

## Problem

“Companies made up of many different business units will face an important question as they make the shift to a process enterprise:

**Should all units do things the same way, or should they be allowed to tailor the process to their own needs?**

In a process enterprise the key structural issue is...**process standardization versus process diversity.**

**There's no one right answer."**

*Hammer and Stanton, 1999*

## Motivation

“The need to achieve organizationwide convergence of development processes often **conflicts** with the need to execute projects that vary widely in nature, scope, duration, or sophistication.”

*Ramaswamy, 2001*

### Standardization

- “Standard development processes are the **only conceivable way to run a multi-project development factory** and gauge the performance and progress of any individual program.”

*Morgan and Liker, Toyota Product Development System, 2006*

### Diversity

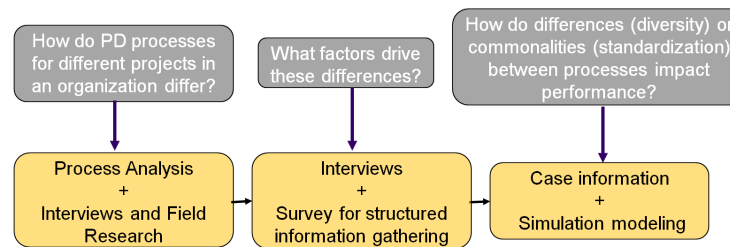
- A ‘one-size-fits-all’ approach is difficult to work in product development.

*MacCormack and Vergnanti, 2003; Lindvall and Rus, 2000.*

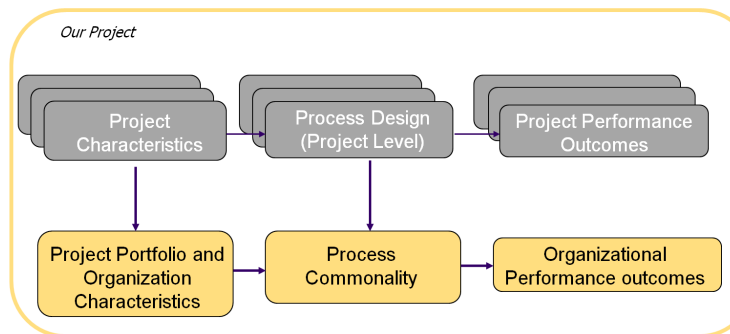
## Overarching Question

**What is the *right* level of commonality across product development processes for a given context in an organization and how can it be managed?**

## Research Questions and Design



## Research Framework



## Preliminary Results

- “Variety decisions are driven by a combination of inertia, historical precedent, ad hoc criteria, and rational decision-making.” (Ramdas, 2003)
- Breaking down process standardization into commonality along various process attributes or dimensions provides opportunities for much more fine grained analysis
- Process attributes along which standardization provides benefits may not entirely coincide with those that drive project performance outcomes. This provides opportunities to harness benefits of both standardization and diversity

## Next Steps

- Test and create measures of process commonality working with process database
- Select and develop coding for projects and work with database to test project-process characteristic correlations
- Develop interview/survey method to elicit factors driving process variation and then rank them by relative importance
- Create conceptual foundations for model by determining from literature which links are well-established and their strengths etc.

## Expected Contributions

- Creation of a measure of process commonality
- Understanding of factors that drive process variation
- Methods to help understand the effect of process standardization or diversity on performance on project-level and organization-level outcomes