Trading Places: Measurement and Analysis in the Eyes of the Acquirer and the Supplier

Wolf Goethert
Jeannine Siviy
Robert Ferguson
Software Engineering Measurement & Analysis Initiative

Sponsored by the U.S. Department of Defense
© 2003 by Carnegie Mellon University
### Report Documentation Page

Public reporting burden for the collection of information is estimated to average 1 hour per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to Washington Headquarters Services, Directorate for Information Operations and Reports, 1215 Jefferson Davis Highway, Suite 1204, Arlington VA 22202-4302. Respondents should be aware that notwithstanding any other provision of law, no person shall be subject to a penalty for failing to comply with a collection of information if it does not display a currently valid OMB control number.

<table>
<thead>
<tr>
<th>1. REPORT DATE</th>
<th>MAR 2004</th>
<th>2. REPORT TYPE</th>
<th>3. DATES COVERED</th>
<th>00-00-2004 to 00-00-2004</th>
</tr>
</thead>
<tbody>
<tr>
<td>4. TITLE AND SUBTITLE</td>
<td>Trading Places: Measurement and Analysis in the Eyes of the Acquirer and the Supplier</td>
<td>5a. CONTRACT NUMBER</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>5b. GRANT NUMBER</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>5c. PROGRAM ELEMENT NUMBER</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>5d. PROJECT NUMBER</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>5e. TASK NUMBER</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>5f. WORK UNIT NUMBER</td>
<td></td>
<td></td>
</tr>
<tr>
<td>6. AUTHOR(S)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>7. PERFORMING ORGANIZATION NAME(S) AND ADDRESS(ES)</td>
<td>Carnegie Mellon University, Software Engineering Institute, Pittsburgh, PA, 15213</td>
<td>8. PERFORMING ORGANIZATION REPORT NUMBER</td>
<td></td>
<td></td>
</tr>
<tr>
<td>9. SPONSORING/MONITORING AGENCY NAME(S) AND ADDRESS(ES)</td>
<td></td>
<td>10. SPONSOR/MONITOR’S ACRONYM(S)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>11. SPONSOR/MONITOR’S REPORT NUMBER(S)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>12. DISTRIBUTION/AVAILABILITY STATEMENT</td>
<td>Approved for public release; distribution unlimited</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>13. SUPPLEMENTARY NOTES</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>14. ABSTRACT</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>15. SUBJECT TERMS</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>16. SECURITY CLASSIFICATION OF:</td>
<td>Same as Report (SAR)</td>
<td>17. LIMITATION OF ABSTRACT</td>
<td></td>
<td></td>
</tr>
<tr>
<td>a. REPORT</td>
<td>unclassified</td>
<td>18. NUMBER OF PAGES</td>
<td>109</td>
<td>19a. NAME OF RESPONSIBLE PERSON</td>
</tr>
<tr>
<td>b. ABSTRACT</td>
<td>unclassified</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>c. THIS PAGE</td>
<td>unclassified</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Standard Form 298 (Rev. 8-98) 
Prepared by ANSI Z39-18
Trademarks and Service Marks

® Capability Maturity Model, Capability Maturity Modeling, Carnegie Mellon, CERT, CERT Coordination Center, CMM, and CMMI are registered in the U.S. Patent and Trademark Office by Carnegie Mellon University.

SM Architecture Tradeoff Analysis Method; ATAM; CMM Integration; CURE; IDEAL; Interim Profile; OCTAVE; Operationally Critical Threat, Asset, and Vulnerability Evaluation; Personal Software Process; PSP; SCAMPI; SCAMPI Lead Assessor; SCAMPI Lead Appraiser; SCE; SEI; SEPG; Team Software Process; and TSP are service marks of Carnegie Mellon University.
Objectives

Establish a view of the acquirer and supplier/contractor roles and responsibilities.

Show how measurement and analysis skills for internal development can be recast for acquisition and contracting environments.

Address two prevalent questions in the acquisition community:
• How can measurement be used to improve requirements-related processes?
• How can we conduct causal analysis when we no longer control the collection processes and/or data?
Outline

Context
- state of the community
- changing perspectives

Background
- roles & responsibilities
- maturity models
- measurement & analysis methods

Scenario
- goal-setting and success, progress, analysis indicators
- inspecting the quality of deliverables: requirements
- monitoring and oversight: progress analysis
- measurement in the contract
- communicating with integrated measures

Summary
Terms and Usage

We use the terms “acquisition” and “contracting” interchangeably throughout this tutorial.

In addition, the terms “contractor” and “supplier” are used interchangeably. The term “developer,” in the context of this tutorial, is used to describe a contractor.
Trends in Outsourcing

From Gartner Group (2002)
• one out of every 10 jobs with U.S.-based information technology vendors and service providers will be exported
• more than 80 percent of corporate boards of directors will have considered offshore outsourcing
• 40 percent of corporations will have finished an outsourcing pilot program or be actively involved in outsourcing technology services

From Forrester Research
• offshore outsourcing will account for 28% of IT budgets in Europe and the U.S. by 2004
• offshore IT workers will go from 360,000 (in 2002) to more than 1 million in 2005

[www.rosourcing.com], [robb 02], [diana 03]
Trends in Outsourcing

From Michael F. Corbett & Associates:
- Offshore outsourcing is just one small part of a (US)$5 trillion global outsourcing market.
- This market is growing by more than 15 percent per year, and the offshore component is certainly among the fastest growing.
- For U.S. IT professionals, this probably means that their future success will come from moving up the IT value chain.

From Ovum research:
- The outlook for the future is more offshore outsourcing, but not at the levels predicted by other analysts in this area.

[www.rosourcing.com], [robb 02], [diana 03]
Why Do Organizations Outsource?

Top 10 Reasons from The Outsourcing Institute:
• Reduce and control operating costs
• Improve company focus
• Gain access to world-class capabilities
• Free internal resources for other purposes
• Resources are not available internally
• Accelerate reengineering benefits
• Function difficult to manage/out of control
• Make capital funds available
• Share risks
• Cash infusion

[www.rosourcing.com]
The Supplier Landscape

Contractor dimensions:
- geography
- style
- maturity
- processes

Examples include the following:
- domestic development groups
- offshore development groups
- dedicated offshore development centers
- off the shelf, COTS products
- systems integrators
- open source
- rational
- PSP/TSP
The Supplier Landscape

From Forester Research

• 88% of the firms looking overseas for services claim to get better value for their money off shore.
• 71% said offshore workers did better quality work.
Contracting Challenges

From *Software Magazine* in 2001:
• 23% of software projects are cancelled
• Cost growth averages 45%
• Schedule growth averages 67%
• Average final product will include only 67% of its requirements
• Only 28% of projects finish on schedule and within budget

Cited by a sampling of Army Acquisition Managers
• The majority of problems and risks affecting acquisition problems resides “somewhat” with the following:
  - factors outside the control of acquirers and developers
  - acquisition program policies and processes
  - contracting processes
  - the contractor’s development process

[ASSIP 03], [SWM 01]
Contracting Challenges

Cited by a sampling of Army Acquisition Managers
  • The top problem areas include
    - requirements management (selected by 63%)
    - project management (22%)
    - contractor processes (22%)
    - unstable funding (21%)

From a recent presentation on component technology
  • contractor qualifications (Mitigation: CMMI)
  • requirements definition (Mitigation: close partnerships)
  • engineering acceptance (Mitigation: process analysis)

[ASSIP 03], [Scherlis 03]
Measurement Challenges

From interviews of several acquisition management personnel:

- “Measurement” is not a troublesome issue in itself; however, getting consistent, meaningful data and understanding how to use data is a high priority and concern.

- There is a tremendous need for progress measures that can be used for timely warning of major program disasters.

[C-M-H 03]
Measures in Practice

In a recent survey, a sampling of Army Acquisition Managers affirmed the following:

- 83% based planning estimates on historical data
- 79% defined quantitative objectives for acquired products and services
- 81% used metrics as an input to decision making
- 75% measured and controlled project cost and schedule
- 50% recorded data in organizational measurement repository
- 78% had sufficient insight into the contractor’s software engineering effort to ensure project is managed and controlled and complies with contract requirements
- 78% appraised the quality of the contractor’s process, performance, products, and services throughout the contract to identify risks and take appropriate action

[ASSIP 03]

© 2003 by Carnegie Mellon University

Version 1.0
Measures in Practice

The surveyed Army Acquisition Managers use these measures to track project status:

- Schedule: 91%
- Cost: 86%
- Development Progress: 82%
- Manpower: 63%
- Requirements Stability: 51%

[ASSIP 03]
What Does This Mean?

Issues in contracting are complex and multidimensional.

• Requirements management is a problem area that frequently is not well measured.
• Project monitoring and oversight is fairly well measured, but the related analysis may not be mastered.
• Organizations may often measure what they know how to measure, but not necessarily measure all that is needed to be successful.

How does this compare to your experience?
Outline

Context
  • state of the community
  • changing perspectives

Background
  • roles & responsibilities
  • maturity models
  • measurement & analysis methods

Scenario
  • goal-setting and success, progress, analysis indicators
  • inspecting the quality of deliverables: requirements
  • monitoring and oversight: progress analysis
  • measurement in the contract
  • communicating with integrated measures

Summary
Responsibility and Authority

Measuring project and product success is the same whether the project is internal or contracted:
- on schedule
- at cost
- with required functionality
- without defects

The acquiring program manager’s “circle of influence” and “circle of control” is different than the development project manager’s.
- development project manager addresses the daily details of project execution
- acquisition program manager defines and executes a new set of processes
- acquisition program manager should leverage development knowledge to manage the contract methodically, rationally, and knowledgeably
Roles and Information Exchange

Contractual Handshake

**Acquirer**
- **Pre-award activities**
  - RFP prep.
  - Contract Award
- **Post-award activities**
  - Monitor Project Progress
  - Evaluate Deliverables

**Supplier / Developer**
- Develop, Customize, Integrate
  - systems
  - software
  - COTS

**Sub Contractors**
- Evaluate Deliverables

**Functional & Quality Requirements**
- Status Information
- Interim Documents, Tangibles
- Directions, Corrections
- Deliverables
Acquisition Measurement Themes

Project Management
• project execution
• contract relationship

Product Life Cycle & Performance
• product planning
• product development
• deployment
• maintenance

Process & Organizational Infrastructure
• process definition and execution
• relationship management
Measuring Project, Product, Process

Processes

- Acquirer
  - Pre-award activities
  - Post-award activities

- Supplier
  - Develop, Customize, Integrate
    - systems
    - software
    - COTS

Contractual Handshake

- Exchange of indicators / information for tracking, monitoring, direction, etc.

Project

- Schedule (status, projection, trend)
- Cost (status, projection, trend)
- Requirements satisfaction

Relationship

- Roles (changes)
- Invoicing (payment)

Products

- Supplier Produced
  - Quality (amount of rework)
- Acquisition Organization Produced
  - Quality (amount of rework)
Responsibilities Prior to Contract Award

Scope definition

Vendor selection

- technical capabilities
  - proposed scope
- process capabilities
  - predictable, productive performance
  - ability to deal with change
- financial capabilities

Contract negotiation

- quality management metrics
- change management
- managing & monitoring the relationship
Responsibilities After Contract Award

<table>
<thead>
<tr>
<th>ACQUIRER</th>
<th>Contractor</th>
</tr>
</thead>
<tbody>
<tr>
<td>Acquirer Responsibilities (Post-Contract Award)</td>
<td>Develop the System</td>
</tr>
</tbody>
</table>

- Evaluate Quality of Deliverables
- Monitor and Oversight
  - Schedule & Progress
  - Resources & Costs
  - Developer’s Processes

Deliverables

**Documents**
- SRD
- SDP
- Measurement Plan
- SDD

**Status Reports**
- Schedule
- Cost
- Testing

**Final Product**
Monitor & Oversight

**Status Information**
- schedule progress
- budget status
- test results
- process results, such as inspections
- process compliance

**Acquirer's Analysis & Review Process**

**Measurable Results (Examples)**
- contractor effort actual vs. plan
- contractor schedule actual vs. plan
- defects reported
  - description, severity, class, type
- size, complexity of the work product

**Indicators**

© 2003 by Carnegie Mellon University  Version 1.0
Evaluate Quality of Deliverables

Documents to review:
- SRD
- SDP
- Meas Plan
- SDD

Acquirer’s Inspection or Review Process

Final Deliverables

Acquirer’s Evaluation criteria

Measurable Results (Examples)

Products
- defects discovered
- description, severity, class, type
  - size of the work product

Process
- effort invested in the inspection process
- time spent during the inspection activities

Indicators
Success Factors

To make this work you need:

• technical capabilities
  - integration, validation, deployment
• process capabilities
  - project management, QA, change control
• domain knowledge
  - product uses, stakeholders, quality goals
• relationship management
  - contracting, change management, roles, payment, relationship reviews….

And measurement to see that these things are working well.
Outline

Context
• state of the community
• changing perspectives

Background
• roles & responsibilities
• maturity models
• measurement & analysis methods

Scenario
• goal-setting and success, progress, analysis indicators
• inspecting the quality of deliverables: requirements
• monitoring and oversight: progress analysis
• measurement in the contract
• communicating with integrated measures

Summary
Adapting CMMI for Acquisition

In addition to establishing these Process Areas (PAs)
• Supplier Agreement Management
• Integrated Supplier Management

You may also need to use these PAs for your acquisition processes and extend them to include your supplier:
• Requirements Management, Development
• Integrated Teaming
• Decision Analysis and Resolution
• Organizational Environment for Integration
• Organizational Process Performance
• Quantitative Project Management
• Causal Analysis and Resolution
• Risk Management
• Project Monitoring and Control
• Verification & Validation
• Configuration Management
• Measurement and Analysis
### SA-CMM Key Process Areas

<table>
<thead>
<tr>
<th>Level</th>
<th>Focus</th>
<th>Key Process Areas</th>
</tr>
</thead>
<tbody>
<tr>
<td>5 Optimizing</td>
<td>Continuous process improvement</td>
<td>Acquisition Innovation Management, Continuous Process Improvement</td>
</tr>
<tr>
<td>4 Quantitative</td>
<td>Quantitative management</td>
<td>Quantitative Acquisition Management, Quantitative Process Management</td>
</tr>
<tr>
<td>2 Repeatable</td>
<td>Basic project management</td>
<td>Transition to Support, Evaluation, Contract Tracking and Oversight, Project Management, Requirements Development and Mgt., Solicitation, Software Acquisition Planning</td>
</tr>
<tr>
<td>1 Initial</td>
<td>Competent people and heroics</td>
<td></td>
</tr>
</tbody>
</table>

**Level Focus Key Process Areas**

- Higher Quality
- Productivity
- Lower Risk
- Higher Risk
- Rework
Relation to CMMI PAs

CMMI Process Area
- Project Planning
- Project Monitoring And Control
- Integrated Supplier Management
- Risk Management
- Requirements Development
- Requirements Management
- Verification
- Validation
- Configuration Management
- Decision Analysis and Resolution
- Organizational Training

SA-CMM KPA
- Software Acquisition Planning
- Project Management
- Solicitation
- Contract Tracking and Oversight
- Requirements Development and Management

[Ferguson 03]
Maturity Matching Considerations

<table>
<thead>
<tr>
<th>Acquirer</th>
<th>Supplier (developer)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mismatch</td>
<td>Mismatch</td>
</tr>
<tr>
<td>• mature buyer must mentor low maturity developer</td>
<td></td>
</tr>
<tr>
<td>• outcome not predictable</td>
<td></td>
</tr>
<tr>
<td>Disaster</td>
<td>Matched Team</td>
</tr>
<tr>
<td>• constant crises</td>
<td></td>
</tr>
<tr>
<td>• no req’s mgt.</td>
<td></td>
</tr>
<tr>
<td>• no risk mgt.</td>
<td></td>
</tr>
<tr>
<td>• no discipline</td>
<td></td>
</tr>
<tr>
<td>• no process...</td>
<td></td>
</tr>
<tr>
<td>• no product</td>
<td></td>
</tr>
<tr>
<td>Mismatch</td>
<td></td>
</tr>
<tr>
<td>• “Customer is always right” hurts.</td>
<td></td>
</tr>
<tr>
<td>• Customer encourages “short cuts.”</td>
<td></td>
</tr>
<tr>
<td>Matched Team</td>
<td></td>
</tr>
<tr>
<td>• match of skills, maturity</td>
<td></td>
</tr>
<tr>
<td>• team risk approach</td>
<td></td>
</tr>
<tr>
<td>• execution to plan</td>
<td></td>
</tr>
<tr>
<td>• measurable performance</td>
<td></td>
</tr>
<tr>
<td>• quantitative management</td>
<td></td>
</tr>
<tr>
<td>• highest probability of success</td>
<td></td>
</tr>
</tbody>
</table>

[Barbour 03]
Focusing In

Key points:
• trends in contracting
• common problems and issues faced when contracting
• common view of the roles and responsibilities of an acquirer
• role of reference models

What’s in sight:
• measurement and analysis techniques

In the distance:
• an illustration of these techniques at work
Outline

Context
• state of the community
• changing perspectives

Background
• roles & responsibilities
• maturity models
• measurement & analysis methods

Scenario
• goal-setting and success, progress, analysis indicators
• inspecting the quality of deliverables: requirements
• monitoring and oversight: progress analysis
• measurement in the contract
• communicating with integrated measures

Summary
Benefits of Using Measures

Measurement by itself does not control or improve; it gives insight for objectively planning, managing, and communicating.

- historical data help us predict and plan
- actual versus plan data help us determine progress and support decision making
- analyzing trends helps us identify and focus on problem areas
- project data provide a basis for objective communication
Measurement in CMMI Process Areas

Project Management
• Project Planning, Project Monitoring and Control, Software Acquisition Management
• Integrated Project Management, Risk Management, Integrated Supplier Management
• Quantitative Project Management

Process Management
• Organization Process Focus, Organization Process Definition
• Organization Process Performance
• Organization Innovation and Deployment

Engineering -- All

Support
• Measurement and Analysis, Process and Product Quality Assurance
• Decision Analysis and Resolution
• Causal Analysis and Resolution
Measurement in CMMI Generic Practices

“Monitor and control the process against the plan and take appropriate corrective action.” (GP2.8)

“Collect work products, measures, measurement results, and improvement information derived from planning and performing the process to support the future use and improvement of the organization’s processes and process assets.” (GP3.2)

Two uses of measurement:
• project management
• process improvement

As the organization matures, the sophistication and uses of measurement increase.
Measurement in SA-CMM

Maturity Levels 2-5
• status of
  - processes
  - products

Maturity Levels 4-5
• effectiveness of
  - processes
  - products
Acquisition Enterprise Measurement

Execution of a contracted project also involves
- legal processes
- financial processes

While this tutorial does not explore these aspects of contracting, each aspect is measurable and can be quantitatively managed.
Sources for Measures

Goal-Driven (Software) Measurement (GDM)

USER DEFINES INDICATORS & MEASURES

Based On:
- what’s needed to manage the User’s goals
- decisions and decision criteria related to managing the user’s goals

Practical Software & Systems Measurement

Common Issue Area → Measurement Category → Measures

PREDEFINED → PREDEFINED → PREDEFINED
Goal-Driven Measurement (GDM)

When using goal-driven measurement, the primary question is NOT:

“What metrics should I use?”

rather, it is:

“What do I want to know or learn?”
“What decision do I want to make?”

Goal-driven measurement is NOT based on a predefined set of metrics.

[GQIM 96]
Goal-Driven Software Measurement (GDM)

[Source: GQIM 96]
Practical Software & Systems Measurement (PSM)

This measurement process is funded by the DoD and is freely available at http://www.psmsc.com.

PSM process identifies project-specific issues:
- issues grouped into common software issue areas
- measurement categories correspond to issue areas
- each measurement category has a candidate set of proven measures

Measures are selected based on availability, environment, and other factors.
PSM Common Software Issues – Measurement Categories

**Schedule and Progress**
- Milestones Performance
- Work Unit Progress
- Incremental Capability

**Product Size and Stability**
- Product Size and Stability
- Functional Size and Stability

**Process Performance**
- Process Compliance
- Process Efficiency
- Process Effectiveness

**Customer Satisfaction**
- Customer Feedback
- Customer Support

**Resources and Cost**
- Personnel
- Financial Performance
- Environment Availability

**Product Quality**
- Functional Correctness
- Supportability - Maintainability
- Efficiency
- Portability
- Usability
- Dependability - Reliability

**Technical Effectiveness**
- Technology Suitability
- Impact
- Technology Volatility

[PSM 00]
Additional Modifications by clients
- streamlined data collection & reporting sections using “swimlane” diagrams
- Addition of “corrective action guidelines”
- Subprocess selection (for CMMI)
Indicator Classifications

GQ(I)M

Roll-up For Higher Management

Success Indicators

Have the goals been achieved? What is the impact of the tactics?

Analysis Indicators

What are results of specific tasks?

Tasks to Accomplish goal

- Task 1
- Task 2
- Task 3
- Task n

Progress Indicators

How well are plans proceeding?

Strategy to accomplish the goal

Goal

Success Criteria

Planned

Actual

Reporting Periods

%
Getting Started
• Identify the goals
• Black box process view
• Is the data right?
• Do I have the right data?

Decision point:
• If the data is not perfect, do I move forward or obtain better data?

Initial Evaluation
• What should the data look like?
• What does the data look like?
• Can I characterize the process, product, problem?

Decision point:
• Can I address my goals right now?
• Or is additional analysis necessary? at the same or deeper level of detail?
• Can I move forward?

Moving Forward
• Further evaluation
• Decompose data, process

Decision point:
• Do I take action?
• What action do I take?

Repeat until root cause found, at target with desired variation

[DAD 03]
Performance Analysis Model

- Technical Adequacy
- Development Performance

Growth and Stability

Resources and Cost

Schedule and Progress

Customer Satisfaction

Product Quality

[PSM 00]
Performance Analysis Checklist

Single indicator issues:

• Do actual trends correspond to planned trends, such as progress, growth, and expenditures? How big is the variance?
• Does the variance appear to be gradually growing each month?
• Are actual values exceeding planned limits, such as open defects, changes, and resource utilization?
• Are outliers or other anomalies affecting the results?

[PSM 00]
Performance Analysis Checklist

Integrated indicator issues:

• Is the source of the problem evident?
  - Change in functionality, unplanned rework, etc.
• Are growing problems in one area a leading indicator of other problems later in the project?
  - Requirements creep impact on schedule
• Do multiple indicators lead to similar conclusions?
  - Lack of progress correlates with low staffing
• Does other project information contradict performance results?
  - Milestones being met but open defect counts are increasing

[PSM 00]
Focusing In

Earlier:
• trends, roles, models

Key Points:
• measurement in maturity models
• three indicator types: success, progress, analysis
• comparing PSM and GQIM
• Performance Analysis Model

What’s in sight:
• an illustration of these methods at work
Outline

Context
• state of the community
• changing perspectives

Background
• roles & responsibilities
• maturity models
• measurement & analysis methods

Illustration
• goal-setting and success, progress, analysis indicators
• inspecting the quality of deliverables: requirements
• monitoring and oversight: progress analysis
• measurement in the contract
• communicating with integrated measures

Summary
Composite Illustration*

This illustration is based on an organization that is
• maintaining an existing product, a blend of COTS, and internally developed code
• pursuing the acquisition of a replacement product

Their acquisition includes two contracts:
• requirements development
• product design, code, and test

This illustration will focus on
• evaluating requirements document quality (contract 1)
• analyzing project execution data (contract 2)

It will briefly highlight other aspects of acquisition measurement.

*This illustration is a composite of two projects. Aspects from other projects have been interwoven for demonstration purposes.
Roles and Information Exchange

**Acquirer**
- Pre-award activities
  - RFP prep.
  - Contract Award
- Post-award activities
  - Monitor Project Progress
  - Evaluate Deliverables

**Supplier / Developer**
- Develop, Customize, Integrate
  - systems
  - software
  - COTS

**Contractual Handshake**
- Functional & Quality Requirements
- Status Information
- Interim Documents, Tangibles
- Directions, Corrections
- Deliverables

**Sub Contractors**

**SEPG / SAPG**

**SEPG**
Goal: Establish Acquisition Processes

Success Criteria

Strategy to accomplish goal
- Reference models: CMMI, SA CMM, IEEE/ISO 12207
- Leverage CMMI capabilities built in engineering: MA, REQM, RD, CAR
- Aim for CMMI capability in selected PAs: SAM, DAR, RSK, PP/PMC, CM, PPQA
- Reference all SA-CMM Level 2 kPAs, noting overlaps with CMMI

Tasks to Accomplish goal
- Implement requirements management process
- Tailor existing project monitoring processes for acquisition managers
- ...

Success Indicators
- process owners, training, CM, and documentation (future: procedural adherence)

Middle Mgmt Dashboard
- selected SPI plan EV data

Sr. Mgmt dashboard
- quality trends
- selected project EV data

Analysis Indicators
- Reqs completeness – original, at inspection, approved (for contract 1)

Progress Indicators
- start, finish dates with progress noted (move toward EV)
Outline

Context
• state of the community
• changing perspectives

Background
• roles & responsibilities
• maturity models
• measurement & analysis methods

Scenario
• goal-setting and success, progress, analysis indicators
• inspecting the quality of deliverables: requirements
• monitoring and oversight: progress analysis
• measurement in the contract
• communicating with integrated measures

Summary
Evaluate Quality of Deliverables

Documents to review:
- SRD
- SDP
- Meas Plan
- SDD

Acquirer’s Inspection or Review Process

Final Deliverables

Documents to review:
- SRD
- SDP
- Meas Plan
- SDD

Acquirer’s Evaluation criteria

Measurable Results (Examples)

Products
- defects discovered
- description, severity, class, type
  - size of the work product

Process
- effort invested in the inspection process
- time spent during the inspection activities

Indicators
Requirements Development & Management (SA-CMM RDM)

Purpose:
To establish a common understanding of the software requirements by the acquisition project team, the end user, and the contractor.
• includes both technical and non-technical requirements
• involves development of the requirements and management of any changes
• starts with description of an operational need and ends with transfer of responsibility to the maintainer
RDM - Measurement Opportunities

**Process Measures**
- Total Effort
  - Actual
  - Planned
  - Reporting
  - Periods

**Product Measures**

**Development** of Requirements

**Management** of Requirements

**Process Measures**
- Number
- Weeks

**Product Measures**
- Trouble Reports
- Module

Contract 1 in this illustration

Contract 2 in this illustration
Illustration: Reqs Process Flow

- **End User**: Develop User Scenarios, Product Specifications
- **Acquirer**: Develop Requirements, Inspect Requirements, Refine Requirements
- **Contractor 1**: Develop Requirements, Inspect Requirements, Refine Requirements, Approve
- **Contractor 2**: Develop Requirements, Inspect Requirements, Refine Requirements

The process flow includes steps such as developing user scenarios, product specifications, developing requirements, inspecting requirements, refining requirements, and approving requirements. It also involves managing requirements and baselining requirements.
Requirements Process Measures

Process Measures
• effort expended
• funds expended
• progress toward completion
• completion of milestones
• number of change requests processed (post-development)

For the contractor, these are measures of development process.

For the acquirer, these are measures of the inspection process.
Requirements Document Measures and Evaluation Criteria

“Inch” or “thickness” Criterion
• Document is at least three inches thick

“Drop it” or “Thud” Criterion
• Related to inch criterion
• Specific level of sound before it is accepted

Format
• Pretty pictures
• In color

Not!
Effective Evaluation Criteria

Examples of measurements for evaluation criteria

• completeness:
  - “TBD” requirements;
  - product performance measures included

• consistency:
  - no conflicts across document sections

• clarity:
  - growth in issues,
  - presence of ambiguous language or words with many meanings.

• conformity:
  - meets stated criteria, constraints

• correctness:
  - all data fields in valid ranges

Contract should contain evaluation criteria.
Illustration: Requirements Indicator

Requirements Completeness
by function, as process proceeds

- Complete
- To be determined
Practical Issues

The organization or program/project office may have several barriers to effective document inspection, such as

• insufficient quantity/availability of personnel
• insufficient technical or domain knowledge
• schedule constraints

Example:

• If you have a 300 page requirements document and typically inspect at a rate of 2 hrs/page, are there resources available to invest 600 hours to inspect that document?
Advancing the State of Requirements Product Measures

Manual

Lengthy, labor intensive process

Automated

Reduce cycle time and effort while producing better results than possible with tedious manual review

Examples of Tools:
- Quality Analyzer for Requirements Specifications (QuARS)
  - Lexical, syntactic and semantic analyses of requirements
- Automated Requirements Measurement (ARM)
Quality Analyzer for Requirements Specification

How does it work?

• natural language analysis of requirements text
• lexical: vague, weak, optional, subjective, other terms
• syntactic: multiple, implicit, under specified statements
• semantic:
  - allows screening for consistency, completeness, etc.
  - arbitrary combinations of domains, components, functionality, product quality attributes, and so on
Automated Requirements Measurement (ARM)

Checks for desirable requirements characteristics such as:
• complete: precisely define all real world situations
• consistent: no conflict between individual requirements
• correct
• modifiable
• ranked
• traceable
• unambiguous: can only be interpreted one way
• understandable: meaning of each of its statements is easily grasped by all of its readers
• verifiable
• validatable: by individuals and organizations having vested interest
• testable
Focusing In

Earlier:
• trends, roles, models
• measurement methods

Key Points:
• quality of deliverables
• effective evaluation criteria
• measuring requirements development (contract 1)
• tools for analyzing requirements

What’s in sight:
• monitoring and oversight: evaluating a schedule slip (contract 2)
• What would YOU include in the contract?
Outline

Context
• state of the community
• changing perspectives

Background
• roles & responsibilities
• maturity models
• measurement & analysis methods

Scenario
• goal-setting and success, progress, analysis indicators
• inspecting the quality of deliverables: requirements
• monitoring and oversight: progress analysis
• measurement in the contract
• communicating with integrated measures

Summary
Monitoring & Oversight

Contract #2 has been awarded.
• supplier is developing the product in two builds

The contractor has just notified you that the project has both cost and schedule slippage.

What do you do?
Performance Analysis Model

Use model to guide analysis.
  • Step 1: Confirm Problem (Cost & Schedule Slippage)
Schedule & Progress Indicators

Cost Var. = EV - AC
Sched Var. = EV - PV

Cost
PV
AC
EV

2002 2003
PV: Planned Value
AC: Actual Cost
EV: Earned Value

PV: Planned Value
AC: Actual Cost
EV: Earned Value

Cost Var. = EV - AC
Sched Var. = EV - PV

Components Completing A&T
As of Jul 03

Build 1 Assembly & Test
Build 2 Assembly & Test

Planned
Actual

A&T = Assembly and Test

Tool tips:
The top two charts were made in Excel and manually manipulated.
The Gantt chart can be generated using any scheduling software.
What We Learned

From Schedule and Progress indicators
  • cost and schedule slippage -- *EV chart*
  • activities taking longer than planned -- *Gantt chart*
  • assembly and test behind schedule -- *components completion chart*

What does this mean?
  • confirms we have a problem
Resources and Cost Indicators

Analysis/Probing Questions
- Is the staff allocation contributing to the problem (too many, too few, wrong time frame)?
- What is rate of staff turnover?
- How does actual staff compare to planned staff allocation?
Resources and Cost Indicators

![Chart showing number of staff over time with planned and actual data for Prg and Tester roles.]

Tool tip: This chart was made in Excel and manually manipulated.
What We Learned

From Resources and Cost Indicators
• staffing did not follow planned level
  - too many at beginning of project
  - testers and programmers used to fill in for analysts
    and designers => high re-training costs
  - high turnover rate => training & getting up-to-speed
    costs

What does this mean?
• cost overrun due partly to staffing problems
Growth and Stability Indicators

Analysis/Probing Questions
- Are the requirements stable?
- What is the code growth?
- Is functionality being transferred from build 1 to build 2? If so, how does this effect the delivery date?
Requirement Changes Information

As of Jul 03

Number of Requirements

Added Req.

Total Req.

Build 1

Build 2

Tool tip: This chart can be generated in Excel followed by manual editing using the drawing toolbar

<table>
<thead>
<tr>
<th></th>
<th>Feb</th>
<th>Mar</th>
<th>Apr</th>
<th>May</th>
<th>Jun</th>
<th>Jul</th>
<th>Aug</th>
<th>Sep</th>
<th>Dec</th>
<th>Mar</th>
<th>Jul</th>
</tr>
</thead>
<tbody>
<tr>
<td>Req Changes</td>
<td>10</td>
<td>11</td>
<td>6</td>
<td>14</td>
<td>10</td>
<td>8</td>
<td>4</td>
<td>14</td>
<td>4</td>
<td>1</td>
<td>5</td>
</tr>
<tr>
<td>Complexity</td>
<td>Low</td>
<td>Low</td>
<td>Low</td>
<td>Low</td>
<td>Low</td>
<td>Low</td>
<td>Low</td>
<td>Low</td>
<td>Low</td>
<td>Low</td>
<td>Low</td>
</tr>
<tr>
<td>Resources (staff-days)</td>
<td>4</td>
<td>5</td>
<td>3</td>
<td>2</td>
<td>4</td>
<td>2</td>
<td>3</td>
<td>3</td>
<td>2</td>
<td>1</td>
<td>2</td>
</tr>
</tbody>
</table>
Growth and Stability Indicators

Size Growth

Requirements per Build

Contractor’s Explanation:
• Functions deferred to later build because of unanticipated complexity
What We Learned

From Growth and Stability Indicators
- requirement changes are of low complexity but will have some ripple effect
- code production below planned value
- functionality being deferred from build 1 to build 2 attributed by contractor to unanticipated complexity

What does this mean?
- expect further cost and schedule growth due to low code production and increased number of functions to be implemented in Build 2
- expect an impact on completion date due to functions deferred to Build 2
- expect the possibility of a “Build 3” proposal
Product Quality Indicators

Analysis/Probing Questions
• Are the defined processes being followed?
• What is the rate of closure for trouble reports?
• What type of trouble reports are being detected? In what phase?
Product Quality Indicators

Tool tip: This chart was made in Excel and manually manipulated.
Classifying Trouble Report Defects

Types that code inspections would have been expected to catch
What We Learned

From Product Quality Indicators
• STRs being opened faster than they’re being closed
• Code inspections should have found defect types

What does this mean?
• Code inspection process allowed large number of defects to slip through.
Development Performance
Indicators

Analysis/Probing Questions
• Are the defined processes being followed?
• Are any defined processes being skipped?
Development Performance Indicators

Tool tip: This chart was made in Excel and manually manipulated.
What We Learned

From Development Performance Indicators
• adherence to defined process decreased over time
• stopped doing inspections

What does this mean?
• defects usually detected during code inspections allowed to slip through
• impact on cost and schedule due to rework
Reasons for Slippage

Staffing problems:
• too many at beginning of project
• below planned level during most of development
  - noting that productivity increased dramatically
• high turnover rate

Process compliance:
• stopped doing inspections
• allowed errors to leak to later phases

Requirements changes after Build 2 code and unit test

Conclusion:
• expect further cost and schedule growth due to low code
  production and increased number of functions to be
  implemented in Build 2
Possible Actions

Developer Actions
- replan based on current performance
- get staffing under control
  - verify the skills balance of resources
  - do not decrease staffing to conform to “planned” staffing, particularly if that would decrease the number of programmers
- restart inspections
  - code
  - test cases

Acquirer Decision Options
- use contract labor (additional costs)
- deliver smaller size - less functionality
- accept schedule slip
Focusing In

Earlier:
• trends, roles, models
• measurement methods
• evaluating deliverables

Key Points:
• use the Performance Analysis Model as a causal analysis navigation aid
• always use multiple indicators
• couple data analysis with knowledge of your and your contractor’s processes

What’s in sight:
• What would YOU include in the contract?
• How to communicate using your measures
Outline

Context
• state of the community
• changing perspectives

Background
• roles & responsibilities
• maturity models
• measurement & analysis methods

Scenario
• goal-setting and success, progress, analysis indicators
• inspecting the quality of deliverables: requirements
• monitoring and oversight: progress analysis
• measurement in the contract
• communicating with integrated measures

Summary
Writing Your Contract

Performance-based contracting
  • contractors are paid based on how they meet predefined metrics

General tips:
  • Consider project, product, process measures
  • Specify frequency of reporting
  • Specify target performance where known
    - the “SMART” approach applies: specific, measurable, attainable, realistic, timely
Discussion: Write Your Contracts!

For the two-contract illustration just reviewed, what measures would YOU request in the contracts?

Which measures do you think would be readily available (or not)?
Outline

Context
• state of the community
• changing perspectives

Background
• roles & responsibilities
• maturity models
• measurement & analysis methods

Scenario
• goal-setting and success, progress, analysis indicators
• inspecting the quality of deliverables: requirements
• monitoring and oversight: progress analysis
• measurement in the contract
• communicating with integrated measures

Summary
Goal: Establish Acquisition Processes

Success Criteria

Strategy to accomplish goal
- Reference models: CMMI, SA CMM, IEEE/ISO 12207
- Leverage CMMI capabilities built in engineering: MA, REQM, RD, CAR
- Aim for CMMI capability in selected PAs: SAM, DAR, RSK, PP/PMC, CM, PPQA
- Reference all SA-CMM Level 2 kPAs, noting overlaps with CMMI

Tasks to Accomplish goal
- Implement requirements management process
- Tailor existing project monitoring processes for acquisition managers
  - ...

Success Indicators
- process owners, training, CM, and documentation (future: procedural adherence)

Progress Indicators
- start, finish dates with progress noted (move toward EV)

Analysis Indicators
- Reqs completeness – original, at inspection, approved (for contract 1)

Sr. Mgmt dashboard
- quality trends
- selected project EV data

Middle Mgmt dashboard
- system documentation and testing

Sr. Mgmt scorecard; Middle Mgmt dashboard
- selected SPI plan EV data
- system documentation and testing
Illustration: Goal Structure

Meet Customers’ Needs
Owner:

Stabilize Current Systems
Owner:

Engineer the Future Systems
Owner:

- Improve Product Delivery
  Owner:
- Develop a quality team (right people, right time, right job)
  Owner:
- Establish Acquisition Processes
  Owner:

- Stabilize Software Engineering Processes
  Owner:
- Deliver Future Systems
  Owner:

- Provide “whole product” support
- Improve product field performance

Owner:
Owner:
Owner:
Owner:
Illustration: Success Indicators
Establish Acquisition Processes

Two key success indicators (excerpted from indicator templates)
• status of ownership, training, documentation, configuration management of processes (evolve into procedural adherence)
• status of training, using ISO12207 to group processes

After processes established, monitor sustainment or adherence
• use appraisal and/or audit results
Illustration: Senior Management Reporting

Required contractor metrics reported by all programs
• size growth
• workforce size and qualifications
• selected earned value (EV)
• quality trends
• requirements fulfillment

Required acquirer metrics reported by all programs
Outline

Context
• State of the community
• Changing Perspectives

Background
• Roles & Responsibilities
• Maturity Models
• Measurement & Analysis Methods

Scenario
• goal-setting and success, progress, analysis indicators
• inspecting the quality of deliverables: requirements
• monitoring and oversight: progress analysis
• measurement in the contract
• communicating with integrated measures

Summary
Roles and Information Exchange

Contractual Handshake

Acquirer

Pre-award activities
- RFP prep.
- Contract Award

Post-award activities
- Monitor Project Progress
- Evaluate Deliverables

Supplier / Developer

Develop, Customize, Integrate
- systems
- software
- COTS

Sub Contractors

Deliverables

Status Information

Interim Documents, Tangibles

Directions, Corrections
Measuring Project, Product, Process

Processes

Acquirer
- Pre-award activities
- Post-award activities

Contractual Handshake
- Exchange of indicators / information for tracking, monitoring, direction, etc.

Supplier
- Develop, Customize, Integrate
  - systems
  - software
  - COTS

Project
- Schedule (status, projection, trend)
- Cost (status, projection, trend)
- Requirements satisfaction

Products
- Supplier Produced
  - Quality (amount of rework)
- Acquisition Organization Produced
  - Quality (amount of rework)

Relationship
- Roles-Changes
- Invoicing-payment
Summary – Focus Points

Key acquisition responsibilities (after contract award):
• monitoring and oversight
• inspecting, reviewing, and understanding documents and other work products

Post-contract award success depends on pre-contract award activities
• building measurement expectations into contracts
• establishing good partnerships and working relationships with contractors

Measure products, processes, projects, relationships
• requirements development, management, products should not be exempt! They are measurable.
Contact Information

Wolf Goethert
Software Engineering Institute
Measurement & Analysis Initiative
Email: wbg@sei.cmu.edu
412-268-3889

Jeannine Siviy
Software Engineering Institute
Measurement & Analysis Initiative
Email: jmsiviy@sei.cmu.edu
412-268-7994

Robert Ferguson
Software Engineering Institute
Measurement & Analysis Initiative
Email: rwf@sei.cmu.edu
412-268-9750
References

Note: URLs valid as of tutorial delivery date.

[ASSIP 03] Information from a 2003 Survey of Army Acquisition Program Managers
[Barbour 03] Taken from a set of workshop slides.
[C-M-H 03] Carleton, Anita, Robert Mishler and Watts Humphrey, The integrated Software Acquisition Measurement (ISAM) Project, Interim Status Report
[DAD 03] Siviy, Jeannine and William Florac, Data Analysis Dynamics, Half Day Tutorial Delivered at SEPG 2003, Boston, MA
[DZ 02] Zubrow, David, Putting ‘M’ in the Model: Measurement and Capability Maturity Model® Integration (CMMI®), ICSQ, 29 October 2003, Ottawa, Canada
[DZ – P 03] Adapted from [DZ 02] by Mike Phillips for a client workshop
[Ferguson 03] Ferguson, Jack, Use of CMMI in an Acquisition Context, CMMI Users Group 2003, Denver, CO
References

Note: URLs valid as of tutorial delivery date.


[SWM 01] Software Magazine, Feb/March, 2001
Reading & Resources

Note: URLs valid as of tutorial delivery date.

Practical Software and Systems Measurement (PSM)
• reference for the Performance Analysis Model
• reference lists of measures to consider
• http://www.pmsc.com

Goal Driven Measurement (GDM) and Goal-Question-Indicator-Metric (GQIM)
• front end for selecting most relevant PSM measures
• used for developing context-specific indicators, particularly “success indicators”
• “Goal-Driven Software Measurement--A Guidebook”
Reading & Resources

Note: URLs valid as of tutorial delivery date.

Defense Acquisition University (DAU) Deskbook
- http://deskbook.dau.mil/jsp/default.jsp
  • provides information about regulatory references, mandatory and discretionary references by service branch, and several knowledge repositories

Guidelines for Successful Acquisition and Management of Software-Intensive Systems,
http://www.stsc.hill.af.mil/resources/tech_docs/index.html

Acquisition Centers of Excellence
  • Air Force, for instance ESC Hanscom
  • Navy
Reading & Resources

Note: URLs valid as of tutorial delivery date.

Project Management Body of Knowledge (PMBOK®)
- proven, traditional project management practices and innovated, advanced practices with more limited use
- Project Management Institute Guide to the PMBOK contains the generally accepted subset of knowledge and practices that are applicable to most projects most of the time