DM Review

Establishing a Center of Excellence

by jonathangeiger

There are six environment management functions in the extended Corporate Information Factory, and I've addressed governance and infrastructure management in my last few columns. The third function is the center or excellence (CoE), and it will be my focus for this and the next two columns. Simply put, a CoE is a team of people that is established to promote collaboration and the application of best practices. Three characteristics of the CoE that have a significant impact on its value and operation are its authority, role, and organization placement and staffing.

Authority

The effectiveness of the CoE is greatest when it has the authority to influence actions. This authority is provided through the governance structure (see my April 2006 column). At one end of the spectrum, the CoE is purely advisory; at the other end, it is responsible for some tasks and has the power to dictate what other groups can and cannot do. The best approach depends a lot on company culture. Often there are some areas over which the group is merely an adviser and others over which it has decision-making and enforcement authority.

One of the CoE's roles may be to serve as a reference point for best practice information. For this role, an advisory service may be sufficient – the team would provide other areas with information about best practices (including suggested templates) and the receiving area may determine how to apply these. Another role could be to establish and enforce certain standards (e.g., data naming and definition standards, technology standards). When the role addresses standards, an enforcement body is critical, and the CoE can be that body. When the CoE has enforcement authority, an appeal process should also be put in place, with the ultimate decision resting in the hands of the steering committee that oversees the CoE.

Role

A CoE can be a resource center or an active participant in development and support activities (or both). As a resource center, the CoE provides a library of materials and services to support other areas. Materials may include reference articles, best practice templates and procedures, and advice. As a participant in development and support activities, common responsibilities include internal consulting, standards development, quality reviews, data integration and information delivery.

Organizational Placement and Staffing

The organizational placement and staffing of the group needs to be commensurate with its authority and role.

One option is to create a CoE as a virtual organization. While this could work for a CoE with limited authority that is solely providing advisory services, I do not recommend this approach except possibly as a first step toward establishing a more formal structure.

To be viable, the CoE should be a formal, visible part of the organization with placement equal to its authority. If it is buried too deeply within the IT group, for example, it will not be perceived as having significant authority. One of the critical success factors of a CoE will be its ability to provide an acceptable service level. The formal structure provides the necessary budget and staffing levels with the team's manager controlling staff priorities. (In a matrix organization, the priorities are frequently outside the team manager's control.)

Appropriate staffing is also critical to the team's success. It almost goes without saying that each member of the staff needs to possess the technical skills for his or her responsibility. In addition, every staff member must have very strong interpersonal skills. Team members need to be open to new ideas. They must be effective negotiators because there is frequently more than one way to accomplish a task. They need to believe in collaboration and the value of enterprise-wide approaches because they are promoting these concepts. They need to be effective written and verbal communicators, and they must understand how to help people learn.

Technological Support

As with any team responsible to accomplish a mission, the CoE must have appropriate technology. This includes repositories for storing and accessing best practice information, tools for data integration and delivery, and tools for collaboration.

Centers of excellence come in many flavors. They can vary with respect to their authority, role and organizational placement. To ensure success of the CoE, it needs to be sanctioned through the governance structure, and its authority must be understood and communicated. Its responsibilities need to be understood by both the members of the team and the rest of the organization. Finally, to be effective, it should be an appropriately placed formal organizational unit, with a budget and staffing level commensurate with its responsibilities. A charter that explains these characteristics, measurements for success and governing processes is a useful tool for documentation and communication.

Data integration and information delivery responsibilities will be explored in future columns. **DMR**

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