AVOIDING VENDOR LOCK-IN AND BALANCING COST OF QUALITY OF YOUR IT PROGRAM

Companies are always in dilemma on what quality checklists they should follow to ensure a healthy project delivery and at the same time ensure a balanced cost of quality (i.e. the $ amount the vendor charges for Quality processes). In many cases the cost of quality is inbuilt into the pricing of the vendors and may not be explicit while in other cases the charges are shown under separate head like Quality Controller. Apart from this if quality processes are dependent on you, you must add your efforts in deriving the cost of quality. It is therefore essential that you realize how stringent you want your quality processes to be.
Sacrificing the level of documentation and hence quality of project in order to save cost has led to vendor lock-in for many customers. For business critical applications, the organization cannot afford to have even a single day's downtime in current business scenario. This whitepaper describes an approach the customers can take to find out how much they should be willing to spend as cost of quality for the projects.

What is Vendor Lock-In

Vendor lock-in is a situation when you can’t change your vendor just because he has become indispensible for your application. You are not able to move to another vendor because you don’t have details to share like project related documents which are required to hand over the project to new Vendor.

What is Cost of Quality (COQ)

Cost of Quality is the fraction of project budget which goes into ensuring quality and not development. This usually ranges from 0 – 10 % depends on the vendor’s application development methodology and your own development guideline. You can refer to this as overhead component of your project. Theoretically speaking higher the cost of quality the lesser the chances of Vendor Lock-in.

Whereas raising the COQ means more overhead it lowers the risk of Vendor lock-in and vice-versa. This means that you need to come to an optimum level of COQ. The following section tells you the approach you can take for your IT Program.

Optimize the COQ

Before anything else you must realize that for any of your project you must need to maintain a minimum level of COQ. COQ > 3% is inevitable. This is to ensure a basic project documentation related to requirements and design. Having said this let us look at what other factors affect your desired level of COQ.

- Business Criticality of the Application
- Expected life of the application
- Your own process maturity
- Your IT roadmap

If the application is more business critical, is designed to serve you for a long duration, you must invest higher in the quality processes. If your own process maturity (code review checklist, performance guideline, document templates) is in place you can lower the COQ by asking vendor to follow the same.

Also if the application has a strong role to play in your landscape and it is going to be a critical component going down the lane by serving or querying other applications again the cost of quality can be acceptable as high.

The following table shows the quality levels guidelines you can aim for depending on tenure and criticality of the applications.

<table>
<thead>
<tr>
<th>COQ</th>
<th>Quality Maturity Level</th>
<th>Applications</th>
</tr>
</thead>
<tbody>
<tr>
<td>3</td>
<td>Basic</td>
<td>All</td>
</tr>
<tr>
<td>3-5</td>
<td>Medium</td>
<td>Short Lived Non critical</td>
</tr>
<tr>
<td>5-10</td>
<td>Advanced</td>
<td>Strategic, Long Term App</td>
</tr>
</tbody>
</table>

Win-Win

There are certain steps you can take to increase the quality of your project with a moderate
increase cost of quality. We strongly recommend you to set these processes up

- **Project Document Templates** – Having readily available templates for requirement documents, coding standards, Test Cases, Code Review Checklist and Execution helps you to streamline your deliverables. You may follow the templates made available by your vendor.

- **Quality Induction Kit** – For all new team members of the project have a document introducing them to the flow of project and quality processes.

- **Measure Quality** – Keep a track of the number of issues reported per module / deliverable. This will help you keep track of how the project team has been doing. The graph should increase with time as they gain more experience and become more familiar with requirements and methodology.

**Rule out Vendor Lock-In**

Apart from the above mentioned points vendor lock-in can be ruled out by ensuring that a switch of vendor doesn’t impact the milestone with you application.

The following is a checklist of what a new vendor will require in such a case

- **Design and Technical Documents** – Please note that this is an updated version and not an outdated one.
- **Commented Code** – Ensuring that the code is commented by developers will help the new developers to understand and modify the code
- **Source code change Repository** – Changing the source code of an application though not suggested but is a reality for all applications. These create a problem once you are trying to upgrade your environment. Having a repository and keeping it up to date is a must.

By having the above included as deliverables from the vendor you can avoid a lock-in situation.

**Conclusions**

Given that various IT Programs have different business objectives it must be noted that a basic level of effort to ensure quality of project must always be factored in. The client must define the quality gates through which they would like the document and developments to flow through.

This will help them ensure that they don’t end up in a vendor locked situation.

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**About the Author**

The author of this whitepaper is a Project Manager at Veon Consulting Pvt Limited.

For further feedbacks, please contact

Email - info@veon.in

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