If You’re Living the “High Life”,
You’re Living the Informative Material

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Common Misinterpretations

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The “Un-Gestalt”

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The “Gestalt”

Some Final Thoughts
Why This Presentation

The role of the informative material needs to be understood
The role of the glossary needs to be understood

Common sense is not so common. - Voltaire
Common Misinterpretations
You Might Have Misunderstood OPP If…

A table showing projected defects by phase looks like a Process Performance Model to you…

The corporate average “Lines of Code Per Staff Day” by year looks like a Process Performance Baseline or a Process Performance Model to you…

A control chart used to ‘manage’ defects escaping into the field looks like a Process Performance Model to you…

An Earned Value Management System seems to fulfill the requirements of Maturity Level 4…
You Might Have Misunderstood QPM If…

“Tracking bugs across the lifecycle” looks like statistical management to you…

You plan to “re-baseline” the control limits used to manage critical subprocesses on a quarterly basis…

‘Management judgment’ is used to ‘adjust’ control limits used as thresholds to drive corrective actions…

Schedule variance and defect density look like perfectly good subprocesses to statistically manage…
You Might Have Misunderstood CAR If…

You always respond to “High Severity” defects by saying “Let’s run a causal analysis and see what’s going on”…

Causal analysis is used only to find and resolve the root cause of defects…

You don’t see the value of applying DAR to select when and how to apply CAR…

You don’t see the value of applying CAR to select when, what and how to apply OID…

You don’t see how Process Performance Models and Process Performance Baselines contribute to CAR…
You Might Have Misunderstood OID If…

You think 42 Six Sigma projects – all focused on the inspection process – make a company Maturity Level 5…

A 5% boost in the performance of a process that fluctuates by ±7% looks like a best practice to roll out immediately…

The strength of an improvement proposal can only be measured by the persuasiveness of the author…

You work off improvement proposals only in the order in which they were received…

You don’t see how Process Performance Models and Process Performance Baselines contribute to OID…
PART I
IGNORING THE INFORMATIVE MATERIAL AT LEVELS 4 AND 5
THE "UN-GESTALT"
Interpreting this Presentation

Text in the Cyan boxes is from the glossary and model

Text in the yellow boxes is an example description of implementing the practice consistent with the glossary, using the standard English meaning of words instead of the statistical meaning, and without using the informative material. For example, interpreting variation to mean the difference between two items.

Text in the green boxes is an example description of implementing the practice consistent with the glossary, the statistical meaning of words, and accounting for the informative material. For example, interpreting variation (in the level 4 & 5 practices) to mean central tendency and dispersion.
Glossary Use

“The CMMI glossary of terms is not a required, expected, or informative component of CMMI models. You should interpret the terms in the glossary in the context of the model component in which they appear”.

"We developed the glossary recognizing the importance of using terminology that all model users can understand. We also recognized that words and terms can have different meanings in different contexts and environments. The glossary in CMMI models is designed to document the meanings of words and terms that should have the widest use and understanding by users of CMMI products."
OPP SG 1 Establish Performance Baselines and Models

Baselines and models, which characterize the expected process performance of the organization's set of standard processes, are established and maintained.

The aforementioned data and models characterize OSSP performance.
Select the processes or subprocesses in the organization’s set of standard processes that are to be included in the organization’s process-performance analyses.

A measure of actual results achieved by following a process. It is characterized by both process measures (e.g., effort, cycle time, and defect removal efficiency) and product measures (e.g., reliability, defect density, and response time).

Pick a few processes from the OSSP for which we have measures.
OPP SP 1.2 Establish Process-Performance Measures

Establish and maintain definitions of the measures that are to be included in the organization’s process-performance analyses.

In the CMMI Product Suite, you will encounter goals and practices that include the phrase “establish and maintain.” This phrase means more than a combination of its component terms; it includes documentation and usage. For example, “Establish and maintain an organizational policy for planning and performing the organizational process focus process” means that not only must a policy be formulated, but it also must be documented, and it must be used throughout the organization.

Provide definitions for the measures and update as necessary.
OPP SP 1.3 Establish Quality and Process-Performance Objectives

Establish and maintain quantitative objectives for quality and process performance for the organization.

Objectives and requirements for product quality, service quality, and process performance. Process-performance objectives include quality; however, to emphasize the importance of quality in the CMMI Product Suite, the phrase quality and process-performance objectives is used rather than just process-performance objectives.

Write down quality and process performance objectives such as improve cycle time, quality, and the percent of improvement we want.
OPP SP 1.4 Establish Process-Performance Baselines

Establish and maintain the organization's process-performance baselines.

A documented characterization of the actual results achieved by following a process, which is used as a benchmark for comparing actual process performance against expected process performance. (See also “process performance.”)

Store measures in our spreadsheet repository on a periodic basis, indicating the end date of the period they represent, and baseline them in our CM system.
OPP SP 1.5 Establish Process-Performance Models

Establish and maintain the process-performance models for the organization’s set of standard processes.

A description of the relationships among attributes of a process and its work products that is developed from historical process-performance data and calibrated using collected process and product measures from the project and that is used to predict results to be achieved by following a process.

We have historical productivity and defect injection/detection rates by phase which we update periodically and include in reports.
QPM SG 1 Quantitatively Manage the Project

The project is quantitatively managed using quality and process-performance objectives.

**quantitatively managed process**

A defined process that is controlled using statistical and other quantitative techniques. The product quality, service quality, and process-performance attributes are measurable and controlled throughout the project. (See also “defined process,” “optimizing process,” and “statistically managed process.”)

Project processes are managed against objectives using the standard data and statistical management spreadsheets*.

* Explained in QPM goal 2
QPM SP 1.1 Establish the Project’s Objectives

Establish and maintain the project’s quality and process-performance objectives.

Project Manager documents project objectives such as “Produce the system better, cheaper, faster” in the project plan.
QPM SP 1.2 Compose the Defined Process

Select the subprocesses that compose the project’s defined process based on historical stability and capability data.

Look at our spreadsheets to select the subprocesses that have the highest performance, best quality, and most stability -- the ones that have changed the least.
capable process

- A process that can satisfy its specified product quality, service quality, and process-performance objectives. (See also “stable process,” “standard process,” and “statistically managed process.”)

common cause of process variation

- The variation of a process that exists because of normal and expected interactions among the components of a process. (See also “special cause of process variation.”)

special cause of process variation

- A cause of a defect that is specific to some transient circumstance and not an inherent part of a process. (See also “common cause of process variation.”)
stable process

- The state in which all special causes of process variation have been removed and prevented from recurring so that only the common causes of process variation of the process remain. (See also “capable process,” “common cause of process variation,” “special cause of process variation,” “standard process,” and “statistically managed process.”)

statistical process control

- Statistically based analysis of a process and measurements of process performance, which will identify common and special causes of variation in the process performance and maintain process performance within limits. (See also “common cause of process variation,” “special cause of process variation,” and “statistically managed process.”)
QPM SP 1.3 Select the Subprocesses that Will Be Statistically Managed

Select the subprocesses of the project's defined process that will be statistically managed.

**statistically managed process**

A process that is managed by a statistically based technique in which processes are analyzed, special causes of process variation are identified, and performance is contained within well-defined limits. (See also “capable process,” “special cause of process variation,” “stable process,” “standard process,” and “statistical process control.”)

Select the subprocesses that we must already measure.
Monitor the project to determine whether the project’s objectives for quality and process performance will be satisfied, and identify corrective action as appropriate.

Compare the actual versus estimated and corresponding actual trend versus estimated trend. If we’re not meeting our objectives or based on the actual trend it looks like we won’t achieve our objectives in the future, document what we might do to fix the shortcoming/potential shortcoming.
optimizing process

- A quantitatively managed process that is improved based on an understanding of the common causes of variation inherent in the process. The focus of an optimizing process is on continually improving the range of process performance through both incremental and innovative improvements. (See also “common cause of process variation,” “defined process,” and “quantitatively managed process.”)

statistical techniques

- An analytic technique that employs statistical methods (e.g., statistical process control, confidence intervals, and prediction intervals).
The performance of selected subprocesses within the project's defined process is statistically managed.

The selected subprocesses are statistically managed using our statistical management spreadsheets.
QPM SP 2.1 Select Measures and Analytic Techniques

Select the measures and analytic techniques to be used in statistically managing the selected subprocesses.

Select effort, size, and defects (estimated and actual for each) and use trend charts to analyze them and investigate spikes that appear to be unusually large as special causes.
QPM SP 2.2 Apply Statistical Methods to Understand Variation

Establish and maintain an understanding of the variation of the selected subprocesses using the selected measures and analytic techniques.

For each subprocess measure, compare the actual to the estimated (using trends) to understand how much variation there is between what we expected and what we are actually getting.
QPM SP 2.3 Monitor Performance of the Selected Subprocesses

Monitor the performance of the selected subprocesses to determine their capability to satisfy their quality and process-performance objectives, and identify corrective action as necessary.

Compare the actual versus estimated and corresponding actual trend versus estimated trend. If we’re not meeting our objectives or based on the actual trend it looks like we won’t achieve our objectives in the future, document what we might do to fix the shortcoming/potential shortcoming.
QPM SP 2.4 Record Statistical Management Data

Record statistical and quality management data in the organization’s measurement repository.

Put the data in our statistical management spreadsheet.
CAR SG 1 Determine Causes of Defects

Root causes of defects and other problems are systematically determined.

Systemization of our process is achieved through planning and execution of the plans.
Select the defects and other problems for analysis.

Select the first ten defects/problems from our tracking system.
CAR SP 1.2 Analyze Causes

Perform **causal analysis** of selected defects and other problems and propose actions to address them.

The analysis of defects to determine their cause.

Perform causal analyses on the selected defects and problems using Fishbone diagrams. **The analysis is qualitatively driven.** Propose actions to address the identified causes.
CAR SG 2 Address Causes of Defects

Root causes of defects and other problems are systematically addressed to prevent their future occurrence.

Systemization of our process is achieved through planning and execution of the plans.
CAR SP 2.1 Implement the Action Proposals

Implement the selected action proposals that were developed in causal analysis.

Execute proposed actions.
CAR SP 2.2 Evaluate the Effect of Changes

Evaluate the effect of changes on process performance.

Did process performance go up/down (e.g., more/less productivity, less/more defects).
CAR SP 2.3 Record Data

Record causal analysis and resolution data for use across the project and organization.

Put the data in our spreadsheet.
OID SP 1.1 Collect and Analyze Improvement Proposals

Collect and analyze process- and technology-improvement proposals

Put the process and technology improvement proposals in a spreadsheet, think about each one, and tag with a plus if you think it will improve or a minus if you think it will decrease quality and process performance.
OID SG 1 Select Improvements

Process and technology improvements, which contribute to meeting quality and process-performance objectives, are selected.

Improvements that appear to help us meet our goals are picked.
OID SP 1.2 Identify and Analyze Innovations

Identify and analyze innovative improvements that could increase the organization’s quality and process performance.

Identify improvements that seem to be “out of the box” and look like they will increase quality and process performance.
OID SP 1.3 Pilot Improvements

Pilot process and technology improvements to select which ones to implement.

Try the improvements or use someone else’s results and see which ones might be selected.
OID SP 1.4 Select Improvements for Deployment

Select process and technology improvements for deployment across the organization.

Pick the improvements to be deployed across the organization.
OID SG 2 Deploy Improvements

Measurable improvements to the organization's processes and technologies are continually and systematically deployed.

Improvements that appear to help and that we could measure are deployed using schedules.
OID SP 2.1 Plan the Deployment

Establish and maintain the plans for deploying the selected process and technology improvements.

Schedule the deployment of the improvements and update the schedule as necessary.
OID SP 2.2 Manage the Deployment

Manage the deployment of the selected process and technology improvements.

Track against the schedule and reschedule as necessary.
OID SP 2.3 Measure Improvement Effects

Measure the effects of the deployed process and technology improvements.

Measure whether people like the change.
Introduction

The following is a tale of two organizations aspiring for CMMI High Maturity

The first organization, called “Un-Gestalt”, does not view the CMMI holistically, nor use the informative material to guide practice

The second organization, called “Gestalt”, wants to use the CMMI High Maturity practices, including informative material, to gain true competitive advantage and grow their business
Evolution of Understanding

Central themes
- Baselines
- Control Charts
- Statistical management of subprocesses

Supporting themes
- Baselines
- Control Charts
- Statistical management of subprocesses

Central themes
- Process Performance Models
- Understanding and use of variation
Caveats

This section demonstrates differences in practical use and benefit of CMMI High Maturity Practices

The “Un-Gestalt” organization thinks they are performing acceptably at the CMMI High Maturity level but in fact are not

The “Gestalt” organization epitomizes exemplary CMMI High Maturity practices. However, the “Gestalt” is not meant to be a prescription for an organization to meet CMMI High Maturity.
References for the Gestalt Examples

- [http://www.isixsigma.com](http://www.isixsigma.com)

- [http://www.allbusiness.com](http://www.allbusiness.com)

Query on the following terms and “Case Study”:

- ANOVA
- Chi-Square
- Regression
- Logistic Regression
- Dummy Variable Regression
- Bayesian Belief Network
- Designed Experiments
- Discrete Event Simulation
- Reliability Growth Modeling
- Response Surface Modeling
- Time Series Analysis
- Hypothesis Testing
- Logit
- Monte Carlo Simulation
- Optimization
Scenarios
Scenarios within the Tale

1. Establishing Process Performance Baselines (PPB)
2. Composing a Process (Compose)
3. Project Forecasting (PM)
4. Deciding What to Statistically Manage (Manage)
5. Deciding on Process Performance Models (PPM)
6. Periodic Management Reviews of Projects (Reviews)
7. Taking Corrective Action When Needed (CAR)
8. Introducing Innovative Change to Organization (OID)
Scenario 1: Establishing Process Performance Baselines
Scenario 1 (PPB): “Un-Gestalt”

We have performance baselines on a variety of factors. For example, we know that we have the following average defect density (defects per 10 KSLOC) entering System Test:

- 14.35 algorithm defects
- 13.20 stack overflow defects

We focused most of our effort on the algorithm defects using pareto analysis, not realizing …
Scenario 1 (PPB): “Un-Gestalt” - continued

Two-sample T for Algorithm vs StackOverflow

<table>
<thead>
<tr>
<th></th>
<th>N</th>
<th>Mean</th>
<th>StDev</th>
<th>SE</th>
<th>Mean</th>
</tr>
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<tbody>
<tr>
<td>Algorithm</td>
<td>100</td>
<td>14.35</td>
<td>6.07</td>
<td>0.61</td>
<td></td>
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<tr>
<td>StackOverflow</td>
<td>100</td>
<td>13.20</td>
<td>4.53</td>
<td>0.45</td>
<td></td>
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</tbody>
</table>

Difference = μ (Algorithm) - μ (StackOverflow)
Estimate for difference: 1.154
95% CI for difference: (-0.340, 2.649)
T-Test of difference = 0 (vs not =): T-Value = 1.52  P-Value = 0.129

The P-Value greater than 0.05 shows that we cannot reject the Null Hypothesis (that these two defect types occur at similar rates)!

Thus, we should be focusing on both types of defects equally!
Scenario 1 (PPB): “Gestalt”

We have performance baselines on a variety of factors. For example, we know from last year that we have the following baselines which follow the normal distribution:

<table>
<thead>
<tr>
<th>Defect Type Entering Test</th>
<th>Mean</th>
<th>Std Dev</th>
</tr>
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<tbody>
<tr>
<td>Algorithm</td>
<td>15</td>
<td>2.5</td>
</tr>
<tr>
<td>Stack Overflow</td>
<td>10</td>
<td>3.3</td>
</tr>
<tr>
<td>Global Variables</td>
<td>7</td>
<td>1.98</td>
</tr>
<tr>
<td>Processing Logic</td>
<td>5</td>
<td>0.76</td>
</tr>
<tr>
<td>Data Type Mismatch</td>
<td>5</td>
<td>0.23</td>
</tr>
<tr>
<td>Invalid Pointers</td>
<td>3</td>
<td>0.12</td>
</tr>
<tr>
<td>Cosmetic</td>
<td>9</td>
<td>1.98</td>
</tr>
</tbody>
</table>
Scenario 1 (PPB): “Gestalt” - continued

Knowing the distribution of each performance baseline, we are able to confidently assess whether we have real “differences” to act upon or not.

We use ANOVA to assess true differences!
Scenario 1 (PPB): “Gestalt” - continued

One-way ANOVA: Algorithm, StackOverFlow, GlobalVariables, ProcessingLogic, DataTypeMismatch, InvalidPointers, Cosmetic

<table>
<thead>
<tr>
<th>Source</th>
<th>DF</th>
<th>SS</th>
<th>MS</th>
<th>F</th>
<th>P</th>
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<tr>
<td>Factor</td>
<td>6</td>
<td>11189.30</td>
<td>1864.88</td>
<td>198.56</td>
<td>0.000</td>
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<td>Error</td>
<td>693</td>
<td>6508.68</td>
<td>9.39</td>
<td></td>
<td></td>
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<tr>
<td>Total</td>
<td>699</td>
<td>17697.98</td>
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<td></td>
<td></td>
</tr>
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</table>

$S = 3.065$  \quad R-Sq = 63.22\%  \quad R-Sq(adj) = 62.91\%$

**Individual 95% CIs For Mean Based on Pooled StDev**

<table>
<thead>
<tr>
<th>Level</th>
<th>N</th>
<th>Mean</th>
<th>StDev</th>
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</thead>
<tbody>
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<td>6.927</td>
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<td>ProcessingLogic</td>
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<td>2.994</td>
<td>0.122</td>
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<tr>
<td>Cosmetic</td>
<td>100</td>
<td>9.037</td>
<td>1.969</td>
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</tbody>
</table>

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3.5 7.0 10.5 14.0
Scenario 2: Composing a Process
Scenario 2 (Compose): “Un-Gestalt”

We know how our processes work. We don’t have a lot of choices but our experts are confident that we do make the correct few choices during our tailoring session.

If our experts believe that there were problems during the last project with some of our sub-processes, we may choose alternative sub-processes to avoid problems.

We believe we are informed, but we aren’t always confident in our choices - as we continue to have surprises in process performance!
Scenario 2 (Compose): “Gestalt”

We have collected plenty of distributional data for performance baselines of our key sub-processes.

By analyzing our organizational goals and customer reqts, we can model our subprocess’ capabilities to see if they provide desirable outcomes in cost, schedule and quality.

We also reach into our process performance models to see if they are predicting successful outcomes based our composition decisions.
Scenario 2 (Compose): “Gestalt” - continued

Our modeling for process composition is based on Monte Carlo simulation and optimization.

Essentially, we can model the inter-connected subprocesses and include decisions of which alternative subprocesses to choose.

The simulation and optimization help to confirm which choices we should make.

We are thankful that this modeling is available because we have many complicated processes involving many tradeoffs!
Crystal Ball uses a random number generator to select values for A and B.

Crystal Ball then allows the user to analyze and interpret the final distribution of C!

Crystal Ball causes Excel to recalculate all cells, and then it saves off the different results for C!
## Scenario 2 (Compose): “Gestalt” - continued

<table>
<thead>
<tr>
<th>Requirements Development</th>
<th>Traditional</th>
<th>KJ Analysis &amp; QFD</th>
<th>Prototyping</th>
<th></th>
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</thead>
<tbody>
<tr>
<td><strong>Effort</strong></td>
<td>LL  Avg  UL</td>
<td>LL  Avg  UL</td>
<td>LL  Avg  UL</td>
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<td>LL  Avg  UL</td>
<td>LL  Avg  UL</td>
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<td></td>
<td>27  30  33</td>
<td>22  25  28</td>
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### Table: Requirements Development

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<th><strong>Quality</strong></th>
<th><strong>Effort</strong></th>
<th><strong>Cycle Time</strong></th>
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### Table: Reqs Review

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<th><strong>Effort</strong></th>
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<th><strong>Cycle Time</strong></th>
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### Table: Design

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<th><strong>Cycle Time</strong></th>
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<th><strong>Cycle Time</strong></th>
<th><strong>Quality</strong></th>
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<tr>
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<td>Walkthrough</td>
<td></td>
<td></td>
<td>Inspections</td>
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### Table: Design Review

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<th><strong>Effort</strong></th>
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### Table: Code

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<th><strong>Cycle Time</strong></th>
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<th><strong>Cycle Time</strong></th>
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<td>Manual w/Reuse</td>
<td></td>
<td></td>
<td>Code Generation w/No Reuse</td>
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### Table: Code Generation w/Reuse
### Scenario 2 (Compose): “Gestalt” - continued

<table>
<thead>
<tr>
<th>Code Review</th>
<th>Email Routing</th>
<th>Walkthrough</th>
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<td>LL</td>
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<tr>
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<td>2</td>
<td>3</td>
<td></td>
<td>1</td>
</tr>
<tr>
<td>Cycle Time</td>
<td>25.00%</td>
<td>40.00%</td>
<td>55.00%</td>
<td>50.00%</td>
</tr>
<tr>
<td>Quality</td>
<td>50.00%</td>
<td>55.00%</td>
<td>60.00%</td>
<td>80.00%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Unit Test</th>
<th>Ad Hoc</th>
<th>Path Testing Only</th>
<th>Data Flow Testing Only</th>
<th>Both Path and Data Flow</th>
</tr>
</thead>
<tbody>
<tr>
<td>Effort</td>
<td>LL</td>
<td>Avg</td>
<td>UL</td>
<td>LL</td>
</tr>
<tr>
<td>90</td>
<td>100</td>
<td>110</td>
<td></td>
<td>120</td>
</tr>
<tr>
<td>9</td>
<td>12</td>
<td>15</td>
<td></td>
<td>12</td>
</tr>
<tr>
<td>Cycle Time</td>
<td>40.00%</td>
<td>50.00%</td>
<td>60.00%</td>
<td>55.00%</td>
</tr>
<tr>
<td>Quality</td>
<td>55.00%</td>
<td>60.00%</td>
<td>65.00%</td>
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<table>
<thead>
<tr>
<th>Integration Test</th>
<th>Bottom-Up</th>
<th>Top-Down</th>
<th>Hybrid</th>
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</thead>
<tbody>
<tr>
<td>Effort</td>
<td>LL</td>
<td>Avg</td>
<td>UL</td>
</tr>
<tr>
<td>55</td>
<td>60</td>
<td>65</td>
<td></td>
</tr>
<tr>
<td>20</td>
<td>25</td>
<td>30</td>
<td></td>
</tr>
<tr>
<td>Cycle Time</td>
<td>55.00%</td>
<td>60.00%</td>
<td>65.00%</td>
</tr>
<tr>
<td>Quality</td>
<td>55.00%</td>
<td>60.00%</td>
<td>65.00%</td>
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</table>

<table>
<thead>
<tr>
<th>System Test</th>
<th>On Breadboard</th>
<th>On Brassboard</th>
<th>Production Hardware</th>
</tr>
</thead>
<tbody>
<tr>
<td>Effort</td>
<td>LL</td>
<td>Avg</td>
<td>UL</td>
</tr>
<tr>
<td>80</td>
<td>100</td>
<td>120</td>
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</tr>
<tr>
<td>30</td>
<td>35</td>
<td>40</td>
<td></td>
</tr>
<tr>
<td>Cycle Time</td>
<td>65.00%</td>
<td>70.00%</td>
<td>75.00%</td>
</tr>
<tr>
<td>Quality</td>
<td>65.00%</td>
<td>70.00%</td>
<td>75.00%</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Option 1</th>
<th>Option 2</th>
<th>Option 3</th>
<th>Option 4</th>
</tr>
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<tbody>
<tr>
<td>Effort</td>
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<td>Avg</td>
<td>UL</td>
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<tr>
<td>15</td>
<td>20</td>
<td>25</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>5</td>
<td>7</td>
<td></td>
</tr>
<tr>
<td>Cycle Time</td>
<td>70.00%</td>
<td>75.00%</td>
<td>80.00%</td>
</tr>
<tr>
<td>Quality</td>
<td>80.00%</td>
<td>85.00%</td>
<td>90.00%</td>
</tr>
</tbody>
</table>
Scenario 2 (Compose): “Gestalt” - continued

This solution of process composition is optimized with first priority of cycle time and secondary priority of quality.
Values of Variables:
RD Decision: 1
RR Decision: 4
Design Decision: 2
DR Decision: 4
Code Decision: 4
CR Decision: 2
UT Decision: 1
IT Decision: 3
ST Decision: 3
AT Decision: 1
Objective: Overall Goal: Mean: 812254.481407895
Requirement Feasible
Requirement: TEST01: 0
Requirement: TEST02: 0
Requirement: TEST03: 0
Additional details may be found below...

This solution of process composition is optimized with **first priority of quality** and secondary priority on cycle time.
## Scenario 2 (Compose): “Gestalt” - continued

| Subprocesses            | Optimize for          |            |            |            |
|-------------------------|-----------------------|------------|------------|
|                         | **Cycle Time**        | **Quality**|
| **Requirements Development** | Traditional         | Traditional|
| **Requirements Review**      | Email Routing         | Sampling Inspections|
| **Design**                | SA/SD                 | OOD        |
| **Design Review**         | Email Routing         | Sampling Inspections|
| **Code**                  | Code Generation with Reuse | Code Generation with Reuse|
| **Code Review**           | Email Routing         | Walkthrough|
| **Unit Test**             | Ad Hoc                | Ad Hoc     |
| **Integration Test**      | Hybrid                | Hybrid     |
| **System Test**           | Production Hardware   | Production Hardware|
| **Acceptance Test**       | Low Intensity         | Low Intensity|

### Results (95% confidence results will not exceed)

<table>
<thead>
<tr>
<th></th>
<th><strong>Scenario 1</strong></th>
<th><strong>Scenario 2</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cycle Time</strong></td>
<td>171</td>
<td>185</td>
</tr>
<tr>
<td><strong>Quality Rework Costs</strong></td>
<td>$487,000</td>
<td>$354,000</td>
</tr>
<tr>
<td><strong>Overall Costs</strong></td>
<td>$7,935,000</td>
<td>$841,000</td>
</tr>
</tbody>
</table>
Scenario 3: Project Forecasting
Scenario 3 (PM): “Un-Gestalt”

We collect data on historical projects and use it to compare our projects being planned to similar historical projects.

We also ask each subprocess owner for their assessment of task duration and we compute our critical path.

Regretfully, our schedule variances are not improving over the past 4 years. It seems that we may have hit a ceiling of performance in our schedule variance!
Scenario 3 (PM): “Gestalt”

We collect data on historical projects and develop distributions of task durations for key sub-processes.

When we don’t have solid historical data, we query the process owners for task durations by asking them for [Best Case, Worst Case, Most Likely] so that we can model the uncertainty.

We have much fewer surprises in our schedules with this approach! Instead of reporting single values that management wants to hear, process owners are honest! Everyone now has buy-in to the schedule!
### Scenario 3 (PM): “Gestalt” - continued

<table>
<thead>
<tr>
<th>Process</th>
<th>Durations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Step</td>
<td>Expected</td>
</tr>
<tr>
<td>1</td>
<td>30</td>
</tr>
<tr>
<td>2</td>
<td>50</td>
</tr>
<tr>
<td>3</td>
<td>80</td>
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<tr>
<td>4</td>
<td>50</td>
</tr>
<tr>
<td>5</td>
<td>90</td>
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<td>6</td>
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<td>7</td>
<td>35</td>
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<td>8</td>
<td>45</td>
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<td>9</td>
<td>70</td>
</tr>
<tr>
<td>10</td>
<td>25</td>
</tr>
<tr>
<td></td>
<td>500</td>
</tr>
</tbody>
</table>

What would you forecast the schedule duration to be?
Would you change your mind in the face of unbalanced risk?
Scenario 3 (PM): “Gestalt” - continued

Almost guaranteed to miss the 500 days duration 100% of the time!

With 90% confidence, we will be under 817 days duration!
Scenario 4: Deciding What to Statistically Manage
Scenario 4 (Manage): “Un-Gestalt”

We first looked around to see what data was already being collected. Then we discussed what additional data might be easy to collect.

We wanted to ensure that the final outcomes of cost, schedule and quality are measured so that we can statistically manage these for finished projects.

We have mixed feelings! We are collecting a lot of data but not sure if we are using it properly. Sure hope it is helping as it costs a lot to collect all of this data!
Scenario 4 (Manage): “Gestalt”

We began with our leaders forming vision statements of our organization over the next 2-5 years.

Then, we asked our leaders to perform a “fishbone diagram” exercise for each vision statement providing rich information on barriers to each vision statement.

We next asked our leaders to formulate a prioritized list of high level business goals attacking the barriers to the vision statements.
Once we had our high level business goals, we commenced on an exercise called the “Goal-Decomposition Matrix”. (See next slide)

This matrix is used to produce a set of SMART Goal Statements at the project level to drive QPM for critical subprocesses.

Essentially, each project goal statement will be a statement of what can be controlled at the subprocess level to maximize accomplishment of the goal.
### Scenario 4 (Manage): “Gestalt” - continued

#### Goal Decomposition Matrix

<table>
<thead>
<tr>
<th>Process Step</th>
<th>Goal 1</th>
<th>Goal 2</th>
<th>Goal 3</th>
<th>Goal 4</th>
<th>Goal 5</th>
<th>Goal 6</th>
<th>Goal 7</th>
</tr>
</thead>
<tbody>
<tr>
<td>Req’ts Elicitation</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Prototype</td>
<td></td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Architecture Modification</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>High level Design</td>
<td></td>
<td></td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Low level Design</td>
<td></td>
<td></td>
<td></td>
<td>X</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Coding</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unit Test</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Integration Test</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>System Test</td>
<td></td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>X</td>
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<tr>
<td>Alpha Test</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Beta Test</td>
<td></td>
<td></td>
<td></td>
<td>X</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Each X receives a S.M.A.R.T. objective statement and is a candidate for statistical management. Each Goal will potentially have a process performance model with some of these controllable x factors.
Scenario 4 (Manage): “Gestalt” - continued

Next year, we will fully implement a Big Y – to – small x tree that is connected with a series of regression equations. With this connected tree, we will have a solid basis to determine what to statistically manage as well.

Next year, we will implement a tolerance analysis on our sub-processes to determine which ones need to be tightly vs loosely controlled.
Scenario 4 (Manage): “Gestalt” - continued

High-Level Business Objectives
(e.g., balanced scorecard)

Subordinate Business Objectives
(e.g., $ buckets, % performance)

High-Level Processes

Subordinate Processes
(e.g., a vital subprocess to be statistically managed)
Scenario 5: Deciding on Process Performance Models
Scenario 5 (PPM): “Un-Gestalt”

We are using both COCOMO and SLIM for our initial project forecasting. These models have predictive value and may be used by answering a list of questions.

We do our very best with these models to give them the best starting point as possible.

We also have an escaped defect model that uses the historical average defects inherited, injected and removed by phase.

Even with these models, we still seem to have plenty of surprises in cost, schedule and quality!
Scenario 5 (PPM): “Gestalt”

We have enriched our detailed process maps from CMMI ML3 to include executable process models that possess information on cycle times, processing times, available resources, subprocess costs and quality.

We have also identified the key process handoffs during the project execution in which exit and entrance criteria are important!

At these handoffs, we have process performance models predicting the interim outcomes. They will form a pact governing the process handoff and provide leading indicators of problems with outcomes.
Scenario 5 (PPM): “Gestalt”

An illustration of an appropriate number of PPMs. In Swimming, the three primary subprocesses are 1) entering the water, 2) straightline swim, and 3) making the turn.
Scenario 5 (PPM): “Gestalt” - continued

Next, we identify controllable factors tied to earlier sub-processes that may be predictive of one or more of the outcomes (interim and final) we need to predict.

We then decide what type of data our outcome ($Y$) is and what type of data our factors (x’s) are.

Using the data types, we can then begin to identify the statistical methods to help with our modeling. (See next slide)
Scenario 5 (PPM): “Gestalt” - continued

- **X**:
  - Continuous
  - Discrete

- **Y**:
  - Continuous
  - Discrete

- Continuous:
  - ANOVA
  - MANOVA
  - Dummy Variable
  - Regression

- Discrete:
  - Chi-Square
  - Logit

- Continuous & Discrete:
  - Correlation
  - Regression

- Logistic Regression
### Scenario 5 (PPM): “Gestalt” - continued

**ANOVA, Dummy Variable Regression**

<table>
<thead>
<tr>
<th>Using these controllable factors…</th>
<th>To predict this outcome!</th>
</tr>
</thead>
<tbody>
<tr>
<td>Type of Reviews Conducted; Type of Design Method; Language Chosen; Types of Testing</td>
<td>Delivered Defect Density</td>
</tr>
<tr>
<td>High-Medium-Low Domain Experience; Architecture Layer; Feature; Team; Lifecycle model; Primary communication method</td>
<td>Productivity</td>
</tr>
<tr>
<td>Estimation method employed; Estimator; Type of Project; High-Medium-Low Staff Turnover; High-Medium-Low Complexity; Customer; Product</td>
<td>Cost and Schedule Variance</td>
</tr>
<tr>
<td>Team; Product; High-Medium-Low Maturity of Platform; Maturity or Capability Level of Process; Decision-making level in organization; Release</td>
<td>Cycle Time or Time-to-Market</td>
</tr>
<tr>
<td>Iterations on Req’ts; Yes/No Prototype; Method ofReq’ts Elicitation; Yes/No Beta Test; Yes/No On-Time; High-Medium-Low Customer Relationship</td>
<td>Customer Satisfaction (as a percentile result)</td>
</tr>
</tbody>
</table>
## Scenario 5 (PPM): “Gestalt” - continued

**Regression**

<table>
<thead>
<tr>
<th>Using these controllable factors…</th>
<th>To predict this outcome!</th>
</tr>
</thead>
<tbody>
<tr>
<td>Req’ts Volatility; Design and Code Complexity; Test Coverage; Escaped Defect Rates</td>
<td>Delivered Defect Density</td>
</tr>
<tr>
<td>Staff Turnover %; Years of Domain Experience; Employee Morale Survey %; Volume of Interruptions or Task Switching</td>
<td>Productivity</td>
</tr>
<tr>
<td>Availability of Test Equipment %; Req’ts Volatility; Complexity; Staff Turnover Rates</td>
<td>Cost and Schedule Variance</td>
</tr>
<tr>
<td>Individual task durations in hrs; Staff availability %; Percentage of specs undefined; Defect arrival rates during inspections or testing</td>
<td>Cycle Time or Time-to-Market</td>
</tr>
<tr>
<td>Resolution time of customer inquiries; Resolution time of customer fixes; Percent of features delivered on-time; Face time per week</td>
<td>Customer Satisfaction (as a percentile result)</td>
</tr>
</tbody>
</table>
## Scenario 5 (PPM): “Gestalt” - continued

### Chi-Square, Logistic Regression

<table>
<thead>
<tr>
<th>Using these controllable factors…</th>
<th>To predict this outcome!</th>
</tr>
</thead>
<tbody>
<tr>
<td>Programming Language; High-Medium-Low Schedule compression; Req’ts method; Design method; Coding method; Peer Review method</td>
<td>Types of Defects</td>
</tr>
<tr>
<td>Predicted Types of Defects; High-Medium-Low Schedule compression; Types of Features Implemented; Parts of Architecture Modified</td>
<td>Types of Testing Most Needed</td>
</tr>
<tr>
<td>Architecture Layers or components to be modified; Type of Product; Development Environment chosen; Types of Features</td>
<td>Types of Skills Needed</td>
</tr>
<tr>
<td>Types of Customer engagements; Type of Customer; Product involved; Culture; Region</td>
<td>Results of Multiple Choice Customer Surveys</td>
</tr>
<tr>
<td>Product; Lifecycle Model Chosen; High-Medium-Low Schedule compression; Previous High Risk Categories</td>
<td>Risk Categories of Highest Concern</td>
</tr>
</tbody>
</table>
## Scenario 5 (PPM): “Gestalt” - continued

### Logistic Regression

<table>
<thead>
<tr>
<th>Using these controllable factors…</th>
<th>To predict this outcome!</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inspection Preparation Rates; Inspection Review Rates; Test Case Coverage %; Staff Turnover Rates; Previous Escape Defect Rates</td>
<td>Types of Defects</td>
</tr>
<tr>
<td>Escape Defect Rates; Predicted Defect Density entering test; Available Test Staff Hours; Test Equipment or Test Software Availability</td>
<td>Types of Testing Most Needed</td>
</tr>
<tr>
<td>Defect Rates in the Field; Defect rates in previous release or product; Turnover Rates; Complexity of Issues Expected or Actual</td>
<td>Types of Skills Needed</td>
</tr>
<tr>
<td>Time (in Hours) spent with Customers; Defect rates of products or releases; Response times</td>
<td>Results of Multiple Choice Customer Surveys</td>
</tr>
<tr>
<td>Defect densities during inspections and test; Time to execute tasks normalized to work product size</td>
<td>Risk Categories of Highest Concern</td>
</tr>
</tbody>
</table>
Recently, we conducted a regression analysis to develop our statistically-based process performance model predicting Defect Density.

As will be seen on the next slide, the regression model provides rich information about the role of the controllable x factors (Req’ts Volatility and Experience) in predicting the Y outcome (Defect Density).

In turn, this will provide management with rich information on how to be pro-active in changing predicted high levels of Defect Density to acceptable lower levels!
Regression Analysis: Defect Density versus ReqsVolatility, YearsDomainExperience

The regression equation is:

\[ \text{Defect Density} = 0.484 + 0.480 \times \text{ReqsVolatility} - 0.0242 \times \text{YearsDomainExperience} \]

<table>
<thead>
<tr>
<th>Predictor</th>
<th>Coef</th>
<th>SE Coef</th>
<th>T</th>
<th>P</th>
</tr>
</thead>
<tbody>
<tr>
<td>Constant</td>
<td>0.48367</td>
<td>0.03957</td>
<td>12.22</td>
<td>0.000</td>
</tr>
<tr>
<td>ReqsVolatility</td>
<td>0.47963</td>
<td>0.09511</td>
<td>5.04</td>
<td>0.000</td>
</tr>
<tr>
<td>YearsDomainExperience</td>
<td>-0.024215</td>
<td>0.001941</td>
<td>-12.48</td>
<td>0.000</td>
</tr>
</tbody>
</table>

\[ S = 0.00893207 \quad R-Sq = 85.9\% \quad R-Sq(adj) = 84.8\% \]

Analysis of Variance

<table>
<thead>
<tr>
<th>Source</th>
<th>DF</th>
<th>SS</th>
<th>MS</th>
<th>F</th>
<th>P</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regression</td>
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<td>6063038</td>
<td>79.01</td>
<td>0.000</td>
<td></td>
</tr>
<tr>
<td>Residual Error</td>
<td></td>
<td>0.00893</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>6070030.95</td>
<td>79.01</td>
<td>0.000</td>
<td></td>
</tr>
</tbody>
</table>

- Prediction equation of defect density
- p values below 0.05 indicate the predictors to keep in the model
- Percentage of total variation in defect density explained by the model
- p value below 0.05 indicates the model is significant
Scenario 5 (PPM): “Gestalt” - continued

A probabilistic model can represent a collection of process performance models in that each child node below may be statistically predicted by its parents to the left.

<table>
<thead>
<tr>
<th>Req’ts</th>
<th>Architecture</th>
<th>Design</th>
<th>Code</th>
<th>Test</th>
<th>Release</th>
</tr>
</thead>
<tbody>
<tr>
<td>Volatility</td>
<td>Layered</td>
<td>Coupling</td>
<td>Complexity</td>
<td>Effectiveness</td>
<td>Delivered Defects</td>
</tr>
<tr>
<td>Completeness</td>
<td>Robustness</td>
<td>Cohesiveness</td>
<td>Maintainability</td>
<td>Efficiency</td>
<td></td>
</tr>
<tr>
<td>Timeliness</td>
<td>Interoperability</td>
<td>Complexity</td>
<td>Efficiency</td>
<td>Sufficiency</td>
<td></td>
</tr>
<tr>
<td>Ambiguity</td>
<td></td>
<td>Fault Tolerance</td>
<td>Data Brittleness</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Scenario 6: Periodic Management Reviews of Projects
Scenario 6 (Review): “Un-Gestalt”

We hold many management reviews of our software measures.

Sometimes we have management look at the control charts and sometimes they look at dashboards that have red-yellow-green status codes.

Our management knows immediately when any of our outcomes are unacceptable or go “out of control”.

However, our management aren’t sure if they are looking at the correct things and getting the value that they should be!
Our management mostly reviews dashboards that include not only outcomes but leading indicators such as the controllable x factors used in our QPM and performance models.

We know that just looking at the outcomes is like driving a car using the rear-view mirror.

We have also developed 3-5 leading indicators for each outcome (or lagging indicator) that may be used in a process performance model.
Scenario 6 (Review): “Gestalt” - continued

The blue lines represent the use of process performance models statistically predicting outcomes.

Success criteria

Strategy to accomplish objectives

Tasks to accomplish objectives

For project manager

Roll-up for higher management

Analysis indicators (leading indicators)

Progress indicators (Lagging Indicators)

Objectives

Success indicators (Lagging Indicators)
Scenario 6 (Review): “Gestalt” - continued

Our management now only spends **20% of each management review looking at the lagging indicators** (e.g. the outcomes of cost, schedule and quality)

They now spend **80% of their time reviewing the statistical management of controllable x factors and the predicted outcomes based on the x factors.**

Inherently, the discussion focuses on management **pro-actively taking action based on performance models and control charts of controllable x factors.**
Scenario 7: Taking Corrective Action When Needed
Scenario 7 (CAR): “Un-Gestalt”

Our projects use pareto analysis and fishbone diagrams to decide which problems are the greatest importance to tackle.

We work very hard to resolve all defects and process issues. There are so many of them, that we seem to be expending all of our time resolving defects and issues.

With the volume that we have, we have now decided to staff more engineers throughout the project’s lifecycle to handle the workload.
Scenario 7 (CAR): “Gestalt”

Our project uses a closed-loop corrective action process similar to the Ford Global 8D process. We have modified the process to make specific uses of process performance baselines and models at the points indicated:

- Describe Problem
- Decide on Team
- Document Containment Actions
- Diagnose Root Cause
- Develop Solutions
- Decide if Validated
- Determine how to prevent reoccurrence
- Disengage CA team after recognition
Our project uses a closed-loop corrective action process similar to the Ford Global 8D process. We have modified the process to make specific uses of process performance baselines and models at the points indicated:

- Describe Problem
- Decide on Team
- Document Containment Actions
- Diagnose Root Cause
- Develop Solutions
- Decide if Validated
- Determine how to prevent reoccurrence
- Disengage CA team after recognition

We use our PPBs and PPMs to predict the type of problems that will occur.
Scenario 7 (CAR): “Gestalt”

Our project uses a closed-loop corrective action process similar to the Ford Global 8D process. We have modified the process to make specific uses of process performance baselines and models at the points indicated:

1. **Describe Problem**
2. **Decide on Team**
3. **Document Containment Actions**
4. **Diagnose Root Cause**
5. **Develop Solutions**
6. **Decide if Validated**
7. **Disengage CA team after recognition**

We use our PPBs and PPMs to predict the most likely root cause of various performance shortcomings.
Scenario 7 (CAR): “Gestalt”

Our project uses a closed-loop corrective action process similar to the Ford Global 8D process. We have modified the process to make specific uses of process performance baselines and models at the points indicated:

1. Describe Problem
2. Decide on Team
3. Document Containment Actions
4. Diagnose Root Cause
5. Develop Solutions
6. Decide if Validated
7. Prevent Recurrence
8. Disengage CA team after recognition

We use our PPBs and PPMs to evaluate alternative solutions to the problem.
Scenario 7 (CAR): “Gestalt”

Our project uses a closed-loop corrective action process similar to the Ford Global 8D process. We have modified the process to make specific uses of process performance baselines and models at the points indicated:

- **Describe Problem**
- **Decide on Team**
- **Document Containment Actions**
- **Diagnose Root Cause**
- **Develop Solutions**
- **Decide if Validated**

We use our PPBs and PPMs to predict the impact, upon deployment, of the new solution and compare to actual impact.

engage CA team after recognition
Scenario 8: Introducing Innovative Change to Organization
Scenario 8 (OID): “Un-Gestalt”

Our organization benchmarks with other companies to stay informed of the leading-edge, innovative concepts.

Based on word of mouth and expert opinion, we identify the low hanging fruit new concepts to try out each year.

We pilot all of the new concepts each year that we can afford to.

Hopefully, this will pay off. It does represent a lot of time and resources.
Scenario 8 (OID): “Gestalt”

Our organization possesses a healthy collection of process performance baselines and models developed over a multi-year period.

With such an arsenal, we are able to use them to first look inward and identify the ripe opportunities for radical improvement and innovation.

Once we identify the areas ripe for improvement, we benchmark with external organizations for the types of innovation we need.
Scenario 8 (OID): “Gestalt” - continued

As we identify external innovation ideas, we use our baselines and models to evaluate the potential of the ideas. In this manner, we will use our baselines and models to “screen” the ideas to pilot.

Once we identify the ideas to pilot, we use the baselines and models to predict the outcomes we should see.

We then pilot and compare the results to our prediction. We make adjustments as necessary before rollout.

Then we rollout and use baselines and models to track the new subprocess changes during adoption to steady state running.
PART IV
LEVELS 4 AND 5 WITH THE INFORMATIVE MATERIAL
THE “GESTALT”
MDD on Use of Informative Material and Subpractices -1

The MDD states on page I-20

- "Appraisal teams compare the objective evidence collected against the corresponding practices in the appraisal reference model. In making inferences about the extent to which practices are or are not implemented, appraisal teams draw on the entire model document to understand the intent of the model, and use it as the basis for their decisions. This comparison includes the required and expected model components (i.e., generic and specific goals, generic and specific practices) as well as informative material, such as model front matter, introductory text, glossary definitions, and subpractices."
Additionally on page I-24 in discussing direct artifacts for PII

• "The tangible outputs resulting directly from implementation of a specific or generic practice. An integral part of verifying practice implementation. May be explicitly stated or implied by the practice statement or associated informative material."

And from page II-110

• "The use of informative material in the appraisal reference model to form a checklist is explicitly discouraged."

And from page III-50 the glossary definition for direct artifact

• “The tangible outputs resulting directly from implementation of a specific or generic practice. An integral part of verifying practice implementation. May be explicitly stated or implied by the practice statement or associated informative material. "

Prerequisites for High Maturity Practices

Before an organization can perform high maturity activities, it has the following in place:

- the capability to gather and use data at all organizational levels, i.e., project members who
  - gather data on their own work
  - understand and use the data in planning and performing their work
- project-defined processes that specify how and when data are gathered
- execution of the defined process consistently, where tailoring is handled in a controlled and disciplined fashion
OPP SG 1 Establish Performance Baselines and Models

Baselines and models, which characterize the expected process performance of the organization's set of standard processes, are established and maintained.

The aforementioned data and models characterize OSSP performance.

Central tendency and variation are the cornerstones of our implementation. Our baselines and models incorporate our understanding of these, allow us to understand risks in our organizations and its projects, and allow us to create and execute effective strategies to mitigate and manage risks.
OPP SP 1.1 Select Processes

Select the processes or subprocesses in the organization’s set of standard processes that are to be included in the organization’s process-performance analyses.

Pick a few processes from the OSSP for which we have measures.

Select processes/subprocesses that will help us understand our ability to meet the objectives of the organization and projects, and the need to understand quality and process performance. These subprocesses will typically be the major contributors and/or their measures will be the leading indicators.
OPP SP 1.2 Establish Process-Performance Measures

Establish and maintain definitions of the measures that are to be included in the organization’s process-performance analyses.

Provide definitions for the measures and update as necessary.

Select measures, analyses, and procedures that provide insight into the organization’s ability to meet its objectives and into the organization’s quality and process performance. Create/update clear unambiguous operational definitions for the selected measures. Revise and update the set of measures, analyses, and procedures as warranted. In usage, be sensitive to measurement error. The set of measures may provide coverage of the entire lifecycle and be controllable.
OPP SP 1.3 Establish Quality and Process-Performance Objectives

Establish and maintain quantitative objectives for quality and process performance for the organization.

Write down quality and process performance objectives such as improve cycle time, quality, and the percent of improvement we want.

These objectives will be derived from the organization’s business objectives and will typically be specific to the organization, group, or function. These objectives will take into account what is realistically achievable based upon a quantitative understanding (knowledge of variation) of the organization’s historic quality and process performance. Typically they will be SMART and revised as needed.
OPP SP 1.4 Establish Process-Performance Baselines

Establish and maintain the organization's process-performance baselines.

Store measures in our spreadsheet repository on a periodic basis indicating the end date of the period they represent and baseline them in our CM system.

Baselines will be established by analyzing the distribution of the data to establish the central tendency and dispersion that characterize the expected performance and variation for the selected process/subprocess. These baselines may be established for single processes, for a sequence of processes, etc. When baselines are created based on data from unstable processes, it should be clearly documented so the consumers of the data will have insight into the risk of using the baseline. Tailoring may affect comparability between baselines.
OPP SP 1.5 Establish Process-Performance Models

Establish and maintain the process-performance models for the organization’s set of standard processes.

We have historical productivity and defect injection/detection rates by phase which we update periodically and include in reports.

Rather than just a point estimate, PPMs will address variation in the prediction. PPMs will model the interrelationships between subprocesses including controllable/uncontrollable factors. They enable predicting the effects on downstream processes based on current results. They enable modeling of a PDP to predict if the project can meet its objectives and evaluate various alternative PDP compositions. They can predict the effects of corrective actions and process changes. They can also be used to evaluate the effects of new processes and technologies/innovations in the OSSP.
QPM SG 1 Quantitatively Manage the Project

The project is quantitatively managed using quality and process-performance objectives.

Project processes are managed against objectives using the standard data and statistical management spreadsheets*.

* Explained in QPM goal 2

Projects are managed through the use of:
• measuring and controlling quality and process performance attributes.
• statistical techniques to ensure stable and capable subprocesses
• PPMs to predict if objectives will be met based on current performance
• spec limits to indicate when the performance of current processes will adversely affect the project’s ability to meet its objectives
QPM SP 1.1 Establish the Project’s Objectives

Establish and maintain the project’s quality and process-performance objectives.

Project Manager documents project objectives such as “Produce the system better, cheaper, faster” in the project plan.

These objectives will be based on the organization’s quality and process performance objectives and any additional customer and relevant stakeholder needs and objectives. These objectives will be realistic (based upon analysis of historical quality and process performance) and will cover interim, supplier, and end-state objectives. Conflicts between objectives (i.e., trade-offs between cost, quality, and time-to-market) will be resolved with relevant stakeholders. Typically they will be SMART, traceable to their source, and revised as needed.
QPM SP 1.2 Compose the Defined Process

Select the subprocesses that compose the project’s defined process based on historical stability and capability data.

Look at our data spreadsheets to select the subprocesses that have the highest performance, best quality, and most stability -- the ones that have changed the least.

The PDP is composed by:
- selecting subprocesses
- adjusting/trading-off the level and depth of intensity of application of the subprocess(es) and/or resources to best meet the quality and process performance objectives. This can be accomplished by modeling/simulating the candidate PDP(s) to predict if they will achieve the objectives, and the confidence level of (or risk of not) achieving the objective.
QPM SP 1.3 Select the Subprocesses that Will Be Statistically Managed

Select the subprocesses of the project's defined process that will be statistically managed.

Select the subprocesses that we must already measure.

Subprocesses that are the major contributors to or predictors of the accomplishment of the project's interim or end-state objectives will be selected. Additionally, these need to be suitable for statistical management. Statistically managing the selected subprocesses provides valuable insight into performance by helping the project identify when corrective action is needed to achieve its objectives. Select the attributes that will measured and controlled.
QPM SP 1.4 Manage Project Performance

Monitor the project to determine whether the project’s objectives for quality and process performance will be satisfied, and identify corrective action as appropriate.

Compare the actual versus estimated and corresponding actual trend versus estimated trend. If we’re not meeting our objectives or based on the actual trend it looks like we won’t achieve our objectives in the future, document what we might do to fix the shortcoming/potential shortcoming.

Monitor the project
• Manage stability and capability of selected subprocesses.
• Track quality and process performance data including suppliers’
• Update/calibrate PPMs and predictions based on results to date.
• Identify deficiencies/risks to achieving objectives (e.g., where current performance is outside tolerance intervals, or prediction/confidence intervals are not contained within specification limits).
QPM SG 2 Statistically Manage Subprocess Performance

The performance of selected subprocesses within the project's defined process is statistically managed.

Systemization of our process is achieved through planning and execution of the plans.

Selected subprocesses are statistically managed to ensure stability and capability (i.e., special causes of variation are identified, removed, and prevented from recurring and the control limits of the subprocess are kept within the specification limits).
QPM SP 2.1 Select Measures and Analytic Techniques

Select the measures and analytic techniques to be used in statistically managing the selected subprocesses.

Select effort, size, and defects (estimated and actual for each) and use trend charts to analyze them and investigate spikes that appear to be unusually large as special causes.

Identify the measures that will provide insight into the performance of the subprocesses selected for statistical management and the statistical techniques that will be used for analysis. These measures can be for both controllable and uncontrollable factors. Operational definitions will be created/updated for these measures. Where appropriate (i.e., they are critical to meeting downstream objectives), spec limits will be established for the measures.
QPM SP 2.2 Apply Statistical Methods to Understand Variation

Establish and maintain an understanding of the variation of the selected subprocesses using the selected measures and analytic techniques.

For each subprocess measure, compare the actual to the estimated (using trends) to understand how much variation there is between what we expected and what we are actually getting.

Selected measures for the subprocesses will be statistically controlled to identify, remove, and prevent reoccurrence of special causes of variation, or in other words, stabilize the process. When control limits are too wide, sources of variation are easily masked and further investigation is warranted.
QPM SP 2.3 Monitor Performance of the Selected Subprocesses

Monitor the performance of the selected subprocesses to determine their capability to satisfy their quality and process-performance objectives, and identify corrective action as necessary.

Compare the actual versus estimated and corresponding actual trend versus estimated trend. If we’re not meeting our objectives or based on the actual trend it looks like we won’t achieve our objectives in the future, document what we might do to fix the shortcoming/potential shortcoming.

For a stable subprocess, determine if the control limits (natural bounds) are within the specification limits which indicates a capable subprocess. If it is not, document corrective actions that address the capability deficiencies.
QPM SP 2.4 Record Statistical Management Data

Record statistical and quality management data in the organization’s measurement repository.

**Put the data in our statistical management spreadsheet.**

Record the data along with sufficient information to understand the context for the data and thus make the data usable by the organization and other projects.
CAR SG 1 Determine Causes of Defects

Root causes of defects and other problems are systematically determined.

Systemization of our process is achieved through planning and execution of the plans.

Processes, plans and methods are used to identify the root cause(s) of defects and other problems and identify the actions necessary to fix and prevent future occurrences.
CAR SP 1.1 Select Defect Data for Analysis

Select the defects and other problems for analysis.

Select first ten defects/problems on the list

Defects and other problems are selected for further analysis based on factors such as clustering and analysis of the clusters of similar defects or problems including impact to the project’s objectives, predicted ROI, etc. PPMs may be used in the prediction of impact, calculation of cost and benefits, ROI, etc.
CAR SP 1.2 Analyze Causes

Perform causal analysis of selected defects and other problems and propose actions to address them.

Perform causal analyses on the selected defects and problems using Fishbone diagrams. The analysis is qualitatively driven. Propose actions to address the identified causes.

The causal analysis can include:
- analysis of PPBs and PPMs to help identify potential sources of defects and problems
- causal analysis meetings with the involved parties
- formal root cause analysis.

The analysis is both quantitative and qualitative. Actions are proposed to not only address the defect/problem but also to correct the root cause and prevent reoccurrence.
CAR SG 2 Address Causes of Defects

Root causes of defects and other problems are systematically addressed to prevent their future occurrence.

Systemization of our process is achieved through planning and execution of the plans.

The changes are made and measures taken and analyzed to determine if the changes are positive and statistically significant. Similar processes and work products are also modified and sufficient data is recorded to understand the context and assist other projects. When appropriate, proposals are submitted to the organization to improve the OSSP.
CAR SP 2.1 Implement the Action Proposals

Implement the selected action proposals that were developed in causal analysis.

Execute proposed actions.

Prioritize the actions based on factors such as impact, ROI, availability of resources/budget, interdependencies, etc. Implement the actions. Additionally, identify and remove similar defects and other problems that may exist in other processes and work products. Where appropriate, submit proposals to improve the OSSP.
CAR SP 2.2 Evaluate the Effect of Changes

Evaluate the effect of changes on process performance.

Did process performance go up/down (e.g., more/less productivity, less/more defects).

Measure and analyze the change to determine if process performance has been positively affected and there are no harmful side-effects. This may involve hypothesis testing using a before and after PPBs to determine if the change is statistically significant. May also involve comparing the change to the PPM predicted change to see if the predicted performance benefits were achieved. Further analysis may use a PPM to determine if the change will positively contribute to meeting downstream quality and process performance objectives.
CAR SP 2.3 Record Data

Record causal analysis and resolution data for use across the project and organization.

Put the data in our spreadsheet.

Record the data along with sufficient information to understand the context for the data. Data related to project adoption experience and other data that will assist deployment in other parts of the organization should be collected.
OID SG 1 Select Improvements

Process and technology improvements, which contribute to meeting quality and process-performance objectives, are selected.

Improvements that appear to help us meet our goals are selected.

The improvements which will contribute most to achieving the organizations objectives, provide the best ROI and most desirable impact, and can be accomplished with available resources will be chosen.
OID SP 1.1 Collect and Analyze Improvement Proposals

Collect and analyze process- and technology-improvement proposals

Put the process and technology improvement proposals in a spreadsheet, think about each one, and tag with a plus if you think it will improve or a minus if you think it will decrease quality and process performance.

Collect improvement proposals and analyze for costs, benefits, and risks. Select those that will be piloted. Document the results of analyses and selection. PPMs may be used to predict effects of the change to the process, the potential benefits, evaluate side effects, and evaluate the effects of multiple interrelated improvement proposals.
OID SP 1.2 Identify and Analyze Innovations

Identify and analyze innovative improvements that could increase the organization’s quality and process performance.

Identify improvements that seem to be “out of the box” and look like they will increase quality and process performance.

Actively seek, both inside and outside the organization, innovations to improve processes and product technologies and analyze them for possible inclusion, predicting cost and benefits (using PPMs). Use PPMs and PPBs to analyze the OSSP and identify areas or targets of opportunity for change. Submit improvement proposals for changes that are predicted to be beneficial. Select those to be piloted.
OID SP 1.3 Pilot Improvements

Pilot process and technology improvements to select which ones to implement.

Try the improvements or use someone else’s results and see which ones might be selected.

Plan the pilot including documenting the criteria for evaluating the success or failure of the pilot. Select pilot environments that are representative of the typical use of the improved process and/or technology. Evaluate the results using the documented criteria. This will typically involve the use of PPMs to see if the processes behaved as predicted and PPBs to see if the change is statistically significant (through the use of hypothesis testing).
OID SP 1.4 Select Improvements for Deployment

Select process and technology improvements for deployment across the organization.

Pick the improvements to be deployed across the organization.

Prioritize the improvements for deployment (typically involves evaluating the predicted ROI from PPMs and other factors such as availability of resources, impact, etc.) and begin to determine a deployment strategy.
OID SG 2 Deploy Improvements

Measurable improvements to the organization's processes and technologies are continually and systematically deployed.

Measured improvements that help are adopted according to our approved plans.

We have ensured through measurements and analyses that the deployed processes have indeed been systematically and continually improved in a statistically significant way.
OID SP 2.1 Plan the Deployment

Establish and maintain the plans for deploying the selected process and technology improvements.

Schedule the deployment of the improvements and update the schedule as necessary.

Determine modifications necessary for deploying the new/revised process to the projects’ environments. Define how the value of the deployed process/technology improvements will be measured. Determine the deployment risks. Devise a plan for the deployment, get commitment from stakeholders, and revise as necessary.
OID SP 2.2 Manage the Deployment

Manage the deployment of the selected process and technology improvements.

Track against the schedule and reschedule as necessary.

Monitor the deployment against the plan and determine that the deployed processes have not adversely affected the ability to meet quality and process performance objectives. Update the appropriate PPMs and PPBs.
OID SP 2.3 Measure Improvement Effects

Measure the effects of the deployed process and technology improvements.

Measure whether people like the change.

Measure the cost and value of the improvement in the deployed process. Through the use of PPMs determine if the predicted performance is being achieved. Use hypothesis testing or other statistical/probabilistic techniques of the before and after PPBs to determine if the improvement is statistically significant.
SOME FINAL THOUGHTS
HM Involves and Impacts the Entire Organization
Are you just in it for the number?

That can be a valid business objective

But, it is in all of our best interest to ensure that the number means something

• That means paying attention to the informative
• The richness of the model is in the informative
• The ideas/concepts that add value are in the informative

Without the informative material Levels 4 and 5 add little of even the minimum we all believe they are

If it is not value added, change it
Lack of Data is No Excuse

In fact, it is quite common
And the answer is

Sampling
Can Level 5 be Stagnant?

Can performance and quality improvement be characterized as asymptotic?

Since every one loves “how many” questions

• How many “improvements” must be made to get to and remain at level 5?