**Statement of Work (SoW)**

An example and explanation of SoW

1.0

**Version History and Sign-off**

|  |  |  |  |
| --- | --- | --- | --- |
| Version | Reason for Change | Date | Name |
| 0.1 | Initial draft | <dd-mm-yyyy> | <Name> |
| 1.0 | Review and approval | <dd-mm-yyyy> | <Name> |
|  |  |  |  |
|  |  |  |  |

**Authorisation**

The following individuals have reviewed and approved this document:

|  |  |  |  |
| --- | --- | --- | --- |
| Approver’s Name | Job Title | Approved on (Date) | Signature |
| <Name> | <Title> | <dd-mm-yyyy> |  |
| <Name> | <Title> | <dd-mm-yyyy> |  |

Table of Contents

[1. Background and Current Project 4](#_Toc66625070)

[2. Goals and Objectives 4](#_Toc66625071)

[3. Proposed Solution 4](#_Toc66625072)

[4. Services Included 4](#_Toc66625073)

[5. Functional Requirements 5](#_Toc66625074)

[6. Non-Functional Requirements 5](#_Toc66625075)

[7. R & R (Roles and Responsibilities) 6](#_Toc66625076)

[8. Staffing 6](#_Toc66625077)

[9. Deliverables 7](#_Toc66625078)

[10. Attachments and Appendixes 8](#_Toc66625079)

# Background and Current Project

This chapter should be used to give a short summary of the clients’ company, its standing in the business community and the current situation which it faces.

Example: Company X is a leading software company that is ranked among the top 20 insurance software providers worldwide, and is committed to providing insurance companies with high quality software which will help them better serve their customers.

# Goals and Objectives

This chapter should clearly spell out what the business goals of the project are, and how achieving these goals will help the company grow in their desired direction.

Example: Company X has established the following business objectives for the software project –

* Risk management: replacing obsolete systems
* Efficiency: Implement changes to automate and simplify processes
* Compliance: Increase compliance to adhere to the insurance regulations in each specific country
* Global integration: Create a standard method of software that will be used by all the business units worldwide.
* Growth: Provide a flexible platform to support integrating existing business with new technologies and models.

# Proposed Solution

This chapter explains how the business goals (stated in the “Goals and Objectives” chapter) will come to fruition, and should focus on the following areas –

1. The scope of the project (timeline and milestones, budget, quality, etc.)
2. The physical location of the project and where the software will be implemented
3. OBS (Organizational Breakdown Structure): How the teams will be split up
4. The methodology, templates and WBS that will be used

# Services Included

This chapter clearly states what the vendor will provide in terms of services, when usually they will be split into two categories: Mandatory and Optional. It also needs to state what the company will provide to the vendor, so that they will be able to complete the project on time.

Example: The following table outlines what the services will include for each wave of implementation –

|  |  |  |
| --- | --- | --- |
| Type of Service | Wave 1 | Wave 2 |
| Mandatory | * Build a global template * Conduct testing * Prepare training material * Migrate data to the new software | * Conduct testing * Migrate data to the new software |
| Optional | * Conduct end-user training * Provide hypercare after the system went live | * Update training material * Conduct end-user training * Provide hypercare after the system went live |

# Functional Requirements

This chapter spells out what each module of the software needs to include, and which processes it will support. It also states what the expected performance is in regards to user quantity, response times and up time. If there are any needed interfaces to external systems, this chapter will include them as well.

Example: The software will provide the following transactions –

* HR (Human Resources) –
  + Maintain organizational units
* QM (Quality Management) –
  + Quality master data
  + Quality inspection execution
  + Vendor qualification
* Finance –
  + Payment
  + Invoicing
  + Finance monthly closing

# Non-Functional Requirements

This chapter explains what the regulations, compliance and validations that the software needs to support. This usually differs between countries and industries.

Example: The software needs to adhere to the insurance regulations that are defined by each country that Company X works in. Company X will provide the vendor with these regulations 10 months before the system go-live.

# R & R (Roles and Responsibilities)

This chapter defines who does what, and the recommended method to accomplish this is using the RASCI matrix –

* **R**esponsible: who owns the activity
* **A**ccountable: who signs off that it is completed
* **S**upport: who provides resources or information
* **C**onsult: the SME (**S**ubject **M**atter **E**xpert) with whom there will be a two-way communication
* **I**nform: who will be informed of the progress of the task

Example: The following table can be used as a template –

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Task | Responsible | Accountable | Support | Consult | Inform |
| Build the projects’ HLP (high level plan) | PMO | COO | Business leads | VP Planning and resources | IT team leads |
|  |  |  |  |  |  |
|  |  |  |  |  |  |

*Explanation: The task is under the responsibility of the PMO (Project Management Officer), and they are supposed to put it together. Throughout the process the VP for planning and resourcing should be consulted, and at the end of the process the COO (Chief Operations Officer who the PMO report to) will approve and sign off on the deliverable. The business leads will provide the information needed to understand what the scope of the project is, and the predecessors for each process is. Communication with the IT team leads (who will use the HLP as a tool) must be continuous throughout the process.*

# Staffing

This chapter defines the number of employees that the vendor will provide, what their level of expertise needs to be and what their scope includes.

Example: The table below outlines the needed resources –

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Team | Role | Expertise Level | Wave 1 | Wave 2 |
| Testing | Test the interfaces and procedures codes | 1 TL (team leader): 5-7 years expertise  2 QA (quality assurance) experts: 4-5 years expertise  5 QA practical engineers: entry level | Test all the procedures and transactions. Minimum pass rate: 98% | Test the delta procedures and transactions. Minimum pass rate: 99.2% |
|  |  |  |  |  |
|  |  |  |  |  |

# Deliverables

This chapter outlines what the vendor will provide in terms of services and / or products. It is important to clearly define the timeline, entry & exit criteria and the description of each deliverable. This chapter is usually presented in a table.

Example: The table below gives an example of a deliverables table –

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| No. | Team Responsible | Owner (Company / Vendor) | Deliverable | Description | Exit / Entry Criteria | Milestone |
| 1.1 | Development | Vendor | Technical Design Specification | Describes the technical component of the functional design | The functional design is approved by the company | Build and Design |
|  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |

# Attachments and Appendixes

The following files can be attached to the SOW –

1. Project HLP (**H**igh **L**evel **P**lan) in an Excel format
2. Project detailed plan in an MSP file
3. Testing plan, procedures and criteria
4. Security requirements
5. An acronym list explains what each one stands for
6. Any templates that will be used over the course of the project