

A vendor development program

Smart Clients are a success factor

The Performance and Capability Evaluation PACE as a framework

- Multiple outsourcing vendors can save money and bring specialized services.
- Ways to Mitigate the risks.
- It is key to to train IT staff in vendor management skills.

Source: The Rise of the “Smart Client” by Deborah Kops

- Governance is a daily occurrence.
- Learn from history (establish clear baselines).
- Staff the right team (set roles, responsibilities; and get the right mix of skills).
- Implement management tools from day one.

Source: The Rise of the “Smart Client” by Deborah Kops

- Outsourcing is not a passive exercise.
- Ill-equipped to be a good buyer of process services contribute to failure.

Source: The Rise of the "Smart Client" by Deborah Kops

- Clear and measurable goals.
- Baseline.
- Documented processes.
- Process maturity.
- Partnership approach.
- Client size.

Source: The Rise of the "Smart Client" by Deborah Kops

- Understands that a problem outsourced remains a problem.
- Do not look for cheap providers.
- Lessen to experts, but take strategic decisions.
- Provider success is the client success.

Source: The Rise of the "Smart Client" by Deborah Kops

Smart client

Not so smart

- Unrealistic goals.
- Not understanding the baseline.
- Signing the contract closes the deal.
- Outsource design and governance.
- Lack of monitoring and metric recording.
- The provider is the enemy.

Source: The Rise of the "Smart Client" by Deborah Kops

The cost of poor quality in some companies could be up to 40% of sales, from 3 to 6 times larger than profits.

(Olson, 2010)

A client with proper vision, with established processes and a clear need for services finds a provider with quality processes, great results are obtained.

Buyer's responsibility does not end with the selection of a provider you trust, this responsibility persists in monitoring the following metrics:

- Calendar.
- Cost.
- Quality.

We should not be limited to product quality, but process quality.
Process improvement should be tackled in a holistic way.

The common goals of the Purchaser and the Supplier are: deliver on time the required functionality at the promised cost and with the expected quality.

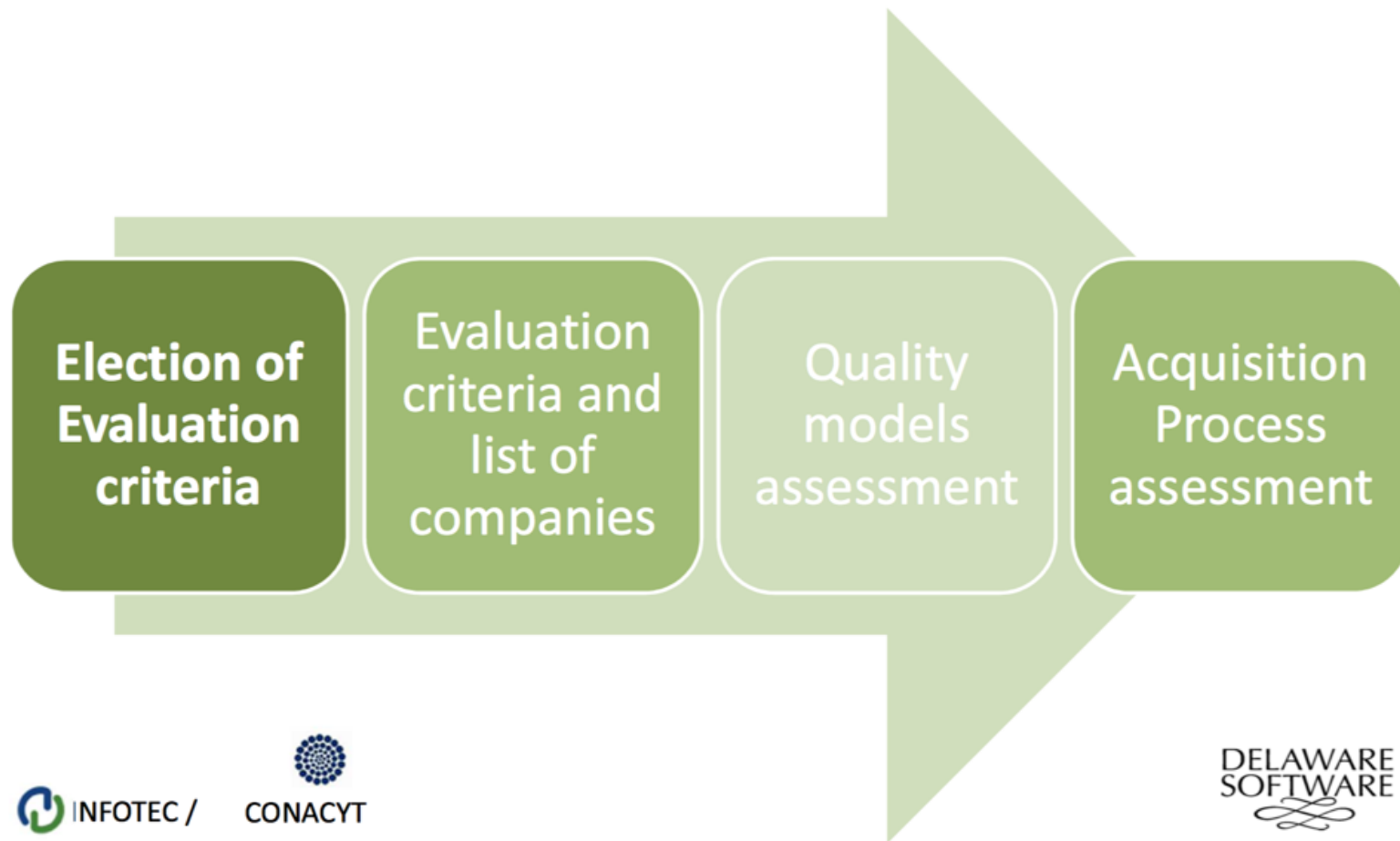
The mutual goal is a satisfied customer.

- "Best Quality"
- "Increased Productivity"
- "Satisfied Customers"
- "Happy Suppliers"

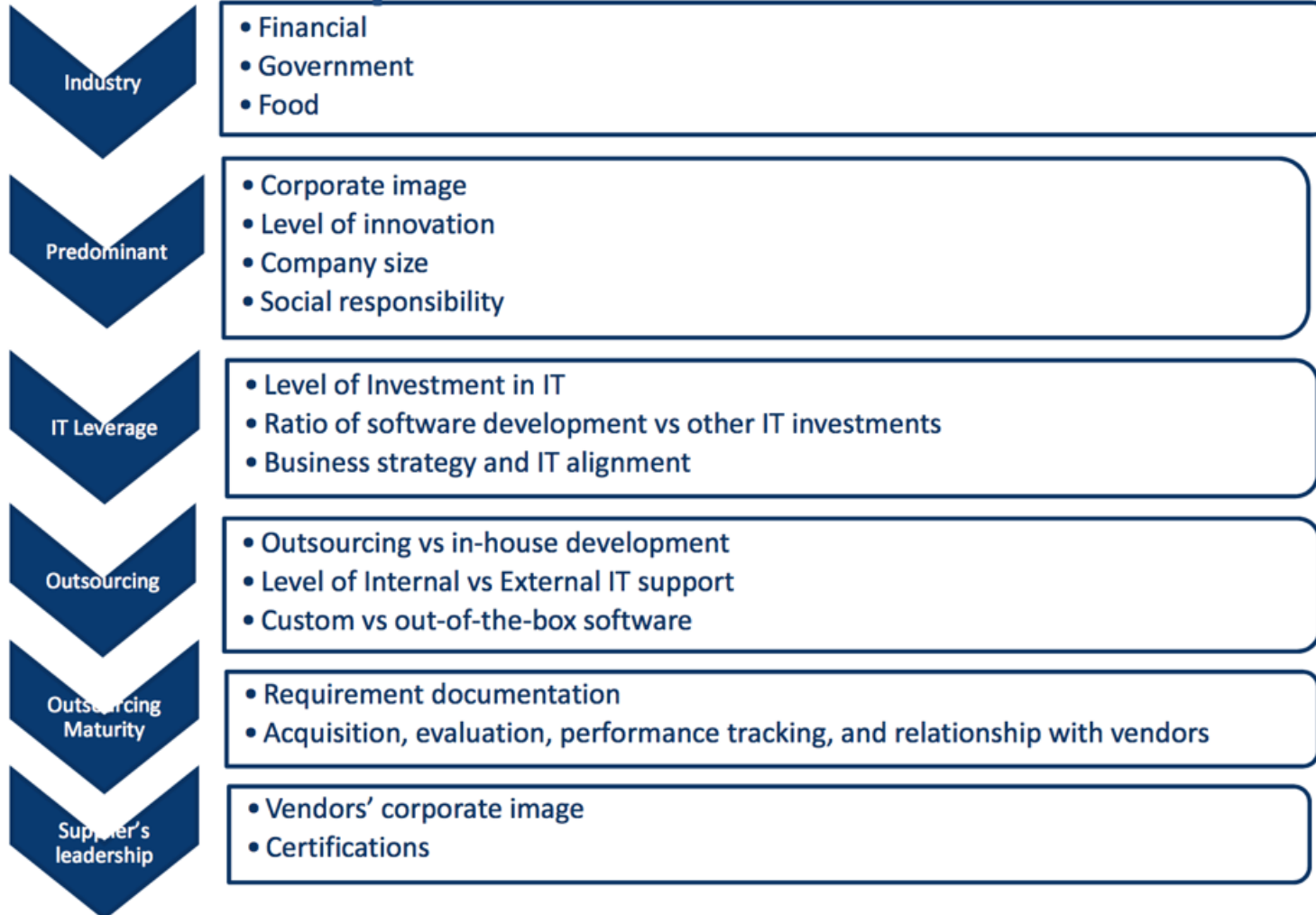
Dr. W. Edwards Deming

A vendor development program.

Phase 1 Content



Companies' evaluation



Evaluation process



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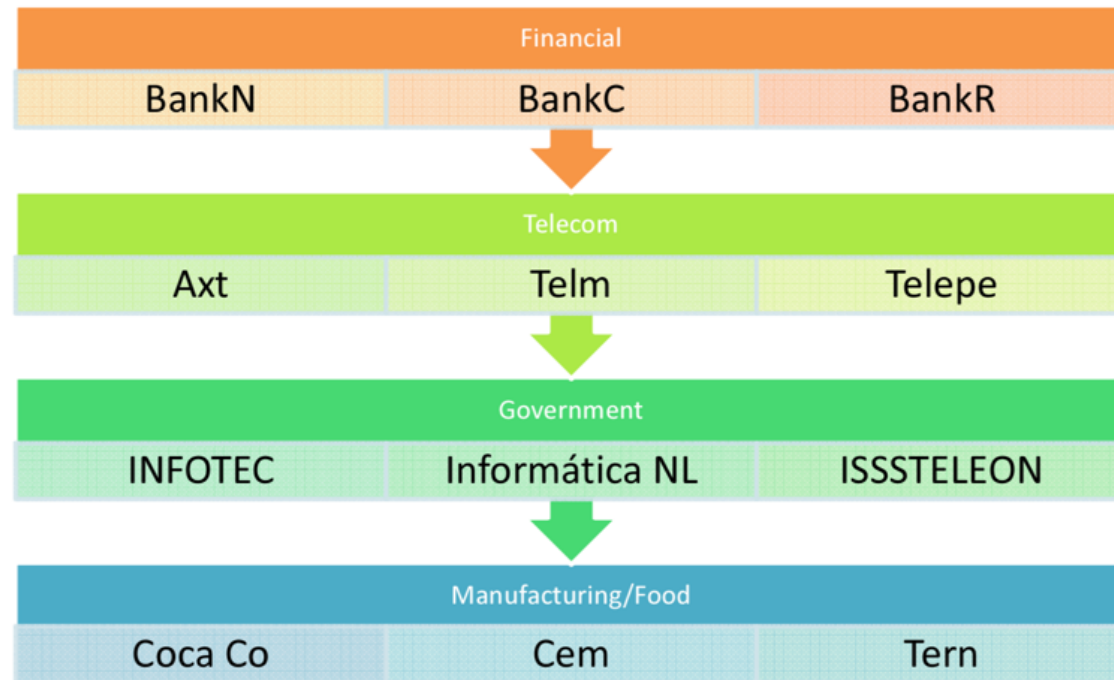


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List of companies



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Financial

Criteria	BankN	BankC	BankR
IT investment	5	5	3
Corporate image / Size	5	5	1
IT leverage	5	5	3
Outsourcing	5	5	3
Score	20	20	10



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Manufacturing/Food

Criteria	Coca Co	Cem	Tern
IT investment	5	5	5
Corporate image / Size	3	5	3
IT leverage	3	3	3
Outsourcing	5	1	3
Score	16	14	14



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Government

Criteria	Infotec	Informática	ISSSTELEON
IT investment	5	1	1
Corporate image / Size	5	1	1
IT leverage	5	3	1
Outsourcing	5	3	1
Score	20	8	4



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Model evaluation

Model	Project metrics	Product metrics	Process metrics	Score
TSP/PSP	High	High	High	High
CMMI	High	High	Medium	High
RUP	High	High	Low	Medium-High
Agile	High	High	Low	Medium-High
Moprosoft	High	Low	Low	Medium-Low
Six Sigma	Low	Low	High	Medium-Low
WaterFall	Low	Low	Low	Low



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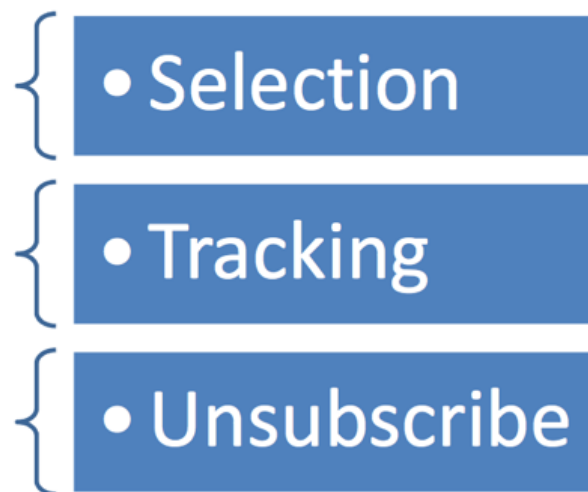


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Industry procurement

Contract administration includes:



- Vendor selection
- Subscription agreement
- HR – personnel access
- Purchase order
- Management of payments
- Tracking and analysis
- Inactivate a Vendor



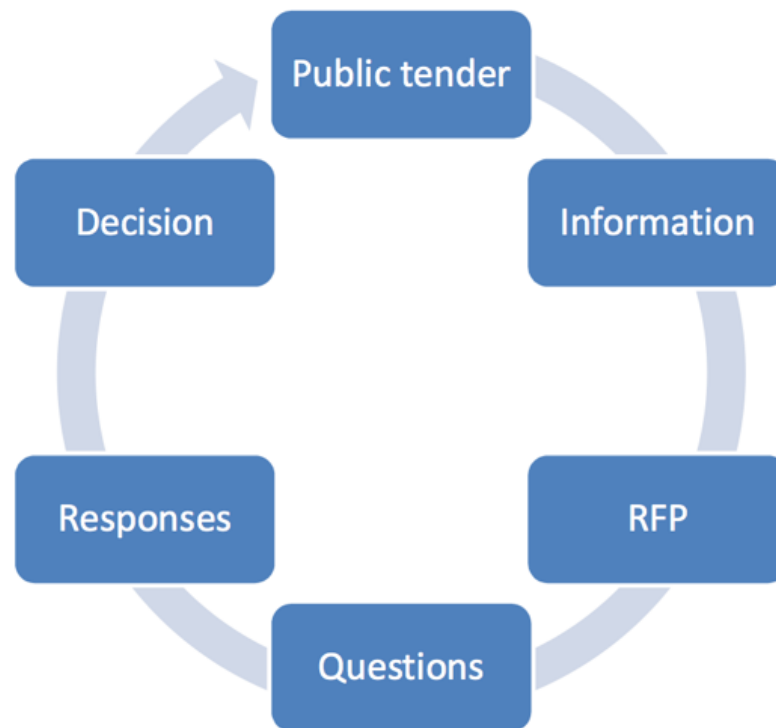
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Government procurement



Procurement model:

- Public tender
 - National
 - International
 - NAFTA
- By invitation or Restricted
- Direct adjudication
 - Urgent
 - Single supplier
 - Non-submission
 - Justified non-submission
 - Government entity or university



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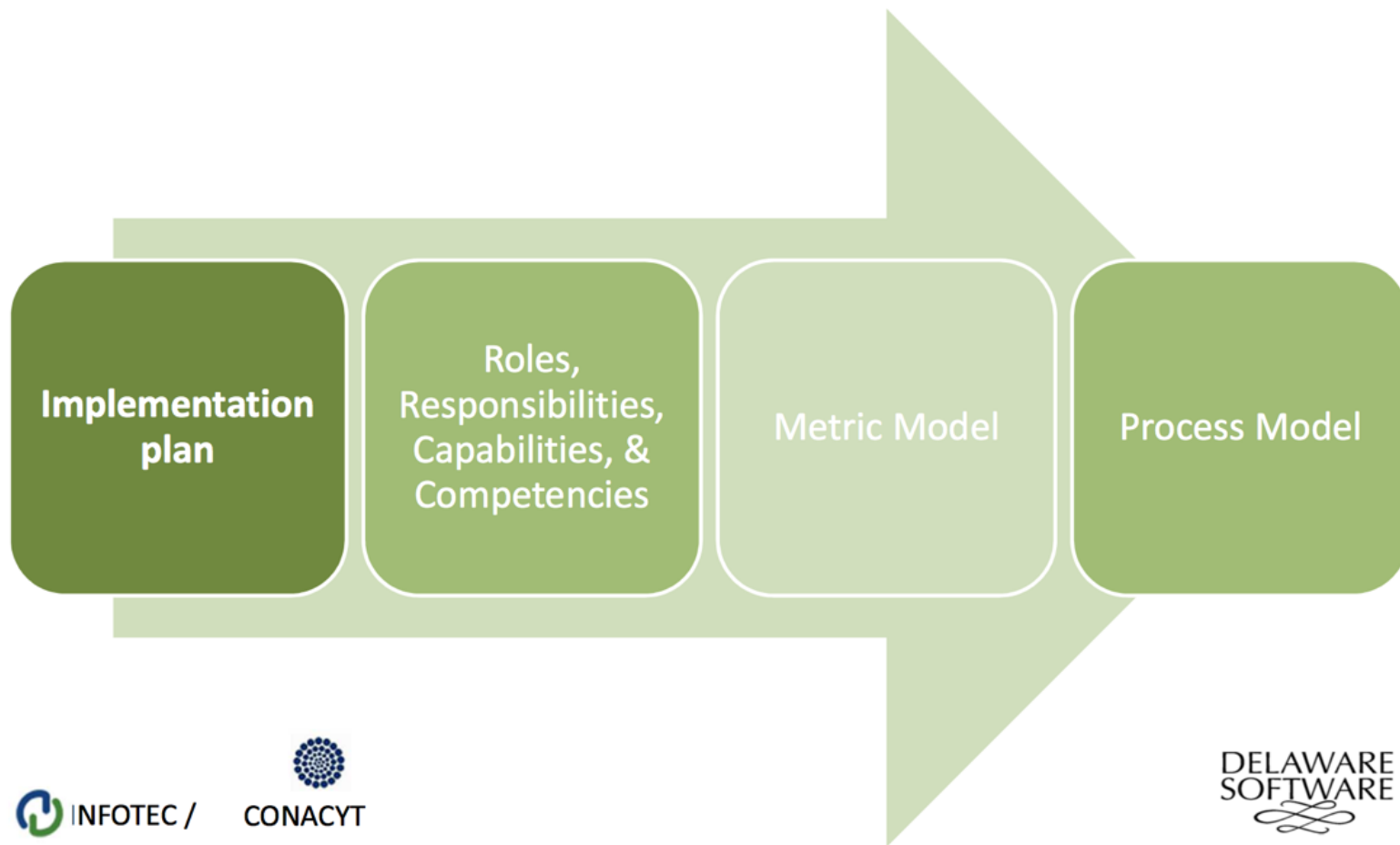


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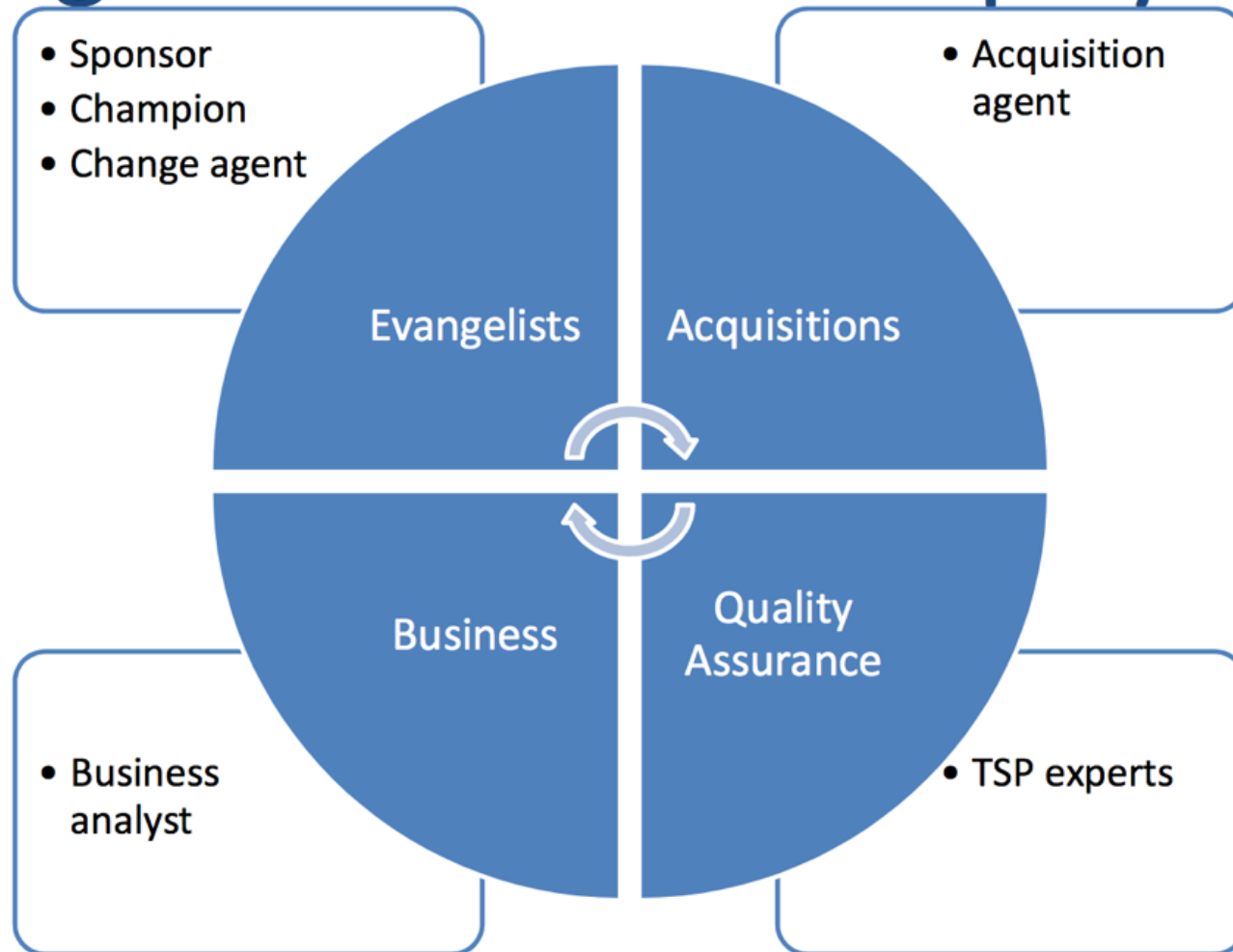
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Phase 2 content

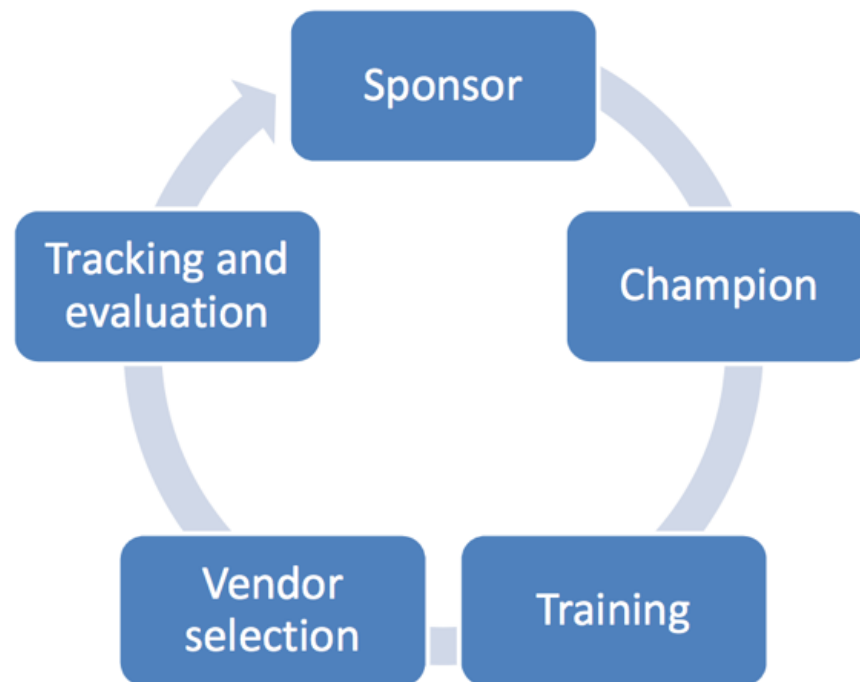


Organization internal players

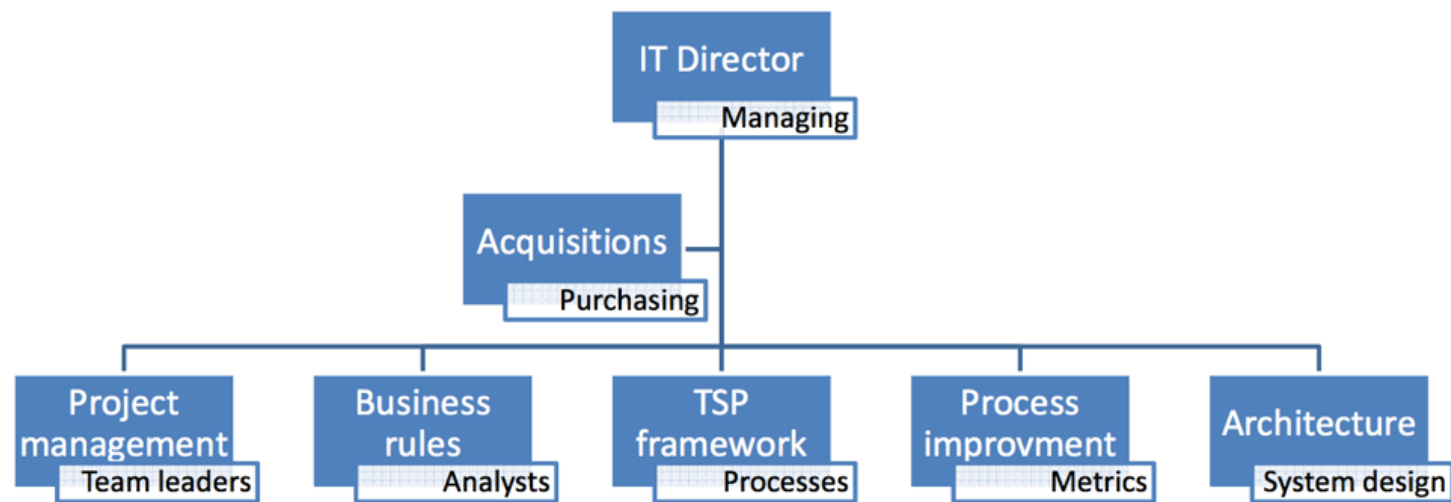


Implementation strategy

- Find the sponsor
- Select the change agent
- Training and structure
- Partner selection
- Continuing tracking and evaluation



Organizational design



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Metrics' sample

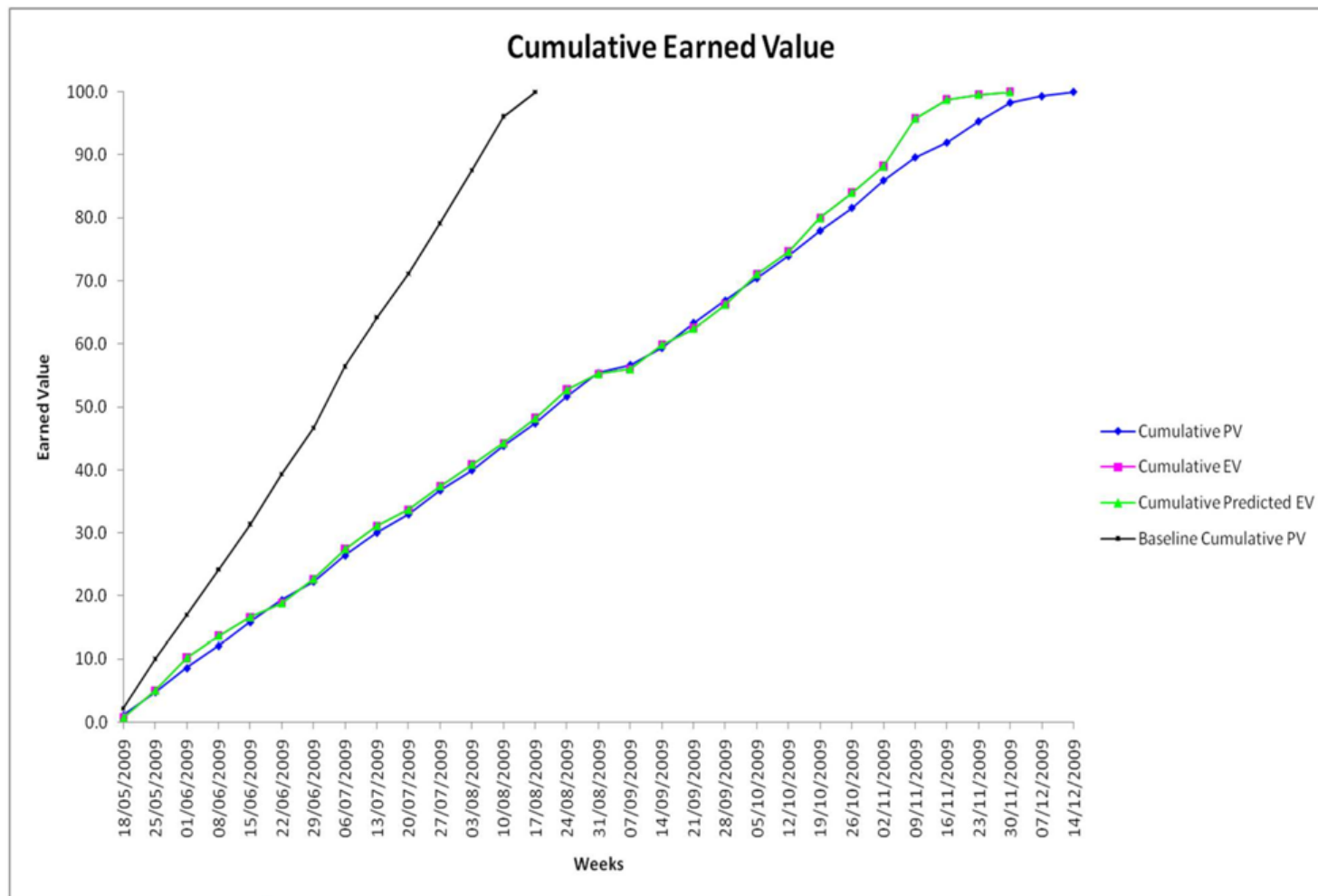
Metrics	Process improvement	Project management	TSP experts
Earned Value		✓	
Size			✓
Effort		✓	
PQI	✓		
Yields	✓		
CPI			✓
Speed			✓

Metrics' summary

Concepto	Plan	Actual	% Var
Horas/Semana Promedio (4 Miembros)	151.36	146.52	-3%
Horas Totales del Proyecto	4,352.92	4,242.70	-2%
Paginas de Requerimientos	20	11	-45%
LOC Nuevas	17,741	21,641	21%
LOC Reusables	0	2,862	
LOC Totales	112,714	146,968	30%
Productividad (LOC/Hr)	4.07	5.10	25%
Fecha de Inicio	18/May/2009	18/May/2009	
Fecha de Terminación	14/Dic/2009	04/Dic/2009	
Defectos Inyectados	554.3	736	32%
Densidad de Defectos (d/KLOC)	31.24	34.01	8%
Defectos Entregados	5	4	-20%

The framework

PACE based



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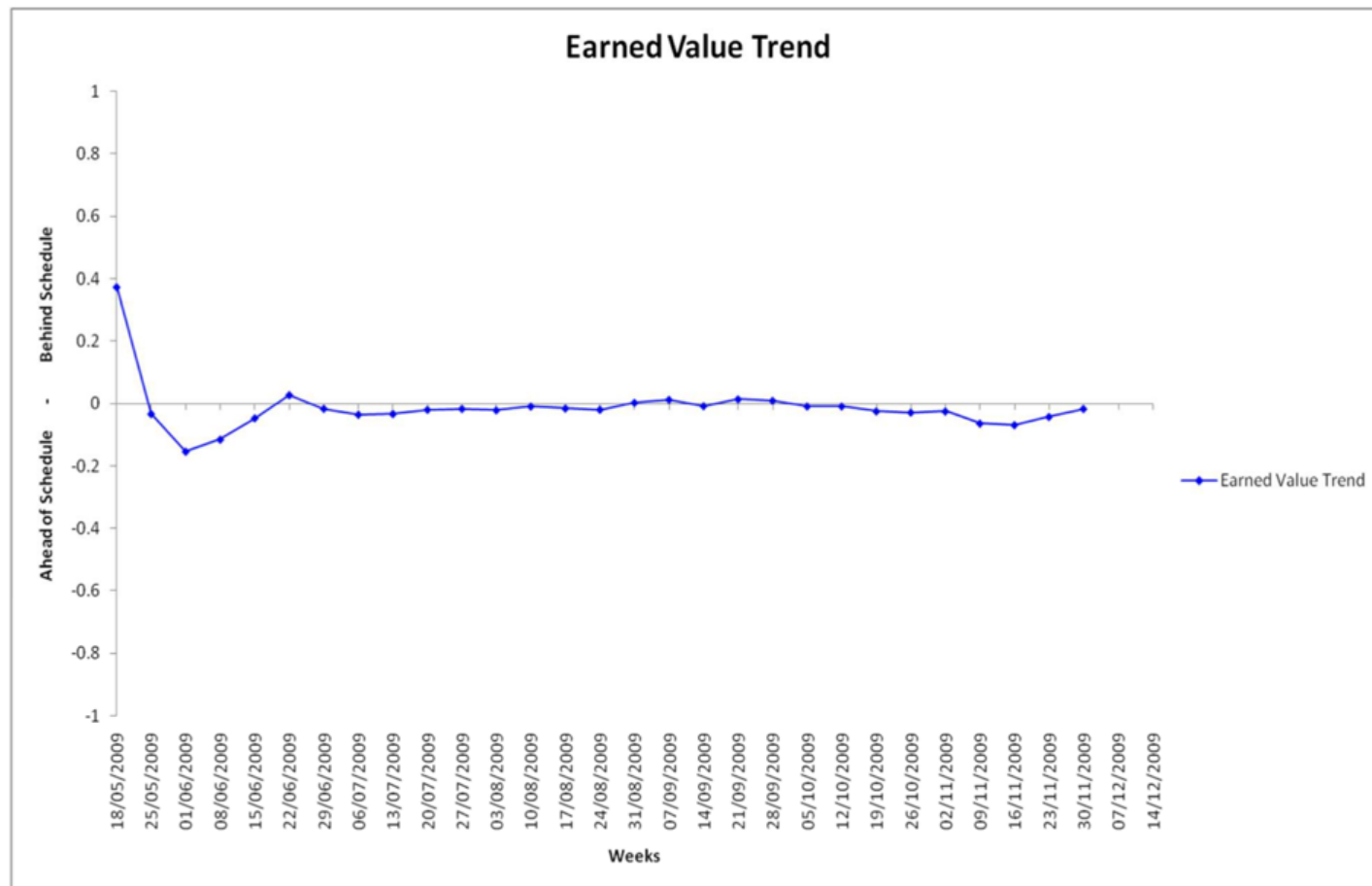


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The framework

PACE based



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PACE based vendor processes

Requirements

- Inspection

TSP Launch

- Launch setup
- Team training
- Launch
- Members' activity

Reporting

- Progress
- Performance
- Quality

Postmortem

- Report
- Evaluation



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- The vendor is not the enemy.
- Build vendor management skills.
- Daily/weekly governance.



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