TRINITY INTERNATIONAL COLLEGE

CASE STUDY 2:

OVERVIEW OF PLANNING

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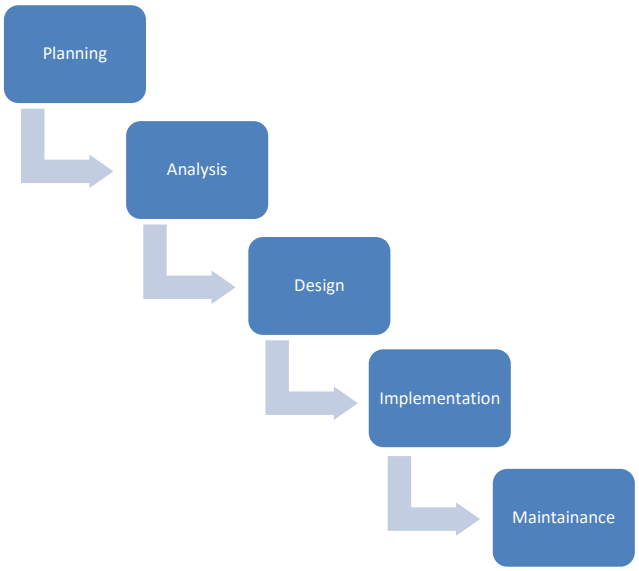
1. PROCESS OF IDENTIFYING AND SELECTING DEVELOPMENT PROJECTS

- Consists of 3 primary activities:
  a) Identifying potential development projects
  b) Classifying and ranking projects
  c) Selecting Projects for development



a) Identifying potential development projects

- Consists of :
  CEO, member of top management.
  Managers, with interest in system.
  Department in which head of requesting committee decides project Submit.

b) Classifying and Ranking Projects

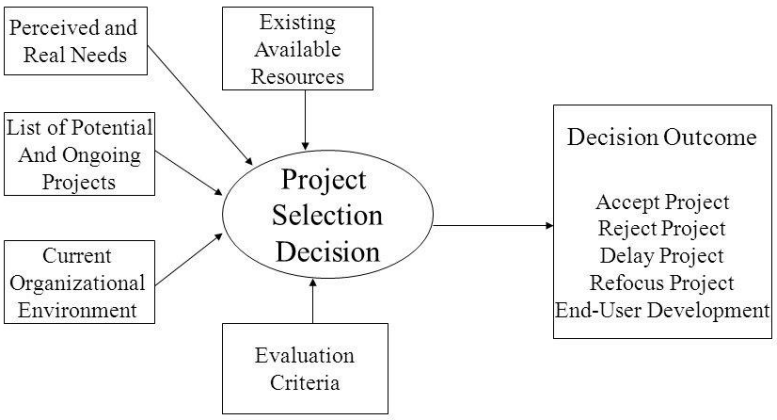
- Assessing the merit of project is 2nd most major activity in the phase.
- The process can be performed by the same individuals that performed the previous one.
- Criteria used to assign merit may vary with organization.
- The possible criteria are:

Evaluation Criteria	Description
Value Chain Analysis	Extent to which activities add value and costs when developing products and/or services
Strategic Alignment	Extent to which the project is viewed as helping the organization achieve its strategic objectives and long-term goals
Potential Benefits	Extent to which the project is viewed as improving profits, customer service, and so forth and the duration of these benefits
Resource Availability	Amount and type of resources the project requires and their availability
Project Size / Duration	Number of individuals and the length of time needed to complete the project
Technical Difficulty / Risks	Level of technical difficulty to successfully complete the project within given time and resource constraints

c) SELECTING IS DEVELOMENT PROJECTS

- Final activity in project identification & selection phase.
- Short & long term projects are most likely to achieve business objectives.
- As business conditions change over time the relative importance of a project may also change.

Factors affecting choice of Project



2. CORPORATE STRATEGIC PLANNING

- Prerequisite for making effective project selection decisions is to gain a clear idea if where organization is, its vision of where it wants to be in future, and how to make transition to its desired future state.

- It is an on-going process that defines the mission, objectives and strategies of an organization.

Lowcost Producer	Reflects competing in an industry on basis of product or service to consumer.
Product Differentiation	Reflects capitalizing on a key product criterion requested by market.
Product Focus or Niche	Similar to both of the above but with much narrower market focus.

GENERIC COMPETITIVE STRATEGIES

3. INFORMATION SYSTEM PLANNING

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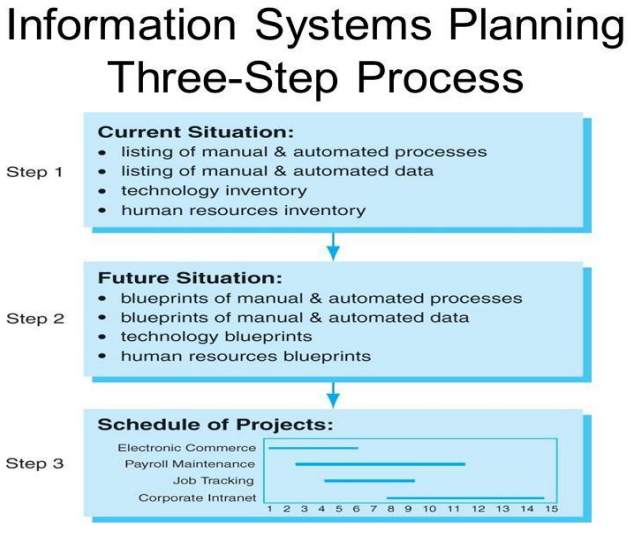
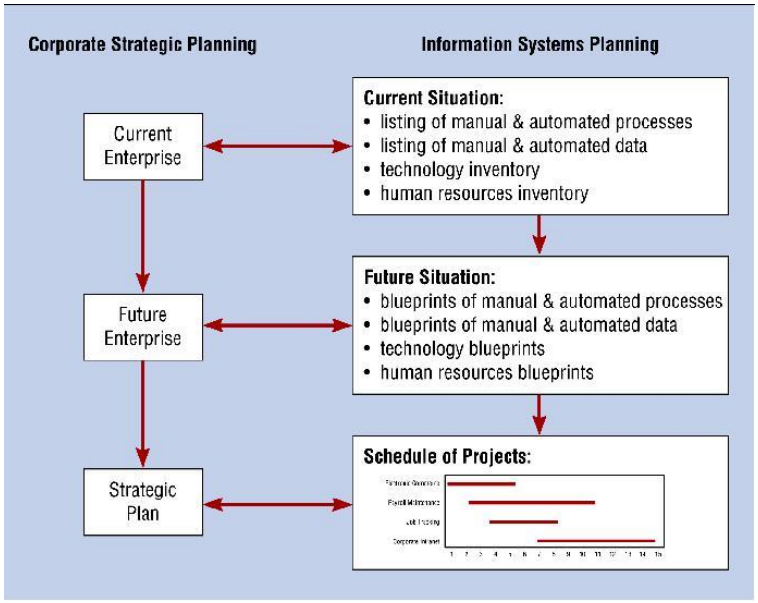
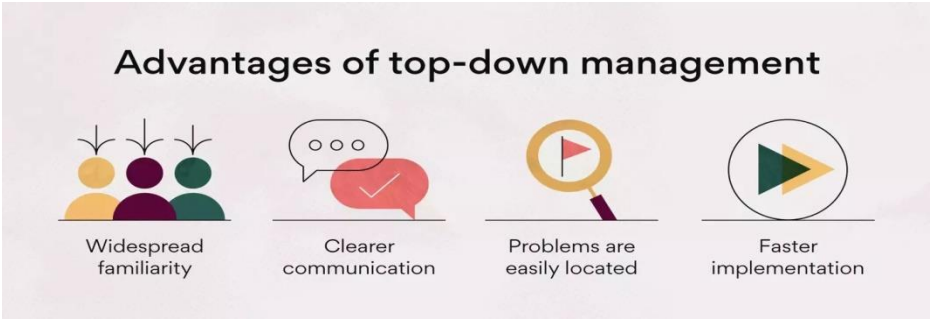
- It is an orderly means of accessing the information needs of an organization and defining the information systems, databases, technologies that will best satisfy those needs.

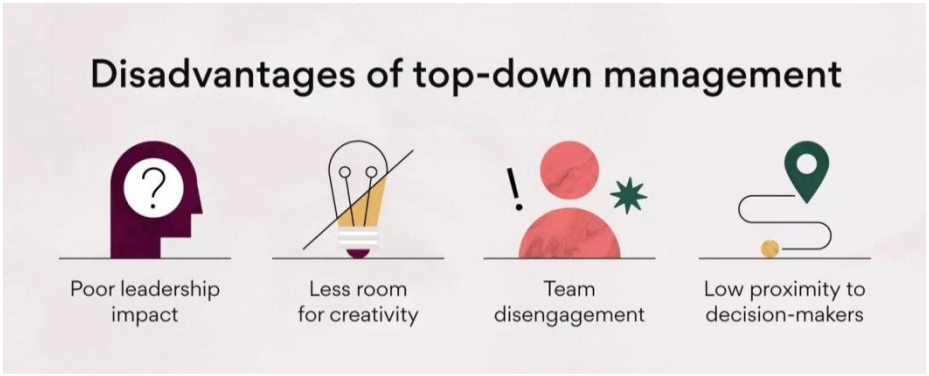




Parallel activities of corporate & Information system planning

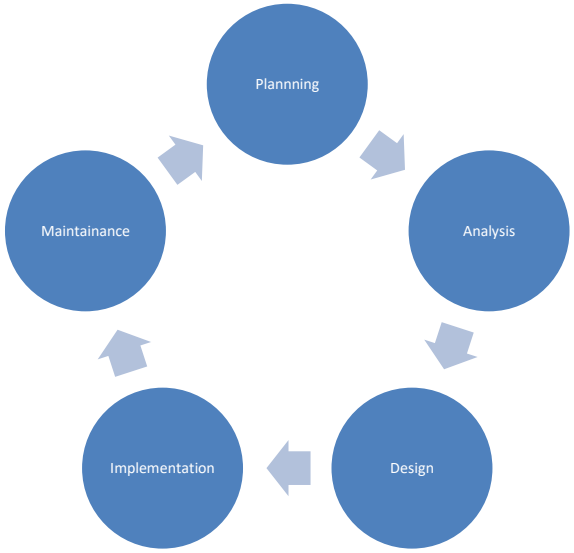
1. Describing Current Situation:
    - Most widely used approach for describing current organizational situation is top down approach its advantages over others are:





2. Describing Target Situations,trends,Constraints
    - Defining the target situation that reflects desired future state of organization.
    - This means target situation consists of desired state of location, units, functions, processes, data and IS.
3. Developing a Transition Strategy and Plans
    - Once the creation of current and target situation is complete, a detailed transition strategy and plan are developed by IS planning team.

4. INITITATING & PLANNING SYSTEM SEVELOPMENT PROJECTS
    - During the phase of SDLC planning, two primary activities are performed.
    - First, Project identification & selection, focuses on the activities during which the need for a new or enhanced system is recognized but doesn't deal with specific project.
    - Next step is to conduct a more detailed assessment during project initiation and planning.



    - Most organization assigns an experienced system analyst to perform project system and planning.
5. PROCESS OF INITITATING & PLANNING IS DEVELOPMENT PROJECTS.
    - Activities performed during project initiation are:
        a) Establishing project initiation Team
        b) Establishing relationship with the customer
        c) Establishing Project Initiation Plan
        d) Establishing Management Procedures
        e) Establishing Project Management Environment
        f) Developing project Charter
    - Activities performed during project planning are:
        a) Describe project scopes, alternatives
        b) Dividing project into manageable tasks
        c) Estimating resources & creating resource plan
        d) Developing preliminary schedule
        e) Developing communication plan
        f) Identifying and accessing risk
        g) Setting a baseline project plan

6. DELIVERIES & OUTCOMES

- The major deliveries and outcomes from project initiation and planning are the baseline project plan and project scope statement.
- The Baseline Project Plan (BPP) contains all information collected and analysed during project initiation and planning activity.
- The Project Scope Statement is a short document prepared for the customer that what project will deliver & outlines all work required to complete the project.

7. ASSESSING PROJECT FEASABILITY

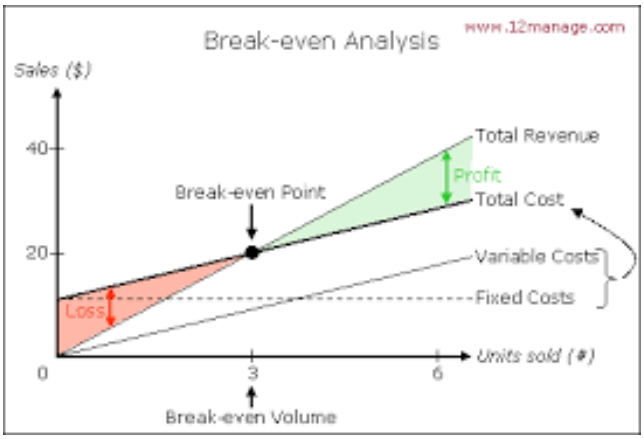
- Assessing project feasibility is a required task that can be a large undertaking because it requires a system analyst to evaluate a wide range of factors.
- Most feasibility factors fall into the following categories:
  a) Economic
  b) Operational
  c) Technical
  d) Schedule
  e) Legal & contractual
  f) Political

8. ASSESSING ECONOMIC FEASABILITY

- Its main purpose is to identify financial benefits and costs associated with development project.
- It is often referred as cost-benefit analysis.
  a) Determining Project Benefits:
     - Information system can provide many benefits to an organization.
     - Benefits are both tangible and intangible
     - Tangible refers to the items that can be measured in dollars and with certainty.
     - Intangible refers to items that cannot be easily measured in dollars or with certainty.
  b) Determining project costs:
     - One-goal of cost-benefit analysis is to calculate the total cost of ownership (TCO).
     - TCO refers to cost of owning and operating a system, including total cost of acquisition as well as cost associated with its on-going use and maintenance
     - A one-time cost refers to a cost associated with project initiation and development and the start-up of system.
     - A recurring cost refers to a cost resulting from the on-going evolution and use of system.

c) The Time Value Of Money

- Most technique used to determine economic feasibility encompasses this concept.
- TVM refers to comparing present cash outlays to future expected returns.
- Present value is current value of a dollar at any time in future .It can be calculated using:
  $PV_n = Y * (1/(1+i)^n$
- Here, P_{Vn} is present value of Y dollars n years for now when I is discount rate
- TO calculate NP_v we simply add present values calculated previously.
- The objective of Break-even analysis is to discover at what points (if ever) benefits equals to costs.
- Break-even ratio =(Yearly NPV cash flow – Overall NPV cash flow)/Yearly NPV cash flow



9. BASELINE PROJECT PLAN

BASELINE PROJECT PLAN REPORT
1.0 Introduction A. Project Overview—Provides an executive summary that specifies the project's scope, feasibility, justification, resource requirements, and schedules. Additionally, a brief statement of the problem, the environment in which the system is to be implemented, and constraints that affect the project are provided. B. Recommendation—Provides a summary of important findings from the planning process and recommendations for subsequent activities.
2.0 System Description A. Alternatives—Provides a brief presentation of alternative system configurations. B. System Description—Provides a description of the selected configuration and a narrative of input information, tasks performed, and resultant information.
3.0 Feasibility Assessment A. Economic Analysis—Provides an economic justification for the system using cost-benefit analysis. B. Technical Analysis—Provides a discussion of relevant technical risk factors and an overall risk rating of the project. C. Operational Analysis—Provides an analysis of how the proposed system solves business problems or takes advantage of business opportunities in addition to an assessment of how current day-to-day activities will be changed by the system. D. Legal and Contractual Analysis—Provides a description of any legal or contractual risks related to the project (e.g., copyright or nondisclosure issues, data capture or transferring, and so on). E. Political Analysis—Provides a description of how key stakeholders within the organization view the proposed system. F. Schedules, Timeline, and Resource Analysis—Provides a description of potential time frame and completion-date scenarios using various resource allocation schemes.
4.0 Management Issues A. Team Configuration and Management—Provides a description of the team member roles and reporting relationships. B. Communication Plan—Provides a description of the communication procedures to be followed by management, team members, and the customer. C. Project Standards and Procedures—Provides a description of how deliverables will be evaluated and accepted by the customer. D. Other Project-Specific Topics—Provides a description of any other relevant issues related to the project uncovered during planning.

10. REVIEWING BASELINE PROJECT

- Before the next phase of SDLC begins users, management, development group must review the BPP in order to verify that it makes sense.
- A common method for performing this review is structured walk-through.
- Walk-Throughs are peer group reviews of any product created during the systems development process and are widely used by professional development organizations.