

The Case For An Enterprise Center Of Excellence (COE)

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Setting up a **Center of Excellence (COE)** is the easy part. And many management consulting firms will be able to do this for their customers – then finish the engagement and walk away. But that is not where the process really ends. The real challenge is maintaining and managing the global centers once they have been set up, adopting new technologies, demonstrating business value, building employee relationships, among many other things. And for this, a very different approach is required.

Many organizations are just feeling their way through their digital initiatives. Which is why it is of paramount importance to form a lasting partnership with the right consulting firm – one that is constantly researching, evaluating, and interviewing leading software leaders regarding their development roadmaps. It is crucial to keep up with Robotic Process Automation, Low Code, Intelligent Document Processing, Artificial Intelligence, Machine Learning, Natural Language Processing, Predictive Analytics, Cloud, Cybersecurity, that involve multiple moving parts. And naturally, this can be overwhelming for any organization – even for technology leaders like Facebook, Netflix, Uber or Airbnb. Leaders must be mindful while choosing partners and must select a passionate team with deep expertise in the field to support their COE.

Here are some best practices and recommendations to consider when setting up and maintaining an enterprise COE:

1. Consider a Chief Digital Transformation Officer (CDTO)/Chief Innovation Officer (CInO) to drive digital transformation at the senior executive level. When a COE sits under a business line, digital innovation can be a secondary focus. A chief officer can help provide the organization

- with digital transformation focus, remove internal roadblocks, promote visibility, encourage crowdsourcing of ideas, promote digital adoption, and work hand-in-hand with core business leaders to reinvent business processes incrementally, to reduce unnecessary business risks.
2. Identify a small but powerful team to drive adoption within the enterprise. The core team of ambassadors should all be involved and supportive of the organization's digital transformation initiatives by building relationships between emerging technologies and people. Technology by itself will not drive digital transformation; people are an integral part of it.
 3. The effectiveness of the COE across the organization is more about the people, culture, and structure than the technology itself in isolation. People are the ones using new technologies and it is their job responsibilities that are being impacted by the technologies. A robust change management strategy is critical to handle employee expectations, and as a result, human resources (HR) need to be consulted, informed, and involved from the very beginning.
 4. Ensure that the processes are agile to their core while adapting to new business demands, business opportunities, and have the ability to quickly staff projects with outside staffing and consulting companies.
 5. Automate the COE's reporting, metrics, and key performance indicators (KPIs) to efficiently demonstrate return of investment (ROI) to all levels of the organization, including external shareholders.
 6. Promote daily personal meetings, and when a majority of your employees return to the office, encourage in-person briefings, if possible.
 7. Run the COE as a start-up with its own sense of purpose within the enterprise. As an internal start-up COE, it will foster its own culture and control its budget.
 8. Set up COE guardrails – methodologies, governance, and innovation to reimagine business processes with a clear business objective and ROI.
 9. Build momentum with small but high impact projects. Don't try to boil the ocean with a grand transformational plan. Otherwise, it can be difficult to get the project off the ground, demonstrate immediate ROI and business adoption. This will help demonstrate consistent enterprise adoption growth.
 10. Avoid building technology from scratch internally; instead, buy technology. Before doing so, involve the consulting partner to help evaluate technologies that are fit for the organization's core business requirements.

Every organization is different and has its own culture and readiness for digital adoption. Not all employees and business managers want the change; hence, managing a COE is as much an art as it is a technical skill. Each of these ideas need to be discussed within the organization's management team, before actively advancing on a digital transformation journey. In a world where technology drives everything, choosing the right consulting partner can go a long way.

Want to know how we can help you set up a COE and manage it efficiently? Drop us a note at info@zinnov.com to get in touch with our consultants.