

A Publication from INPUT's U.S. Systems Integration Program

## SI Users Match Vendor Program Management Techniques

The following is based on the research presented in INPUT's new report, *Methods of Successful Systems Integration*.

Research conducted by INPUT in early 1992 shows an increase in the involvement of client companies in SI program management. User organizations are now approaching SI contracts from a program management perspective. Previous INPUT studies had shown users in a less involved role, while a contractor performed SI services.

The new posture of users is basically attributed to previous experiences in SI relationships, or the desire of users to have more influence over the final solution.

Users realize that vendors could fail to fashion a satisfactory solution if they receive only specifications from the user organization.

Although vendors may have considerable experience in a customer's business, it is difficult for an outsider to develop a custom solution with little input from the client. A client has first-hand knowledge of his industry and company. The vendor needs the customer's participation in the solution.

To help assure that SI contracts are managed to the user's best advantage, 80% of users expect their program managers to have the same or equal qualifications as those of the program manager appointed by the vendor (see Exhibit 1).

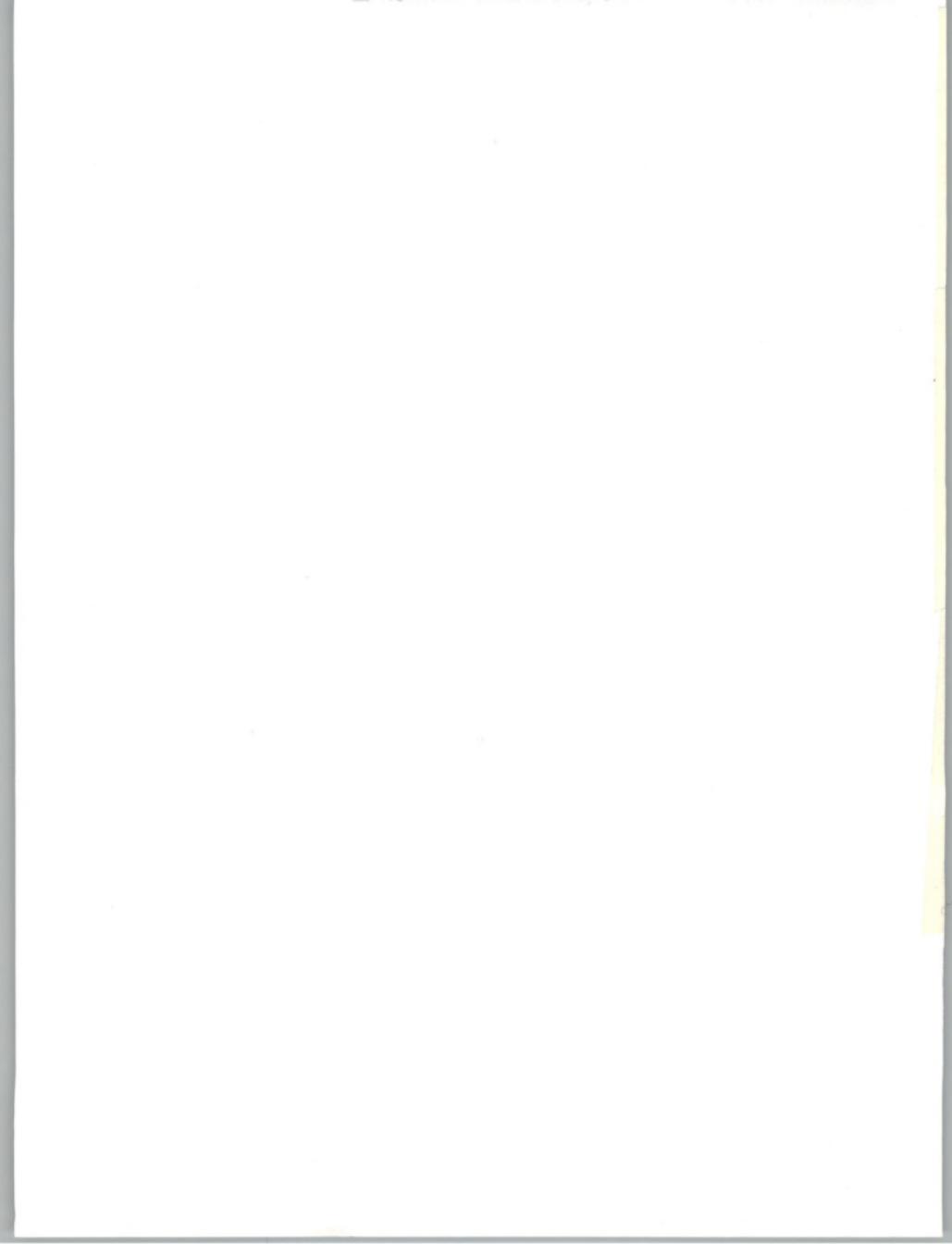
Exhibit 1

### Customer Program Manager Qualifications

Compared to Vendor's Program Manager	Percent of Respondents
Same	80
Different	13
Don't know	7

Source: INPUT

The customer's program manager oversees the vendor's adherence to the contract. This person is responsible for the customer's interface to the vendor organization, and directly interacts with the vendor's program manager.



Although users admit it is usually an impossible task to find individuals of program manager caliber within their companies, they rarely hire from the outside, as shown in Exhibit 2

Due to the size and complexity of many SI engagements, it is necessary to have a formal system to track problems and ensure that they are resolved.

Exhibit 2

### Customer Program Manager Development Methods



Source: INPUT

User companies are trying to cultivate career paths for individuals who exhibit program manager potential. However, at this time, seminars and on-the-job experience provide the bulk of the preparation given to user program managers.

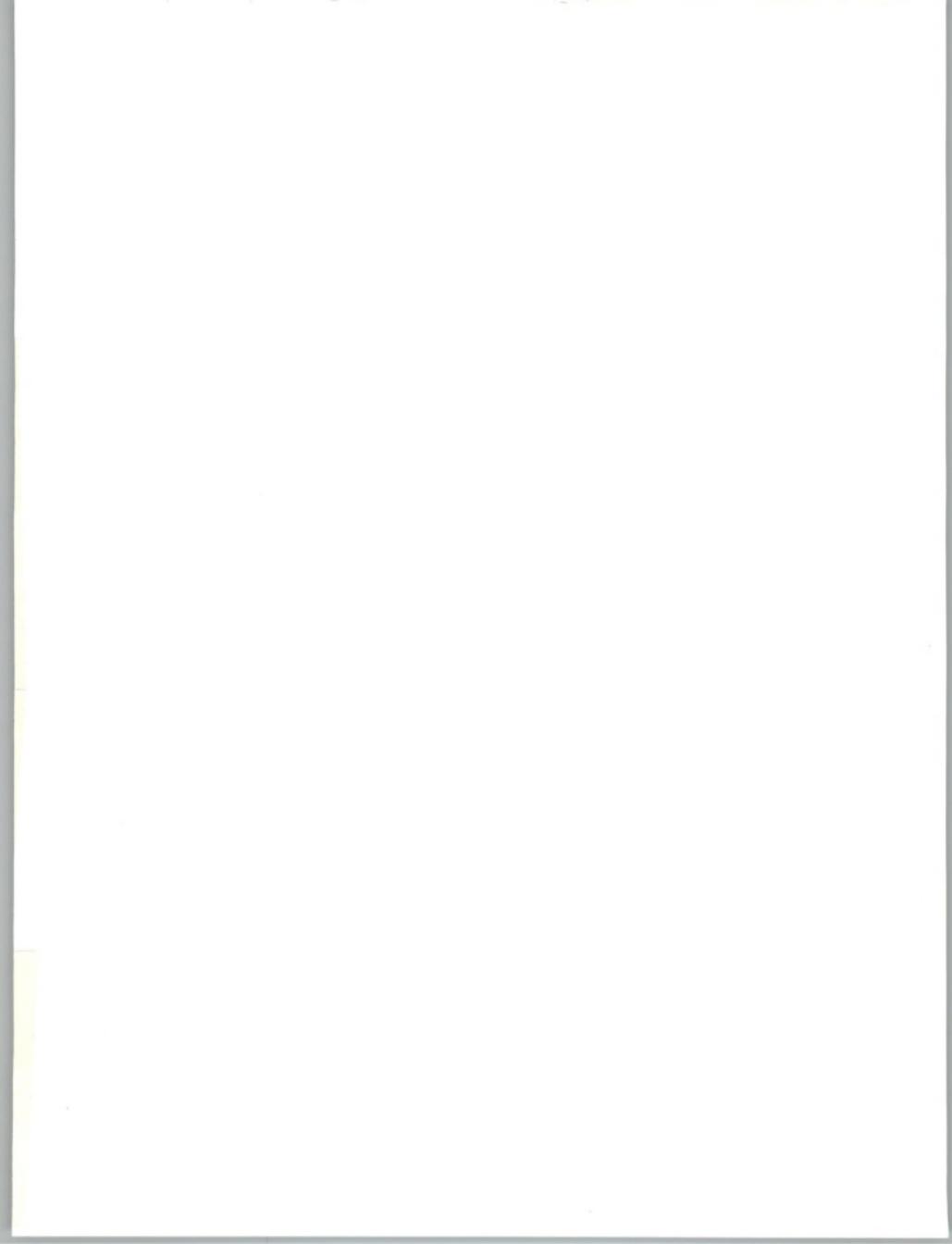
The formal processes applied by the majority of users in this study to manage their interface with SI contractors are listed in Exhibit 3. Many of these are commonly referred to as risk containment/management procedures.

The user interface organization employs budget controls during the course of an SI contract to monitor the vendor's progress. Careful monitoring of the allocated budget compared to the schedule milestones of deliverables can signal problems in the system when they occur.

As a result of problems and additional requirements, the customer may recommend changes to the solution the vendor is developing. Both organizations establish change management systems to monitor and control changes during the course of an SI contract. Many customers adopt or adapt their vendor's change management process to audit the vendor's change management progress.

Extensive contract administration is usually only necessary if progress payments are included in the contract.

Although education and training components of SI contracts are common, customer organizations are usually involved in providing detailed and ongoing training to end users. Vendors normally develop training materials,



### **Customer Program Management Procedures**

- Budget control
- Problem ID/tracking
- Change control
- Contract administration
- Education of buyer/end users
- Prepare integration plans to existing systems
- Internal quality reviews
- Progress reviews

Source: INPUT

offer initial training services, and train the customers' instructors.

The majority of user organizations in this study also developed plans to integrate the SI deliverable into their existing systems. The SI solutions often incorporate portions of existing systems. In these situations, impacted work flow processes are re-engineered by the user organization.

Customer organizations make their own assessments of the quality and progress of the vendor's developing system. These reviews are considered essential components of SI program management.

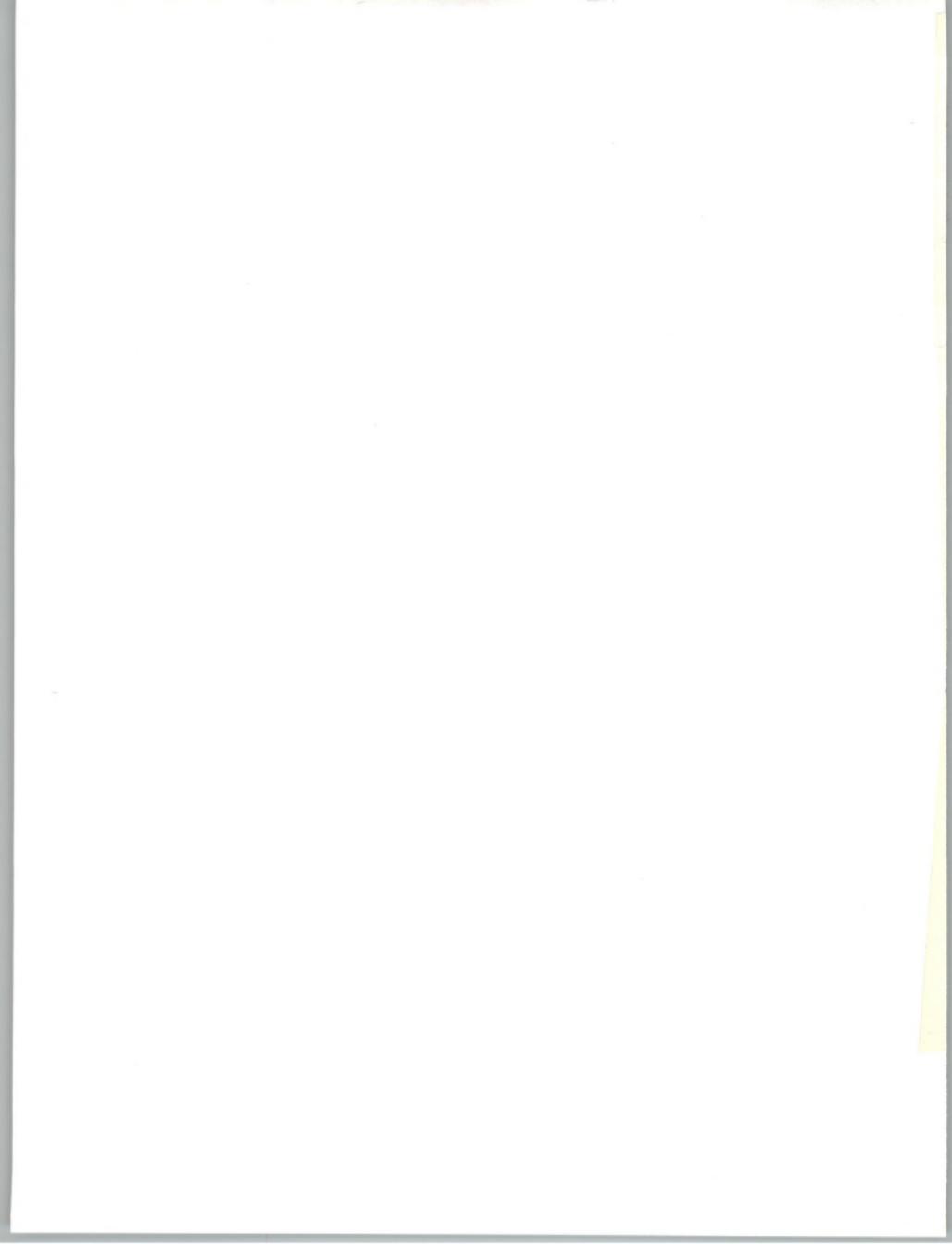
Obviously, the scope of an SI contract determines the extent to which customers implement program management procedures. Customers should be ready to modify and initiate procedures as situations evolve.

The path to a successful SI solution is easier when customers monitor vendor processes through their own program management procedures, and work with the vendor toward their common goal.

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This Research Bulletin is issued as part of INPUT's U.S. Systems Integration Program for the information services industry. If you have questions or comments on this bulletin, please call your local INPUT organization or J.P. Richard at INPUT,

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