Announcements

Upcoming assignments/deliverables
Readings
Ch3, Ch4
→ Will only cover some of this material in class.
   Should know it for the exam
   Plenty of good external web resources.
Project Announcements

Role selection. Have them posted
Today

Application Procurement Project
  4-up
  Risk Dice
  Coordinator meetings
Readings

Fowler & Web

We will likely not cover them in class, but know them for the exam.
ERP Procurement

SWEN-343
Agenda

1. Lifecycle Management
2. Licensing & Ethical Issues
3. True Cost & True Benefits
4. When to Create & When to buy
5. Managing Risk

Some items will tie into your project. Others won’t. They are still important to know.
Business Logic Wants Tight Coupling

Removes waste & creates efficiency while Decreases human error.

- Transcription (data entry)
- Interpretive mistakes
- People make mistakes, computers don’t.
ERP Procurement LifeCycle Management

When you need to get new software you can:
  Build or buy
When do you procure software
  Start of project
  During project
Considerations
  Risks
  Cost
  Time (sometimes most expensive)
Initial Checklist

1. Can you afford it?
   a. $$$
   b. Time
2. Will it work with existing system(s)?
3. Do you have the technical skillset?
   a. Or can/should you get it?
4. What will you need to add or remove from functionality?
Licensing & Ethics

Important to stay legal.
   Ignorance is no excuse & can get you fired or sued.
   Cheaper to stay legal.

It’s not your money, but is your job.
Many Different Licensing Types

Proprietary: Can use, but you don’t own.
GNU: Open source. Many types.
Concurrent Use: # of simultaneous uses
Site License: Use only at specific site
Perpetual (and non): Expiration date?
Subscription Based: Per user?
License with Maintenance: Maintenance included
Many more...
Considerations for Your Project

What you select affects others
You are part of a larger process
Changing won’t be easy
    A minute of planning is worth an hour of coding

Coupling is key
Do You Know The Actual Cost?

Cost is not just $$
Time
  Development time
  Integration time
Maintenance
Risk
  Peace of mind can be valuable
  Risks usually happen
  Risk exposure = probability x impact
Surgeons Want to Cut & Developers Want to Develop

Expensive existing items are often cheaper
  You have them now
  Already tested (hopefully)
    Functional
    Security
Everything Starts With a Plan: Procurement Plan Document

Deliverables to be procured by proposed agreements/contracts.

Effective resource management strategies for negotiating and managing the agreements/contracts.

The need for staged delivery and desirability of testing the procured items before introducing them into the implementation process.

The chosen procurement method (payments, expressions of interest, request for price/quote, request for tender).

Key stages of the process for selecting suppliers and vendors.

The model of procurement funding.

The sample of procurement contract/agreement.

References to quality approvals, quality assurance and risk management.
Five Major Procurement Process Steps

1. Specification
2. Selection
3. Contracting
4. Control
5. Measurement
Specification

What do you need & don’t need?
What is necessary and nice to have?
What is the actual cost?
Selection

Considerations

What support do they have?
What has their track record been like?
  Vulnerabilities?
  Ongoing support?
Which of their needs do they meet & not meet?
Easy to learn and modify?
Contracting

Clearly specify delivery dates and cost
List all items
Detailed schedule

Obviously not all that useful for your project.
Control (of)

Delivery and payment process
Q/A to ensure quality & deadlines

While you won’t necessarily do this for your project, reflection is good
When to cut ties and when to stay
How to ensure that other teams are doing what they should
Measurement

Performance indicators and measures for assessing the effectiveness and success of the entire process.
Common performance indicators (pi):
  Adherence to product specifications
  Meeting KPIs (Key performance indicators)
  Specific to business domain
  Deadlines & costs met?
  ROI

Good reflection activity for your project
  Plan on including this in your reflection document
Common Mistakes

Don’t factor in the actual cost
  Old Windows vs. Linux Debate
Tightly coupled with rest of system
  Updating will be difficult
  Changing to new module will be tough
Testing
Just because you bought it, doesn’t mean you can edit it.
Recap

5 Steps of procurement process
1. Specification
2. Selection
3. Contracting
4. Control
5. Measurement

What are some different types of licenses?
- Proprietary
- GNU
- Concurrent Use
- Site License
- Perpetual (and non)
- License with Maintenance

What types of measures for cost?
- Dollars
- Risk
- Time
Project Activity

4-up

Would normally be looking for this from each team

Risk Dice

Coordinator meetings
Initial Considerations

How to use version control?
Come up with a common plan & milestones.
Large risks & ways to overcome them.