



White paper

Cost, quality, time – choose two

Factors that drive product development

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There are three factors in product development that remain in constant tension: cost, quality, and time. For the sake of this discussion, quality shall mean the number of features a product is to have, and their depth, usability, and polish.

The cost of a given project is usually computed by enumerating its features, and the time it will take to implement them. Likewise, the number of features and their depth of quality and usability are limited by finances and time. The amount of time a project will take is a direct result of the feature set, and the amount of money the company is willing to spend. Since these factors have a direct relationship, when you attempt to adjust any one of them, the other two feel the effect. You can't reduce the cost without sacrificing features or deadlines. You can't increase features without incurring extra costs and time spent. You can't reduce time to meet a market window without reducing features or increasing costs.

Decision makers have an unsavory habit of trying to own all three factors, leaving product developers to make bricks without straw. When decision makers dictate the cost, the feature set, and the market window, developers are left to try to make it all fit but without any of the controlling factors under their power. Oftentimes decision makers don't have all the information available to dictate these three factors, but attempt to do it anyway. Developers know this, and it leaves them in a disgruntled state. The assertion that those morons in management don't have a clue is a common complaint. Sometimes it comes from this issue.

Everyone likes to control the cost factor because it is the easiest one to see the effect on bottom-line profitability. Product features and time windows are less tangible and require work to make the connection. Product features are most important to people closest to customers because solving their needs makes

them happy and results in good bonuses. If our product doesn't have a spinning weasel we won't make the sale! Clearly those folks like to control the quality factor. Time is usually the last deciding factor. Given a budget and a list of requirements, time-to-market is usually the last factor to be explored.

A fair balance is to let decision makers control two of the factors while development controls the third. This gives development the power to resolve the equation. To be fair, everybody needs to understand and accept the powers they are giving up, and the ones they are retaining. These decisions are largely driven by the vision for the project. For instance, if the vision is to meet a critical market window or fixed event, then it may be necessary to give up features, or to hire more people to do the work. Regardless of the scenario, giving the development people power over one factor frees them to adjust their mode of operation to make the project a success.

Independent contractors usually work on fixed costs plus expenses. If the project takes longer than planned, the contractor "works for free" until the project is complete. Clearly the company owns the cost factor. The company usually also owns product deliverables, with some measure of flexibility. Contractors usually sign a contract that states they will deliver x, y, and z for n number of dollars. Again, the time it takes to deliver them is left to the contractor to manage. Profitability is fundamentally an issue of making deliverables on time by allocating appropriate resources. Because time is the only factor under direct control of the contractor, it is very important to study use of time in past projects, and refine estimation and resource allocation skills, in an effort to maximize profitability.

One factor of successfully working together as a team is allowing people to own the parts of the equation that affect them most.

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