**Chapter 3 case study**

**3.9 Case Study**

In Chapter 2, we saw how the project of our SaaS vendor got initiated. We continue our story of

the software product vendor (or rather, SaaS service vendor).

***3.9.1 History***

When they decided to build the software product; they estimated that the size of their product

will be around 500,000 SLOC when they can start marketing their software product.

They had also decided that they will go for incremental software development so that they

can sell their product with a bare minimum of features and can keep developing their product (the source code). They had estimated that a good project team consisting of around 22 people could do the job. On average, the salary of each project team member would be around $6,000 per month. That meant the quarterly cost will be around $400,000. So, over a 2-year period, $3,200,000 will be the development cost. Later, when they were established in the market and realized that they wanted a larger team to develop the software at a faster rate, they thought about their options. They wanted a team of 50 people to speed the development at two and half times compared to the present speed of product development. If they had hired the additional staffs locally, it would have cost them $1,000,000 per quarter for a development team of 50 people. The option of hiring contractors would have cost more than this .gure and, hence, it was not an option. Moreover, they wanted to hire permanent staffs instead of temporary staff as they were looking for a long-term goal instead of short-term staffing. Hereafter they thought

of offshore service providers. Offshore development staff would cost one-third of what it costs if

they hired locally. They evaluated a few service providers and finally zeroed-in on two of them

and made contracts with both of them. Now they had a staff of more than 50 people and the total

development cost of $730,000 per quarter.

***3.9.2 Current Project***

The current project could be broadly categorized as developing the appointment scheduling

engine, developing search functionality, integrating the appointment scheduling functionality to

existing features, and finally testing the whole application thoroughly. Since a very complex logic

was to be implemented, the logic first needed to be thoroughly tested and, subsequently, integration

of the logic with the rest of the application was to be tested. Therefore, the testing part was

crucial for the success of the project. At the same time, since this logic was being implemented for

the first time, the testing component for the project was comparatively large.

***3.9.3 Effort and Cost***

Over the proposed four iterations (minor releases) and the complete appointment scheduling

functionality to be achieved by end of the major release, it was estimated that the effort required

to complete the functionalities associated with appointment scheduling will be approximately

300,000 SLOC which in approximation was derived after using a bottom-up effort estimate. First

the functionality was broken down into lowest-level components. Effort for these components was

estimated. Summing up of efforts for component gave the overall effort for the entire functionality.