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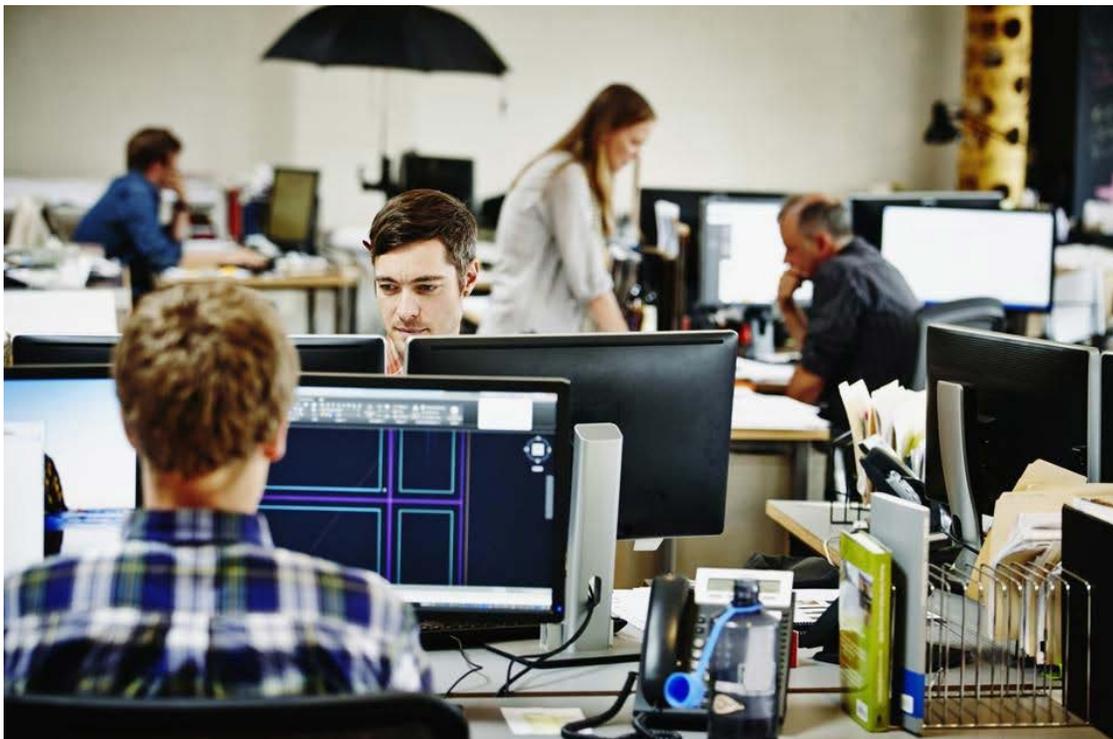
Six Considerations For Leadership Before Implementing A CoE

Boris Kontsevoi Forbes Councils Member

Forbes Technology Council COUNCIL POST

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The idea of leveraging the power of centers of excellence (CoEs) has occupied the minds of many business owners. The long lists of benefits and advantages promise unseen success on the market and customer loyalty. However, behind those shiny perspectives stand two major questions: How do we implement the CoEs? How do we make them work?

The questions are not trivial. A company creates CoEs on top of existing activities, and there are many ways to do that. A lot depends on the company, employees who participate in the CoE and company needs. Yet, there are six components that form the backbone of the whole concept.

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Leadership

Who should lead the CoE? Should we assign someone, and if so, how should we identify this person?

These questions arise every time we discuss the CoE concept and its implementation. The ultimate idea is that a CoE is led by a very motivated volunteer.

The main goal of any CoE is to become a new line of business (LOB) for the company. Based on that, the CoE leader is commonly seen as a technical person with a pure vision about the next steps for the CoE, and the plans to transform it into a new LOB.

The essential attribute for the CoE leader is to be a great motivator who brings people to the CoE and manages them. By their own example, the leader shows members how they should participate in the CoE. If a company doesn't have such a person, consider other options. But if such an employee works in the company, try to motivate the person to create and lead the CoE.

Budget

Should the company compensate the employees who participate in the CoE, and how much? Should the company provide the budget for each CoE? How large should it be?

Managers ask these questions when they think about starting a CoE in a company. In the ideal scenario, the employees work in the CoE without additional payment. However, when they finally make a business from the CoE, they should expect compensation from a company.

The employees should work on the idea first, gain knowledge and prove their capabilities. When the CoE becomes a business for a company, the return on investments follows inevitably.

When creating the center, the company owners may tackle the developers' and managers' reluctance to participate in the CoE with the payment. Well, they just don't want to join.

The center should include the enthusiasts who are passionate about the things they are doing — only in this case they will be successful, and finally get the reward.

Nevertheless, the motivation plan is essential. This is about gifts, conference tickets and books. The industry gurus suggest investing in things that the CoE needs for successful functioning: courses, workshops, hosting and materials. The company should create the environment for the CoE to function, and if this requires some budget, then it should be provided.

Process

The process of the CoE implementation is really challenging. It is for sure an area that should be identified by each company based on its needs. However, here are a few general recommendations:

- Encourage all CoEs in your company to work in a similar way.

- Don't create strict rules and processes for a CoE. This is an area of technical art. Software engineers, for example, probably will not like strict rules.

- A CoE should be launched by enthusiasts, but it should not be a company order.

- It is better to have one person in the company who coordinates all CoEs. The CTO can be a perfect choice.

- Have periodic sync meetings with all CoEs to understand their status and coordinate their work.

Company Integration

How is a CoE integrated into a company? How should it be promoted inside a company? How should it be highlighted inside and outside a company?

The overall answer sounds like, "Make a CoE as public and open as you can." Inside a company, CoE should be promoted everywhere it is possible. Send R&D newsletters to highlight all the achievements of the CoE, like articles published and speaking

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engagements. Any company communication channel should highlight successes of the CoE and promote these stories.

The CoE should be the interest of the whole company and its management in the first place. Manage the CoE as a part of your company, not a standalone element just for the engineers' fun. The CoE brings benefit when receives enough attention.

Line Of Business

When will a CoE become an LOB? Should we make a new LOB at the very beginning?

Each CoE is different. Some of them will be new LOBs at the moment of creation. In most cases, the transformation of a CoE into a LOB is a lengthy process.

Initially, set up a group of engineers, and establish a CoE. Then, dive into the topic, and do a lot of research and learning. Only when your CoE members confirm they are experts in a technical area should you think about the line of business. Once your CoE members are familiar with the technology, they start generating business ideas themselves in addition to what is already planned. That is why in the beginning, it's worth being patient regarding the CoE results.

Outcome

What if our CoE won't transform into an LOB? What if my engineers fail? Can I have another outcome from a CoE besides the LOB?

A CoE should transform into a new LOB, and it should and must give outcomes to the company from day one, such as:

- Assistance for the current projects if they work with the CoE technology stack.

- Assistance with employee interviews if they work with the CoE technology stack.

- Assistance for sales team if they require help with the CoE technology stack.

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- Assistance for company PR strategy by making publications about the CoE work.

These are the practical steps and challenges we responded to while building our own CoEs and the issues other companies struggled with. This approach we followed can help to build your CoE and avoid common mistakes.

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Member Since 2018

Boris Kontsevoi is a founder and President of Intetics Inc., a leading global software engineering and digital transformation company. Under his leadership, a group of software engineers developed into a truly global technology company with multiple professional certifications and industry awards, including the Global Outsourcing 100, Software 500, and Global Sourcing Association best of class company.

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