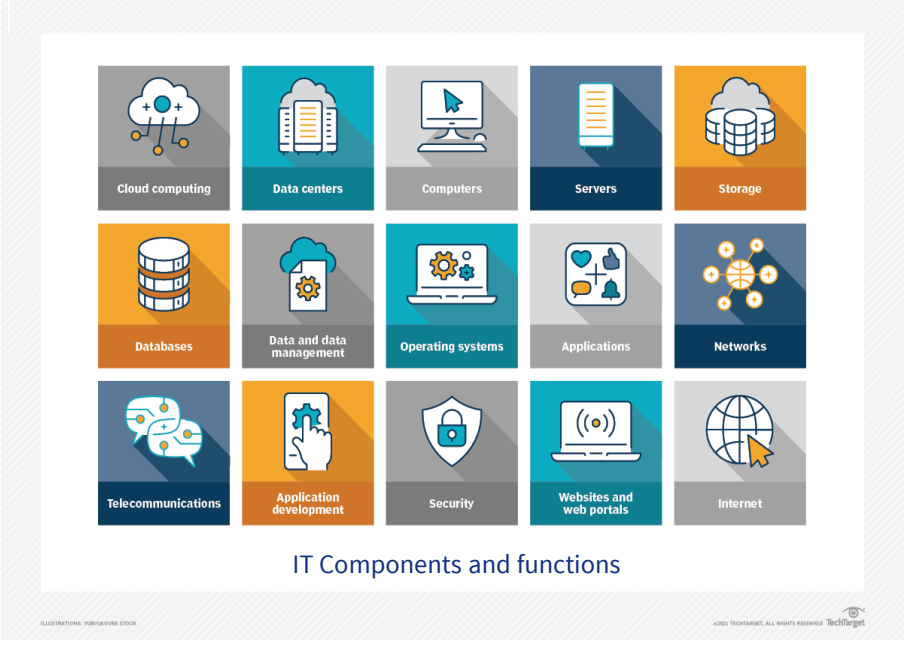
Project Management Principles

Olivier ESNAULT 2024

2

Different project delivery models

Challenges of IT in a Company – The starting point for projects



IT Components and functions

- Business: TTM, digitalization, digital transformation
- Technological: Obsolescence, Technical debt
- Security: Leakage, attacks, fraud
- Operational: QoS, SLAs
- Financials: TCO, Inflation, costs optimization
- HR: People Management, flex ratio, Sourcing strategy

Delivery models can rely on 3 pillars

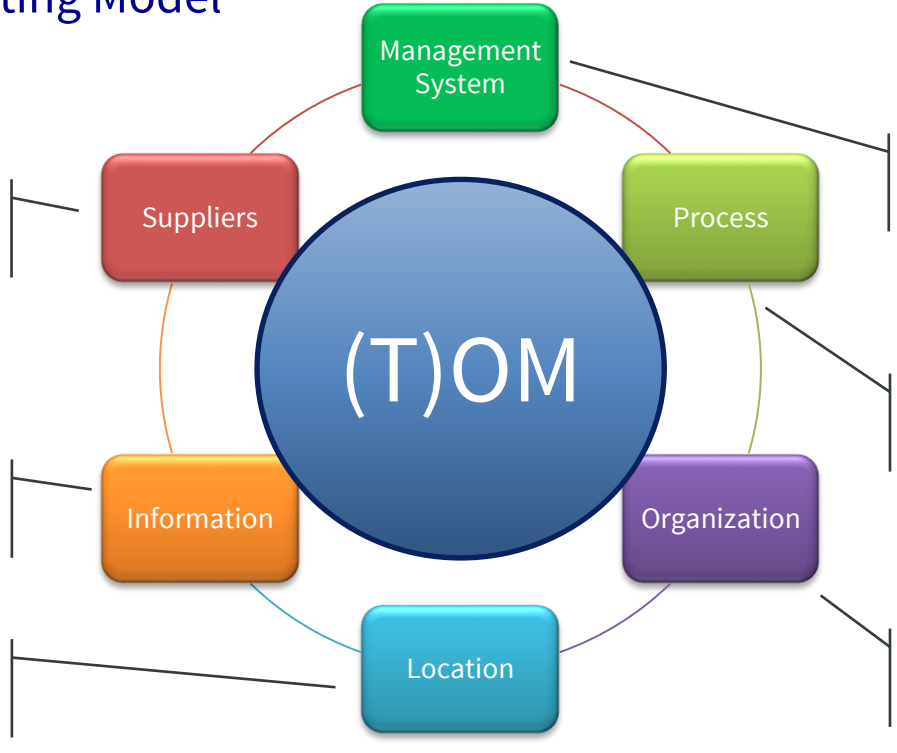
Waterfall | Agile Delivery | DevOps

Internal workforce | Time & Material | Fixed Price

(Target) Operating Model

Internal

(Target) Operating Model



The suppliers outside the organization that are needed to support the work

Information System that support and enable the work

Location where the work is done

Transversal support and governance to ensure the organization runs smoothly

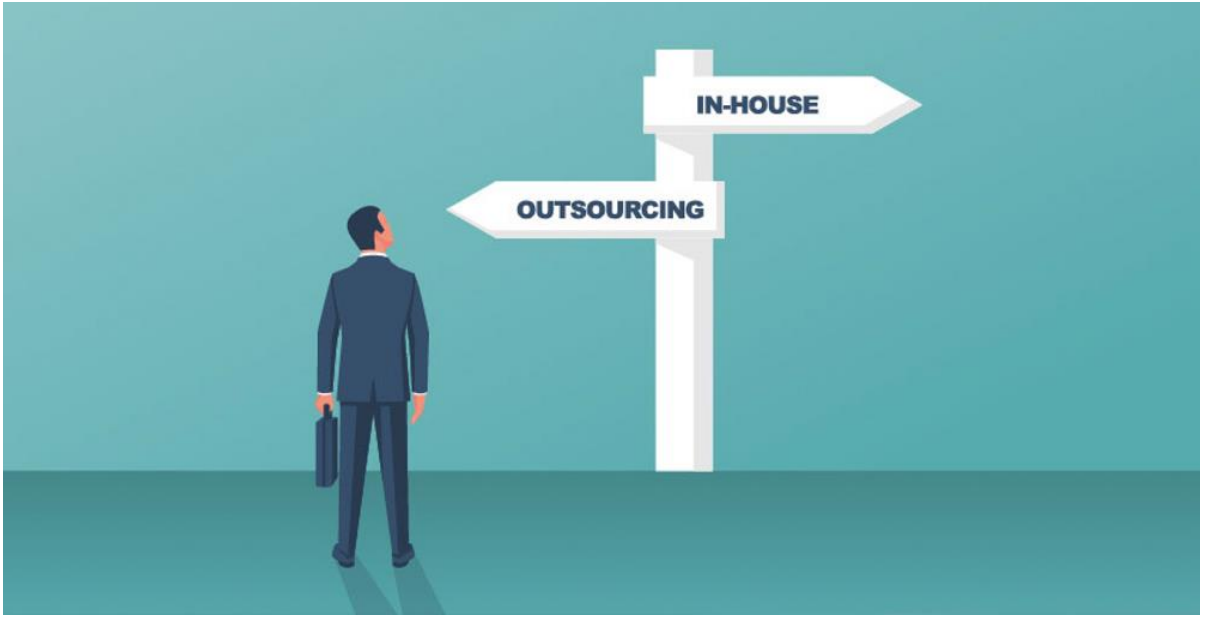
Standard steps to deliver activities in order to deliver the expected service

The people who do this work and how they are organized

Internal

Internal workforce and External providers

The notion of Outsourcing



Internal

Contractual model : Time and Material vs Fixed Price

Different ways to deliver projects

	Time & Material	Fixed Price
Description	Capacity based	Results oriented
I buy	People, Expertise and Material	A project team
I pay	Number of Mendays per Manday Rate	A lumpsum
I manage	People, activities, budget, perimeter, risks	A contract and relationship with a Provider
My advantages	Flexibility on the project scope, design-to-cost	Commitment on scope, planning, budget, penalties
My disadvantages	Heavy involvement, no guaranty to deliver OTOBOS	Rigid format, long preparation time, tricky negotiations for amendments

Outsourcing, xShoring, Bestshoring

Example in relation to North America [2]

Sample Cost Savings From Outsourcing

	In-house Developer	Offshore/Nearshore Developer
Number of Developers	10	10
Man Hours Needed	20,000	20,000
Hourly Rate	$60	$35
Employee Benefits	✓	✗
Taxes	✓	✗
Training, Retention	✓	✗
Travel	✗	✓
Estimated Cost	**$1.6 Million Minimum**	**$700k + Travel**

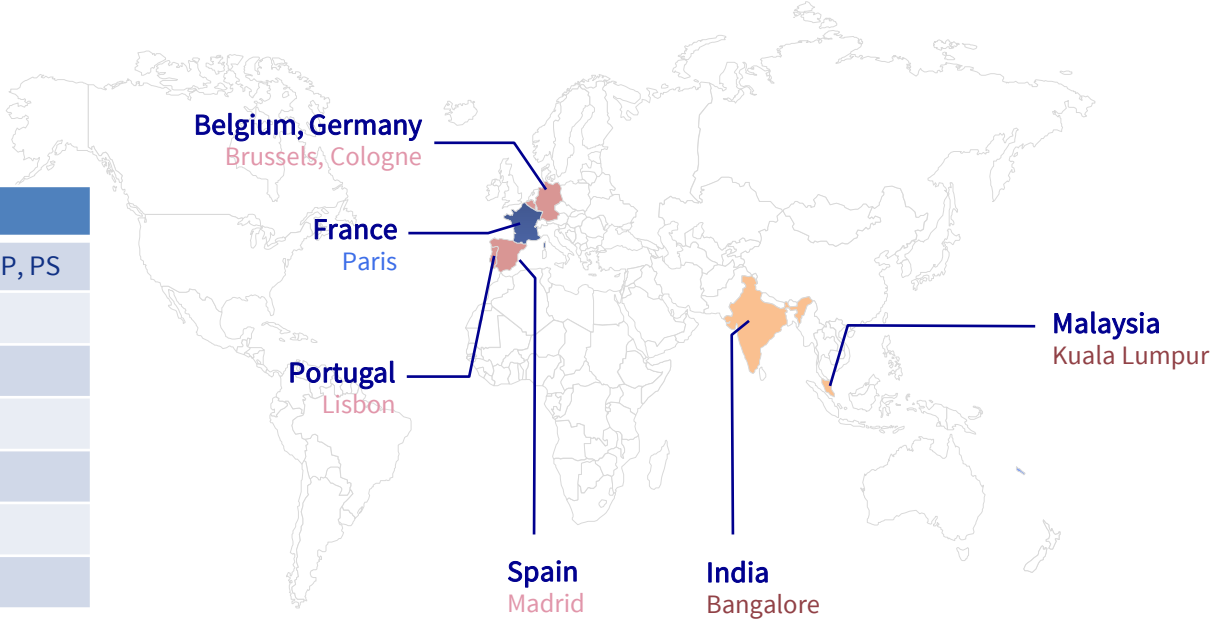
Internal

Onshore, Nearshore, Offshore comparison

Different Contractual models

An concrete example of IT delivery in an International Company

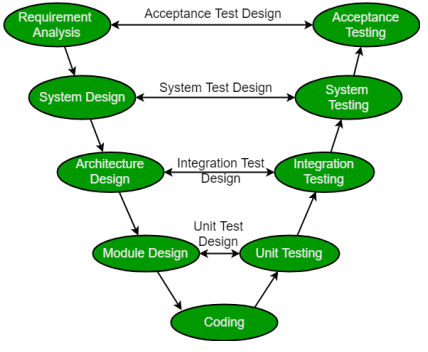
Country	Contract type
France	Internal, T&M, FP, PS
Belgium	Internal
Germany	Internal
Portugal	Internal, T&M
Spain	Internal, T&M
India	FP, T&M
Malaysia	Internal, T&M



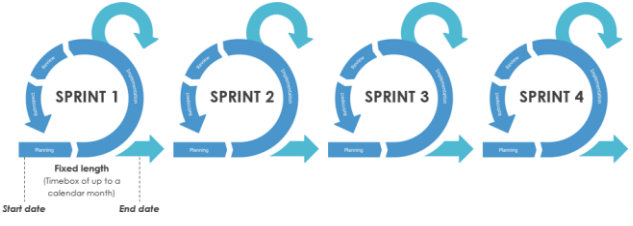
Internal

Operational delivery models

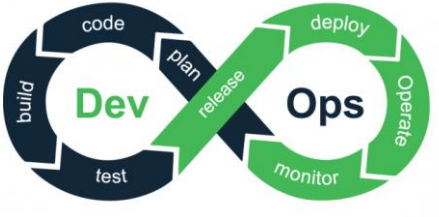
WATERFALL



AGILE



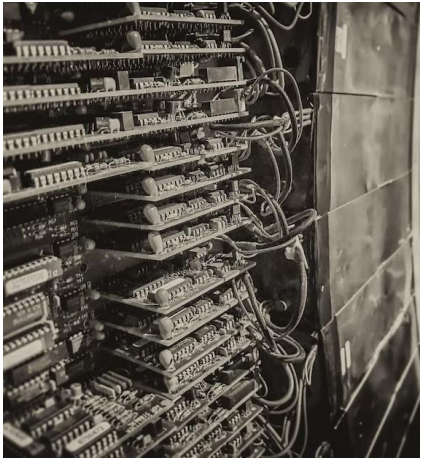
DEVOPS



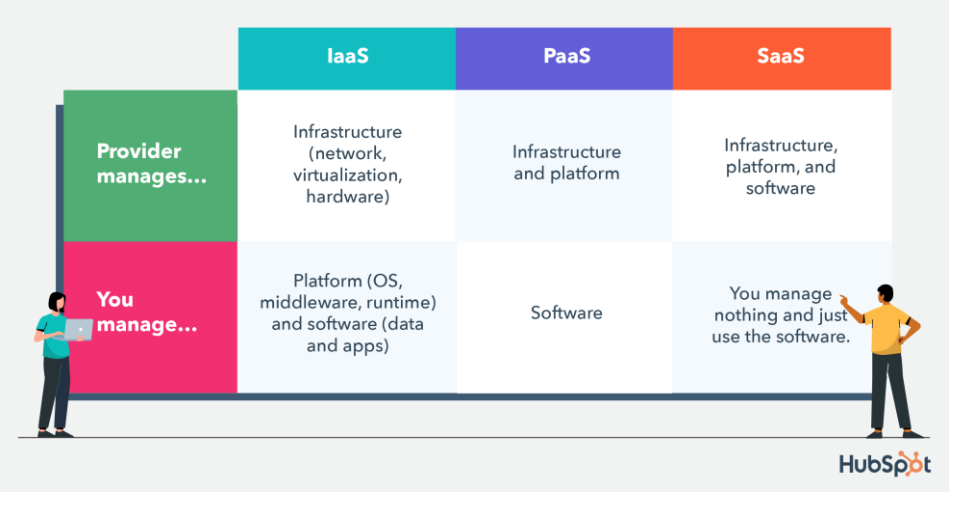
Outsourcing to Cloud – Cloud computing

"Cloud computing is using a network of different servers that host, store, manage, and process data online."

From On premise to IAAS, PAAS and SAAS services.



CSP



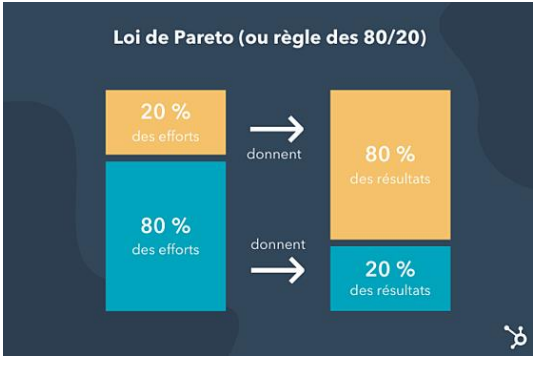
Pareto Law

« 80% of consequences come from 20% of causes »

Tips & Tricks

Can be applied / has been observed in many circumstances :

- 80% of lands were owned by 20% of the population in Italy (19xx)
- 80% of the related errors and crashes in a given system would be eliminated by fixing the top 20% of the most-reported bugs (MS 2002) [A]
- 20% of video rentals represents 80% of the revenues
- Distribution of the world GDP (1989)



Distribution of world GDP, 1989[B]

Quintile of population	Income
Richest 20%	82.70%
Second 20%	11.75%
Third 20%	2.30%
Fourth 20%	1.85%
Poorest 20%	1.40%

- …. But as well in your daily activities

« 80% of results will come from 20% of your effort »

Appendix

Table of Reference

#2 Different delivery models

(1). Operating model

(2). Software-outsourcing-onshore-offshore-nearshore.

French correspondance of covered concepts

#2 Different delivery models

Concept	French correspondance / usage
Target Operating Model: TOM	1. TOM 2. Modèle opérationnel cible
Time and Material: T&M	Régie
Fixed Price contract: FP	Forfait
Manday, Mendays: MD	Jours homme : j.h.
Manday Rate: MDR	Taux Journalier Moyen : TJM
OTOBOS(OQ) : On Time, On Budget, On Scope, On Quality	OTOBOS(OQ)
User Acceptance Test: UAT	1. Recette utilisateurs 2. Vérification d'Aptitude au Bon Fonctionnement : VABF