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Guerrilla Metrics To Survive

Changing Administrations

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President, Founder

Abstract

Inexpensive, overlooked Savings and Value Metrics that will make “them” sit up, take notice and save your job.

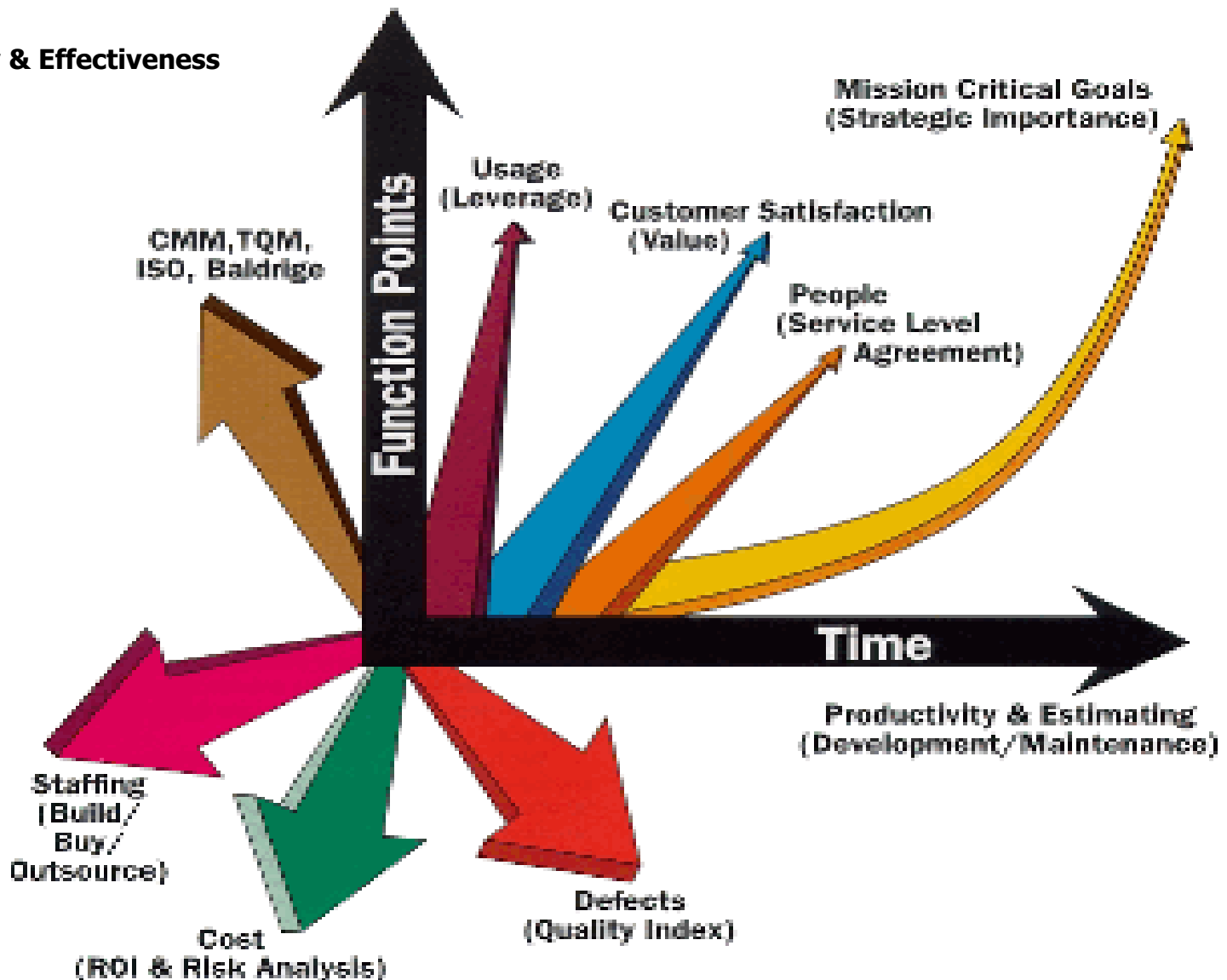
Biography: Bill Hufschmidt

Bill Hufschmidt is President of and Professional Metrics Consultant for Development Support Center, Inc. Now in their twentieth year, Bill and the Development Support Center have assisted with the implementation of measurement programs worldwide in over 250 companies and organizations covering over two dozen industries, proving multi-million dollar savings. Bill helped establish IFPUG; gave it its name; served as first president plus multiple terms on the Board and key committees. He has been a keynote or featured speaker at SIM, QAI, ASM, CASMA, CQAA, PSQT, IFPUG, ICSPI and other regional, national and international productivity, quality and measurement forums. Bill holds a BA in Economics and has been named to Who's Who in American Business. (CFPS, CSQA, CSMS) Bill's former careers include Sr. Analyst-Fleet Mortgage, Manager Claims Systems-Blue Cross Blue Shield WI, Manager Business Systems-Wisconsin Gas, Manager Productivity-Metavante/M&I Data Services.

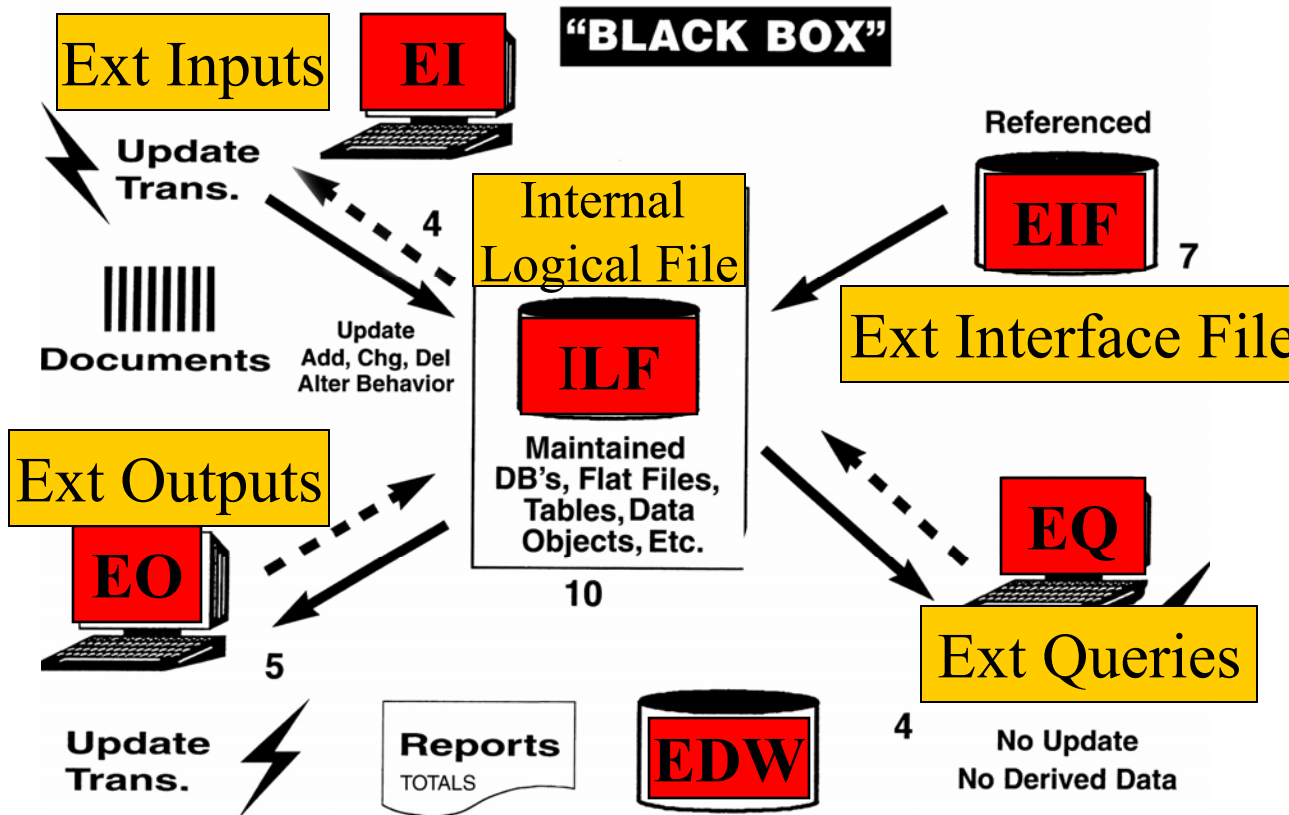
Doing Things Right and Doing The Right Things!

Tactical

Efficiency & Effectiveness



Function Points: An Independent, Objective, Quantified, Consistent, Auditable measure of the size and complexity, of an application, based upon the User's view.



Independent of
Application
Technology
Design

0 - 1000 Small
- 2500 Med
+ Major

Function Point- A measure which represents the functional size of application software. (Glossary)

What We've Done!

FP Counted, reviews in progress:

Files	11,797 (DW, Rep, Algor, Code tables)
Batch	8,953 (750+, CSENet, BPM, A/C)
Interfaces	795
Reports	13,077 (110 Rpts, 609 Forms, 277 Tasks, 1257)
Screens	<u>19,105</u> (Add, Chg, Inactive, 4 Query)
Total Support	53,727 To Be Deleted: 3,480

Oracle ERP 176,000, 60 Major Applications

Estimating

CJ - RFP

\$110,000

\$250,000

\$450,000

Fixed Price Bid

FP * \$/Hr = \$200,000

How - When (Vendor Comp)

	<u>Vendor A</u>	<u>Vendor B</u>
Cost per Hour	75	50
Hours to Develop	40,000	60,000
Total Cost	3,000,000	3,000,000
Function Points	4,000	2,000
Hrs per FP (Prod)	10	30
Norm Cost per FP	750	1,500

Inspections

Conservative Assumption 1: Any deviation will affect at least one user function: screen, report, interface transaction (input or output) or file.

Conservative Assumption 2: An average user function = 4-5 FP. Most = 6-7 FP.

Ind Avg Productivity is 10 Hr/FP.

Inspections

2006 Savings = 151 Deviations

*** 6.5 FP/Deviation**

*** 10 Hr/FP**

*** \$100/Hr**

= 151 * 6.5 * 10 * \$100

= \$975,000

= \$5M (5 years)

Cost of Quality

	Prod		Trans			
Period	Defects	WD	Cases	EstFP	LevFP	DEF/LFP
4Q 07	925		205K			
1Q 08	797		469K			
		10%	129%	2%	133%	60%

800 Def

*** 6.5 FP/Def**

*** 10 Hr/FP**

*** 100 \$ /Hr**

\$ 5.2M Cost to fix

Get Requirements Once

Theory

Gleam

Requirements

Design

Build

Test

Implement

Actual

Gleam

Requirements Rush

Design + Requirements

Build + Requirements

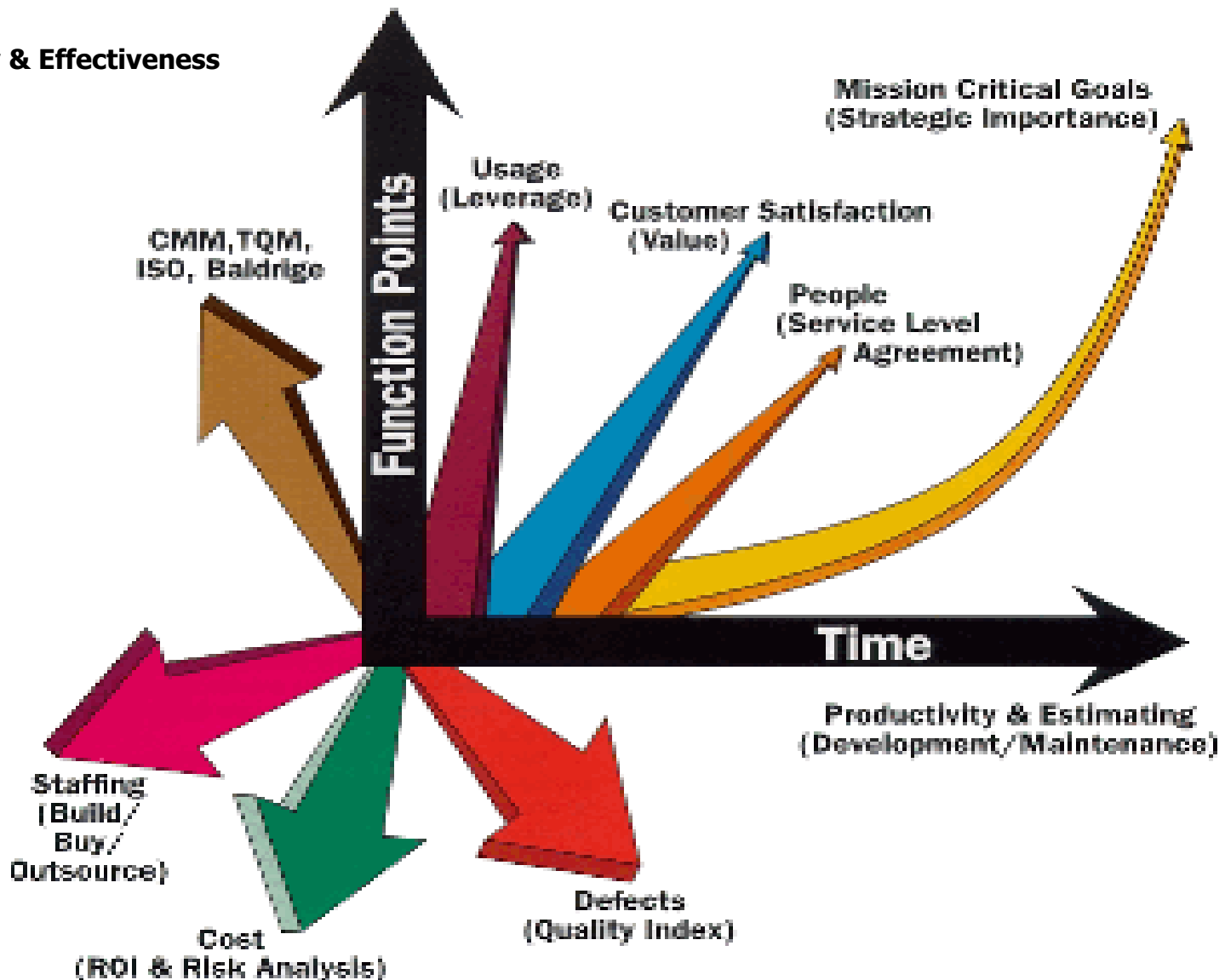
Test + Requirements

Implm + Requirements

Doing Things Right and Doing The Right Things!

Tactical

Efficiency & Effectiveness



Leverage, Business Impact

Initial Impact (after one month):

1000 FP x 100 agents (usage factor)
= 100,000 Leveraged Function Points
(LFP)

Penetration: 100 agents/500 agents = 20%

Projected Impact: 1000 FP x 500 agents
= 500,000 LFP

Leverage (cont)



Actual Final Impact

**1300 FP (incl 300 extra Function Points)
x 525 agents (100% Penetration but now
525 agents)**

682,500 LFP

Leverage (cont)

Actual Final Impact

682,500 LFP (actual final impact)

/500,000 LFP (orig projected impact)

= 1.365

Change = 36.5% greater impact than
ever expected

Leveraging CSE

1,700,000 Cases

* 125 \$ / Case / Month

* 12 Month = \$2.5 B

Wal-Mart (1),

CCSAS CSE (744),

Men's Warehouse (892),

Dow Jones (896)

Churn



$$\begin{aligned}\text{Churn} &= 1 - (\text{Fun Added} / \text{Fun Worked}) \\ &= 1 - (100 / 200) \\ &= 1 - (.5) = .50 = 50\%\end{aligned}$$

**Mandatory: Legal, Regulatory, Corporate,
Political**

Churn II



Robbs Resources

Builds the Backlog

Increases Risk by increasing project size

**Often caused by weak Requirements and
less effective Testing**

Reflects poorly on Management

Churn III

Supp Prod=100,000FP/100FTE=1000FP/FTE

100 Dev *150Hr *12Mon =180,000Hr/Yr.

@10Hr/FP (Ind Avg) = 18,000FP/Yr.

@50% Churn = 9000 new FP.

100,000FP + 9000FP = 9% Inc Baseline

= 9% Supp Prod Gain

= 9% Savings

Applies to 250 Operations FTE as well.

Churn IV

250 FTE

*** .1 Productivity (rounded)**

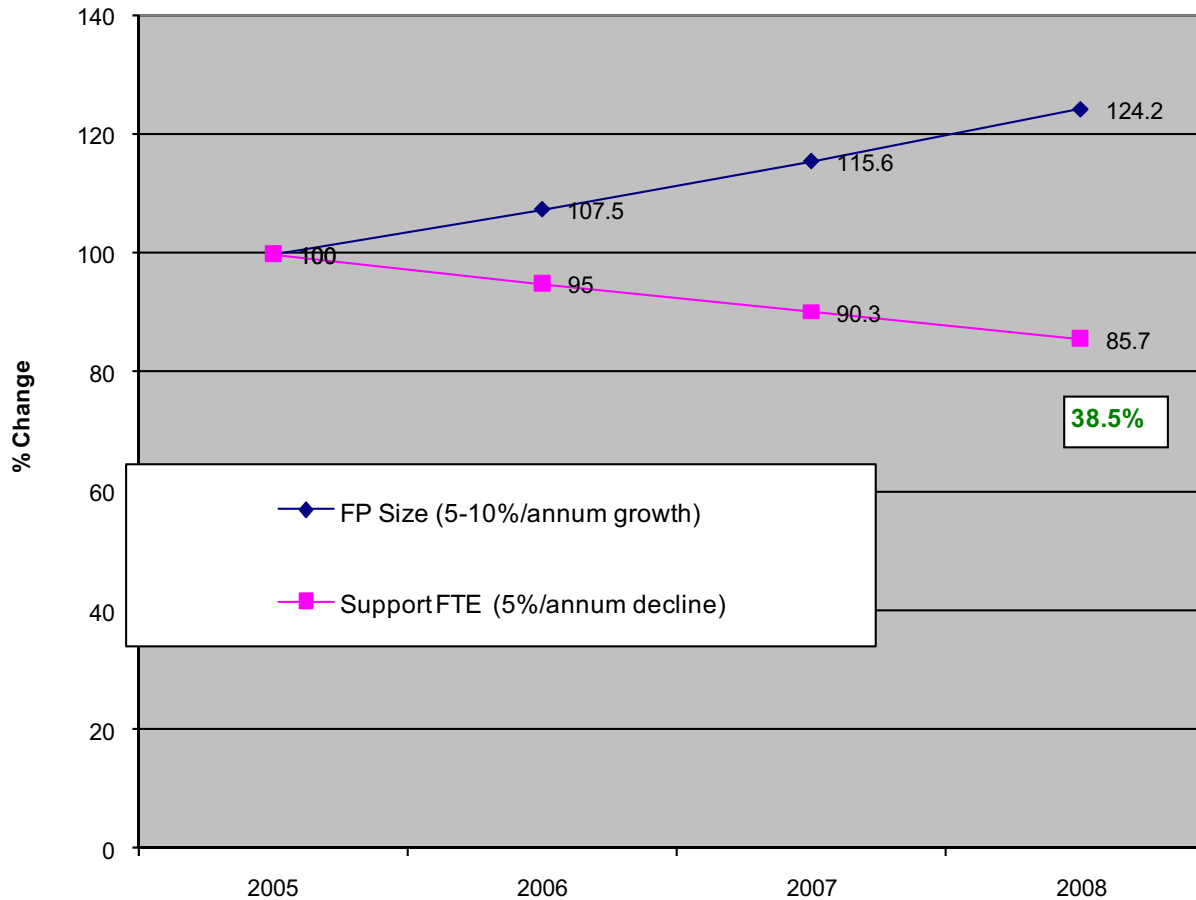
*** 2000 Hr (rounded)**

*** \$100/Hr (rounded)**

*** 5 Yr**

\$25M savings.

Unreported Savings



Lessons Learned: Personal



Sizing is very Important, but

There is a Point of Diminishing Returns.

Ad Hoc Guerrilla capability is more valuable than scrapbook of reports.

Be vigilant for Business Opportunities.

Insource, Onshore



New Certification: CSMS

Certified Software

Measurement Specialist

www.ifpug.org