

RCI: E&E Bureau – 4th Annual Regional Conference on
Competitiveness and Economic Growth

Regional IT Standards in Central Eastern and South East Europe, and Caucasus

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Kiev, Ukraine



High potential, but fragmented capacity



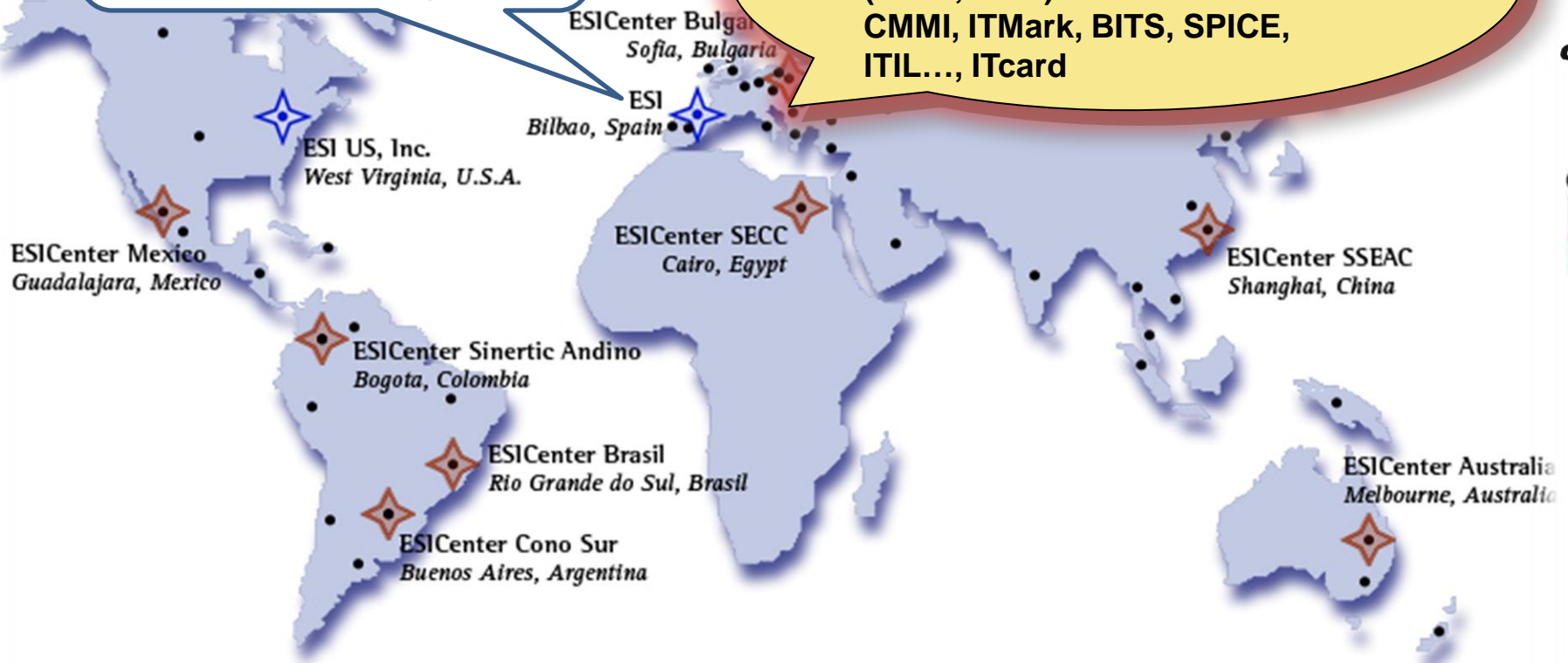
Bulgaria:	7,322,858
Romania:	22,276,056
Albania:	3,600,523
Bosnia-Herzegovina:	4,552,198
Croatia:	4,493,312
Macedonia:	2,055,915
Serbia:	8,032,338
Kosovo:	2,126,708
Montenegro:	678,177
Ukraine:	46,299,862
Moldova:	4,328,816
Armenia:	2,971,650
Georgia:	4,646,003

Compete by excellence: ESI Center Eastern Europe

ESI – Bilbao, Spain - 1993



ESI Center Eastern Europe
(Sofia, 2003)
CMMI, ITMark, BITS, SPICE,
ITIL..., ITcard



Affordable "BIG" standards for "small" companies

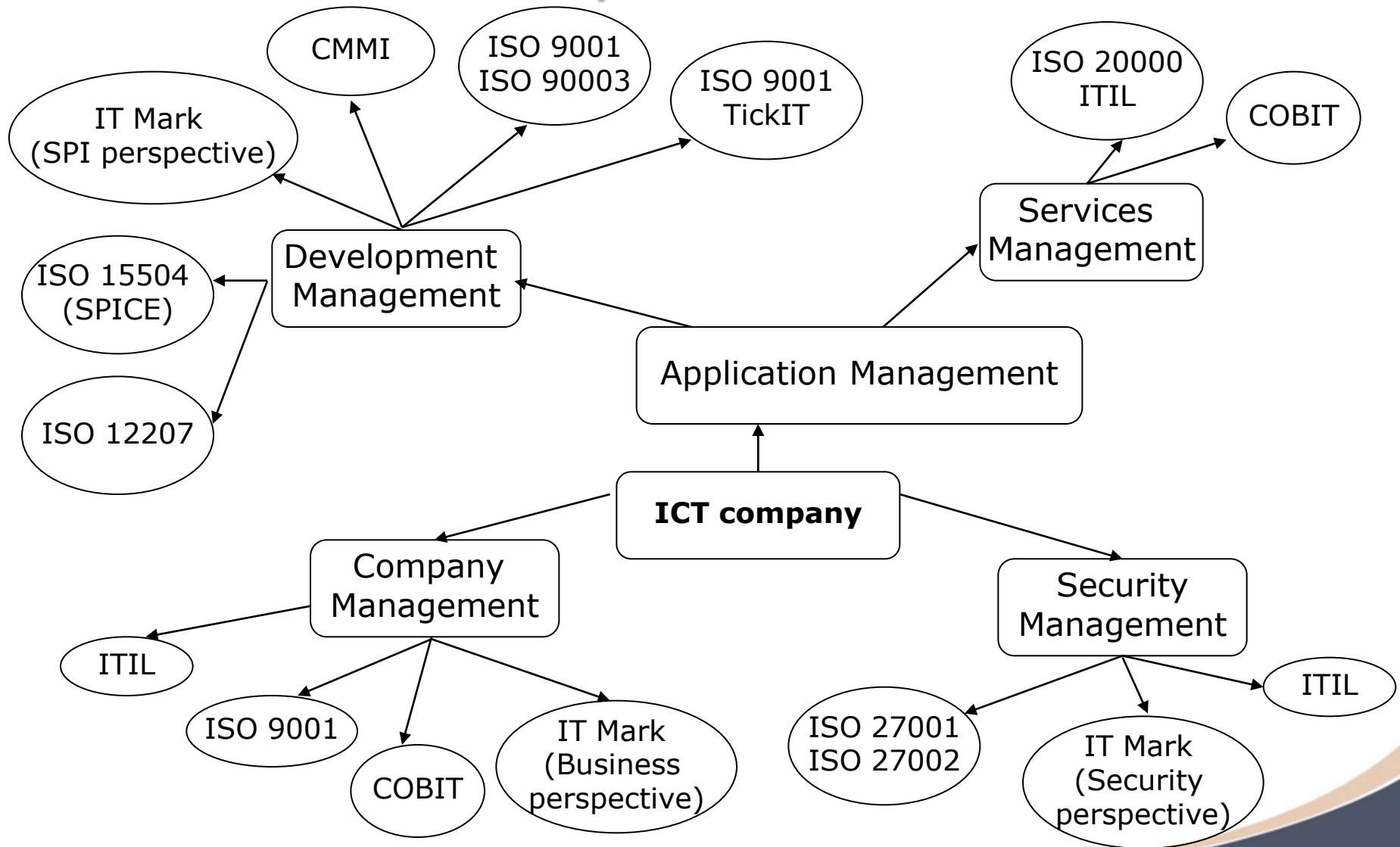


ESICenters

• ESI@net Partners



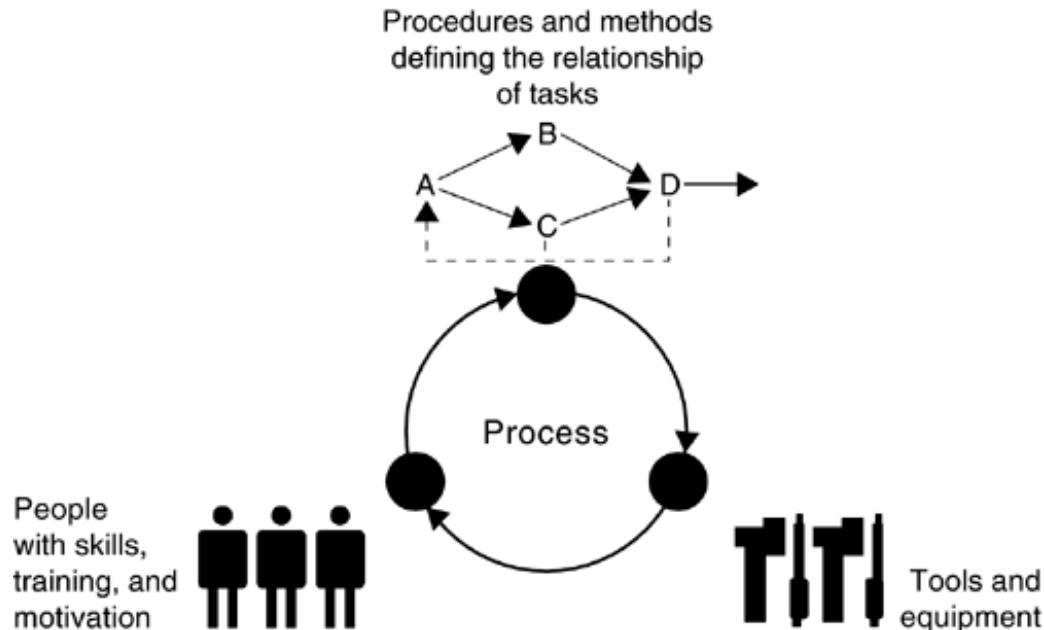
So many models and standards...



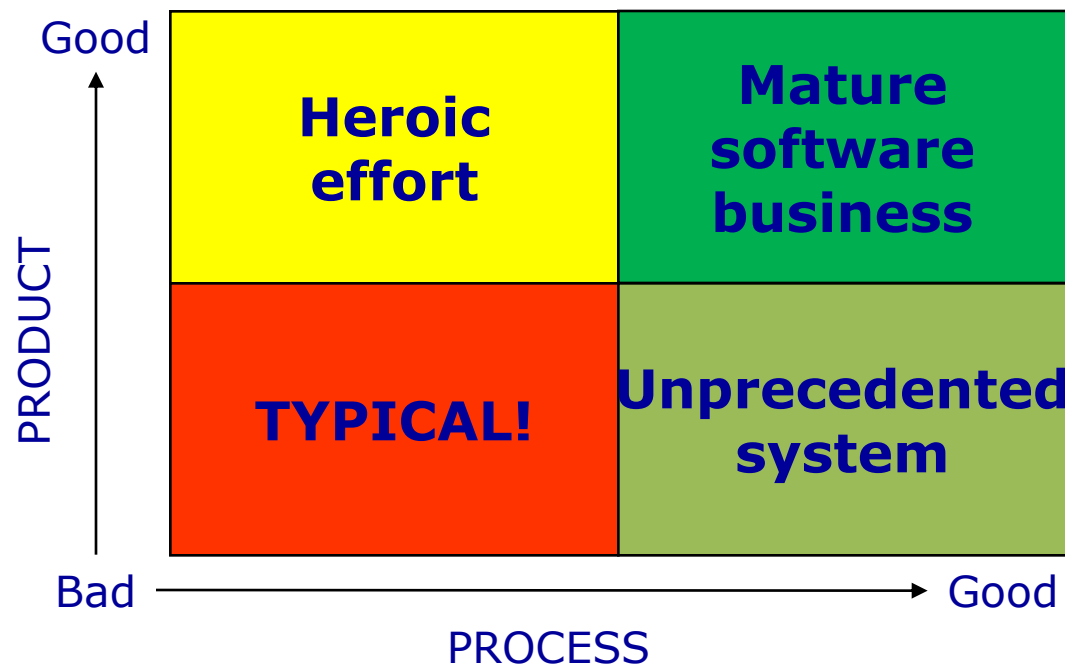
Why using models? Which models? Refer to standards?

“All models are wrong,
but some are useful.”

George Box



Why focus on processes?



*"The **quality of a product** is largely determined by the **quality of the process** that is used to develop and maintain it."*

Based on TQM principles as taught by Shewhart, Juran, Deming and Humphrey.

Challenges to higher competitiveness

Challenge	Good practice
Low level of Process Improvement (SPI) benefits awareness at national and regional level	ESI Center Bulgaria/Eastern Europe developed cluster type of projects performed by multiple stakeholders as public-private partnership initiatives known as ICT Competitiveness Pyramid , supported by USADI/RCI
Most companies in the SEE region are small or medium sized which does not allow them to allocate expert resources for SPI	Providing measurable roadmap to multiple-model SPI implementation through IT Mark service. IT Mark includes CMMI, ISO 27001 and Business Management
Small and Medium Enterprises (SMEs) are not able to allocate financial resources to start comprehensive SPI programs	Co-funding from business support programs for increased competitiveness of clusters of SMEs, step by step approach to ensures intermediate business benefits and stronger commitment from the sponsors (USAID/RCI, USAID/CEED, GTZ, EBRD/BAS, WB...)
Fragmented region with limited SPI implementation experience, lower visibility of ICT/SW industry brand and capacity	By implementing the ICT competitiveness pyramid in the countries, even smallest receive and opportunity to collaborate, participate and benefit from the regional brand (SEE IT)

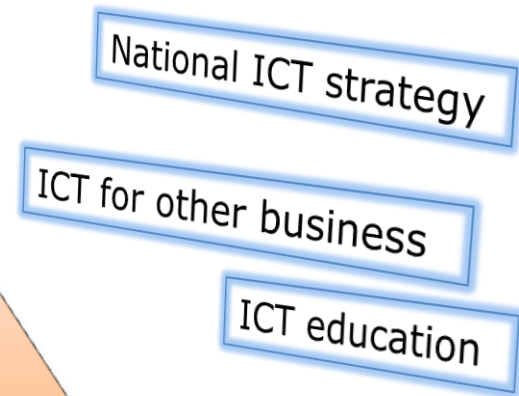
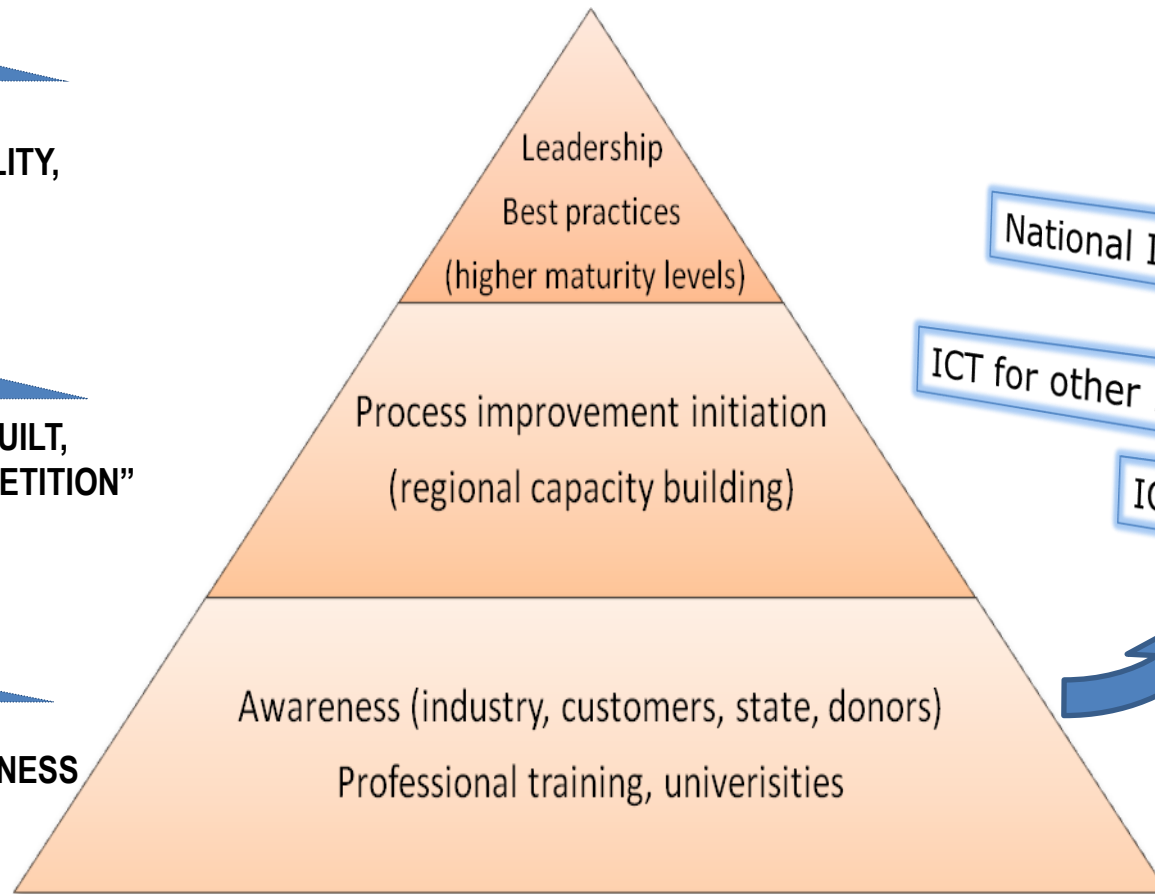
* ITMark and ITMark Premium/Elite are products of European Software Institute (ESI Centers Alliance)

* ICT Competitiveness Pyramid model is designed by ESI Center Bulgaria/Eastern Europe with the support of USAID/RCI project

The ICT competitiveness pyramid

Towards building
regional capacity

Towards **increased competitiveness**
of the ICT sector



ICT Competitiveness Pyramid: Clustering companies and countries (2004-2009)



Eastern Europe



ICT LEADERSHIP

- achieved: **CMMI** - 3 companies from Bulgaria with CMMI ML 2 & ML3 (another 4 in Romania performed by other organizations)
ITMark Premium/Elite: 4 companies from Bulgaria, Macedonia
- on the way: 6 companies from Armenia, Macedonia, Bulgaria, Serbia at advanced stage

SPI INITIATION & HIGHER COMPETITIVENESS

- practical knowledge: 344 participants from 27 companies attended 55 practical i SPI implementation workshops and appraisals
- SPI Initiation: 22 companies IT Mark certified from Armenia, Bulgaria, Macedonia and Moldova (20 more in progress - Western Balkans, Moldova)
 31 companies launched official Process Improvement programs
- Method: ITMark appraisal (CMMI, information security - ISO 27001, business maturity – 10square)*
Participating companies reported increased competitiveness, larger projects, new customers, new markets

CAPACITY: AWARENESS & TRAINING

- training: 1,034 from 306 companies (1-3 days, CMMI, ITMark);
 11 professors/ 7 Universities trained, subject introduced
- awareness: 313 participants from 190 companies (SPI, IT standards)
- SPI implementation capacity: 721 professionals from 138 companies
- Countries: > 13 Bulgaria, Romania, Hungary, Macedonia, Serbia, Turkey, Armenia, Moldova, Albania, Bosnia and Herzegovina, Kosovo, Croatia, Ukraine

More than 90% of them declared that they will use the knowledge gained in their work

IMPROVED REGIONAL CAPACITY AND BRAND

READINESS FOR REGIONAL "COOPETITION"

CREATED NATIONAL CAPACITY & AWARENESS

EE: readiness for cooperation and common IT brand, based on common standards



ESI European Software Institute
Eastern Europe



National competitiveness initiatives clustered into a regional program for highly competitive regional brand, based on quality “SEE IT”

Opportunities:

- Change the industry “outsourcing” model from low-cost to high-quality competitiveness in the SEE region
- Regional partnership between the small countries can lead to high regional competitiveness in SEE
- Use of the PI models not only for SW but also for increased competitiveness in other industries

* Results as of April 2009 (some appraisals performed by other organizations – Romania, Turkey, Ukraine, Hungary)

* Western Balkans Cluster approach program under implementation in 6 countries

* Overall regional competitiveness program supported by USAID/RCI project

Clustering countries, sub-regions for optimized capacity



Western Balkans (Albania, Bosnia and Herzegovina, Serbia, Montenegro, Macedonia, Kosovo)

Caucasus (Armenia, Georgia, Azerbaijan)

Larger countries – Ukraine

Pioneers - Moldova, Croatia

Others to join – Kazakhstan, Belarus

Advanced SPI – Bulgaria, Romania
(Hungary, Poland, Czech, Slovenia...)

Benefits feedback (quote)

Please be informed that just 10 days ago, **IBM GPSG** (IBM General Procurement Services Group) came in a survey mission in our company, investigating the possibilities of adding our company to their list of potential partners-vendors. By presenting our achievements in implementing IT Mark/CMMI SPI, as well as usage of methodologies and technical skills, we successfully passed the survey.

The **IBM team** also expressed their interest in our dedication to continue with our further implementation of the CMMI ML3 processes areas.

Met, acquired and retained clients (1)

- CMMI and IT Mark considered as an advantage in tenders for big international companies/organizations
- Customers listed as retained, acquired include companies/organizations: such as IBM, World Bank, a Ministry of Public Finance, Siemens, UN organizations and important U.S. clients

Based on companies' additional comments

Met, acquired and retained clients (2)

- “During the last **CeBIT** fair in Hannover where we exhibited offering our products and services, more than **25%** of the clients we established contact with asked for if we have implemented CMMI or similar standard.”
- “Our company has been included in the consortium of 10 partners from 8 countries that is going to submit a 3 Mil **Euro FP7** project proposal. The implemented IT Mark standard was important advantage in the selection of our company to join the project consortium. ”

Based on companies' additional comments

IT Mark Benefits (from companies case studies)

“The most visible result we have seen is having **real-time reporting** on what is really happening within our company. Our managers have online access to all of their projects, and can instantly see which tasks are on time, which are lagging behind schedule so they can push the team or add more resources to the team to get the task **done on time.**”

“Processes are planned, documented, performed, monitored, and controlled at the project management level”

“The **pressure** created by **insufficiently** well defined **requirements** was decreased and we reduced the time needed for their implementation”

How it works ...

1-1-1 Formula

