“Functional Measurement Support of IT Outsourcing Contracts”

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"Functional Measurement Support of IT Outcomes: Challenges and Solutions"
Functional Measurement Support of IT Outsourcing Contracts

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Functional Measurement Support of IT Outsourcing Contracts

Recent Practical Experiences, Observations and Suggestions for Measurement Managers and Practitioners in Host and Outsource Organizations
Outline

Background
Selected Issue Areas and Resolution Approaches
Keys to Successful Outcomes
Final Thoughts

Background
Motivations for Measurement
IT Conditions During Measurement
Measurement Process: Short and Long Term
Motivations for Measurement in Outsource Situations

Outsource Bid Request
Outsource Contract Definition
Outsource Performance Assessment
Pricing Negotiations
Process Management

IT Conditions During Measurement

Routine IT Operation
Impending Merger of IT Operations
Internal IT Outsourcing
  * Exploratory
  * Imminent
  * In Progress
Measurement Process: Short and Long Term

Short Term: Satisfying Immediate Needs
- Operations Data
- Contract Compliance Validation

Long Term: Achieving Business Objectives
- Satisfaction & Loyalty of Outsource Customer
- Improved IT Capability & Management
- Delivering Measurable Value

Selected Issue Areas and Resolution Approaches

Measurement Objectives and Usage
Baselines, Backfires and Gross Estimates
Scope and Boundary Identification
Maintenance vs Development vs User Support
Identification of FP Count Components
Measurement Deliverable Attributes
Measurement Objectives and Usage

Purpose: Identify and define IT performance success criteria in support of the enterprise

Essential attributes: relevance, clarity, accuracy, applicability, affectability

Impact of omission:
IT failure, organizational extinction

Approach: interviews, JAD, documentation, implementation, application, adaptation

Baselines, Backfires and Gross Estimates

Purpose: provide appropriate levels of IT measurement for particular situations

Essential attributes: understanding of information quality, agreement on usage and on corrective triggers and processes

Impact of indiscriminant use:
mismanagement, confidence meltdown

Approach: agreement on level of detail, time to delivery, corrective procedures and measurement evolution
Scope and Boundary Identification

Purpose: specify IT measurement areas
Essential attributes: clarity, precision, concurrence, uniform identification,
Impact of assumptions: measurement failure, erroneous data and conclusions
Approach: interviews, facilitated session, graphic and text expression of deliverable, repeated reviews, persistent effort to accurately identify business boundaries

Maintenance vs Development vs User Support

Purpose: identify and separate cost & effort for IT processes
Essential attributes: process definition, chargeback procedure, reinforcement of correct category usage
Impact of ignorance: muddled cost & effort attribution, erroneous conclusions
Approach: define and categorize IT processes, enforce uniform application
Identification of FP Count Components

Purpose: specify IT measurable components
Essential attributes: detail, uniformity
Impact of disconnect: measurement process inconsistency, non-repeatability, lack of support within IT
Approach: define and use logical and technical identifiers for all components

Measurement Deliverable Attributes

Purpose: Ensure it measurement deliverables quality and user satisfaction
Essential attributes: relevance, clarity, accuracy, applicability, affectability
Impact of oversight: measurement failure, IT disadvantage
Approach: documentation, implementation, application, adaptation
Keys to Successful Outcomes

Education for Measurement Support
Standards and Conventions
Information Quality
Dealing with Ongoing Issues

Education for Measurement Support

Education of IT Management
Education of IT Measurement Participants
Extending use of FPA
  • user-developer dialogue
  • project estimation process
  • application analysis and design processes
  • service level agreement assessment
  • contract management
Standards and Conventions

Use of standard industry terms
Need for definition of local terms
Consistent identification of components, conditions, events, and processes
Need for clarity and reliability in measurement processes

Information Quality

Seeking best quality information
Expressing confidence level of information obtained
Improving quality of information
Information "black holes" and what they tell us
Dealing with Ongoing Issues

Measurement dispute resolution
IT industry comparisons
Effect of technological change on IT
Measuring IT value

Final Thoughts

Knowing What You Know,

What You Don't Know,

and What Matters