procedures Kickoff comms plan 	<ul style="list-style-type: none"> Assemble core team Establish reporting & operations Test drive activities Create a backlog Select a low-risk, high-visibility prototype 	<ul style="list-style-type: none"> Execute a prototype scenario Conduct lessons learned & make adjustments Reset expectations based on a new plan 	<ul style="list-style-type: none"> Execute planned activities Measure & monitor outcomes Adjust operational model & measures as necessary
STAFF	30%: Skeleton Crew	50%: Core Team	60%: Prototype Team	100%: All Participants
SUCCESS	<ul style="list-style-type: none"> ✓ Scope is clear ✓ KPIs are set ✓ Comms plan is optimized ✓ Maturity model is established 	<ul style="list-style-type: none"> ✓ Team's skills match CoE scope ✓ Reporting & operations align with CoE strategy 	<ul style="list-style-type: none"> ✓ Prototype is successful ✓ The new plan is realistic ✓ KPIs are constructive 	<ul style="list-style-type: none"> ✓ CoE is adaptable & innovative ✓ Progress is measurable ✓ All affected are participating
VALUE →				
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A *Center of Excellence*—such as an OSM (Office of Strategy Management), PMO (Project Management Office), IT Governance, Continuous Improvement, or similar taskforce—is usually established to achieve the following core objectives within an organization:

- Implement and popularize a best practice
- Add a new capability, function, or technology
- Improve utilization of (or return on) an asset
- Upgrade employees' skillsets

Achieving excellence is harder than it seems.

Starting a new Center of Excellence is usually exciting for all participants. An energetic feeling accompanies new beginnings, and expectations are high. Then, after a couple of months, reality hits: stakeholders are pulled in other directions, there are too many targets, budgets are tight, and results will take longer than expected.

Ultimately, the Center of Excellence turns into a boring committee operated via scarcely-attended conference calls and a few futile email chains. This not because of a faulty premise or lack of excitement. What makes matters worse is that Centers of Excellence are typically staffed with and managed by people who already have full-time jobs. High expectations combined with limited bandwidth is a recipe for disappointment. **Building an effective Center of Excellence takes time, preparation, planning, and adequate ramp up.**

In a way, a Center of Excellence is like a voluntary mission organization. It is a side project for those involved, funding is scarce, and support is limited. Yet, people participate because it is an opportunity to make the world a better place.

The key to sustained success is to start out small, set realistic goals, gain wider support, and prove its worth with early wins. Gradual deployment, progressing through the following stages, is a proven approach to building a successful Center of Excellence:



PHASE I: DESIGN

Design prevents chaos.

Everything needs to work “on paper” first. Responsibilities, team structure, objectives, communication, budget, timeline, and all other charter elements must be agreed upon by stakeholders. Tip: A maturity model is a helpful tool for setting expectations over the lifecycle of the taskforce, and ensuring executive involvement occurs at the right cadence.

This design phase may seem unnecessary or even feel like a buzzkill—at the start, everyone is excited about the mission and is ready to get their hands dirty. However, if participants were all let loose without a charter, it would create a chaos. Be explicit about the importance of this phase in your formal communications with participants and stakeholders.

PHASE II: BUILD

Slow and steady wins the race.

Get the right people on the team, distribute responsibilities, and get going. Start periodic meetings, each with a clear agenda and well-defined responsibilities. It is important to start off on the right note and ensure no one’s time is wasted.

Build the team gradually and plan meetings thoroughly. You want everyone on the team to be 100% supportive of the operational model. Plus, a gradual ramp-up will minimize interference with participants’ “real jobs.”

One analogy that may help set expectations among the broader community is that a Center of Excellence is like a freight train: it might take a while before until the last car is even in motion. But then, eventually, when the train builds up speed, it will become unstoppable.

PHASE III: PROTOTYPE

Iterate, iterate, iterate.

Centers of Excellence drive significant changes. Prototyping is a proven change management technique that is particularly effective at building momentum. It is also a great way to get the kinks out of the operational model.

Even if a given attempt fails, you can still go back to the drawing board and try again without ruining your reputation. In fact, it is productive to include lessons learned from the prototype in your internal communications. People like to join a movement where leaders are willing to make adjustments for the sake of a common mission.

PHASE IV: OPERATE

Aim for controlled progress.

Executing on a backlog of activities is evidence of controlled progress, not chaos. New ideas keep coming in as more people become aware of how effective and beneficial the Center of Excellence is. The backlog should be periodically re-prioritized to ensure outcomes are delivered at a regular cadence. Ideally, the team gets into a sustainable rhythm and earns a reputation as a well-oiled machine.

Case Study 1: Cultivating a bottom-up flow of initiatives.

To help one client create a Center of Excellence, specifically an ERP Continuous Improvement function, we collected all the ideas people had for how to improve the ERP system. We analyzed the list from the standpoint of impact, effort, risk, and other factors. Finally, we prioritized the ideas and validated them individually with stakeholders. This process took 4 months. Only then were we in a position to hold the first steering meeting, where we didn't have to discuss much, but simply confirmed the proposed direction and action items.

Case Study 2: Fostering a top-down flow of initiatives.

In setting up an OSM for another client, we found that alignment among stakeholders was the top priority. First, we ran a series of workshops with top executives to agree on the strategic direction, and what that means to each department and function. Then, we asked them to translate the strategy into a set of initiatives, enabling participation to expand beyond the core group of executives down to the OSM.

On Staffing: Less is More

In the excitement of the moment, it is natural to try to involve as many participants from the start as possible. But less is more. Only the key individuals who are directly related to planned activities should participate in early stages of a Center of Excellence. With a smaller operation, there are more modest expectations from the surrounding community.

Align around the approach.

A gradual approach to building anything, Centers of Excellence included, may sound obvious. However, people often have different ideas about exactly how the deployment will unfold.

Using a visual tool such as the diagram above is a concise way to communicate a measured approach to stakeholders, sponsors, participants, and beneficiaries.

Feel free to use the above framework for building an internal Center of Excellence and let us know how it worked out for your organization. If you'd like support structuring, implementing, or facilitating a Center of Excellence, PMO, OSM, or other Continuous Improvement committee, let's start a conversation: info@abraic.com.

Learn more about Abraic at www.abraic.com.