

A Strategic Vision for Requirements

The end game: iterating on nirvana.

By making requirements strategic and by incorporating business strategy into requirements, not only will requirements mature faster, more mature requirements processes will lead to consistent business benefits. And by creating a Requirements Center of Excellence, organizations will be able to multiply these outcomes throughout the enterprise.

End Notes

- 1 <http://spectrum.ieee.org/computing/software/why-software-fails>
- 2 <http://www.enterpriseirregulars.com/33555/marin-county-claims-racketeering-against-deloitte-and-sap-part-one/>
- 3 <http://www.zdnet.com/blog/projectfailures/department-of-defense-it-years-late-and-billions-over-budget/11123>
- 4 <http://hbr.org/2011/09/why-your-it-project-may-be-riskier-than-you-think/ar/1>
- 5 <http://spectrum.ieee.org/computing/software/why-software-fails/0>
- 6 <http://hbr.org/2011/09/why-your-it-project-may-be-riskier-than-you-think/ar/1>

About Seilevel

Seilevel is a professional services company that creates software requirements for Fortune 1000 companies. Leading companies turn to us to identify and delineate their needs because Seilevel's proven approach to software requirements saves you development dollars and maximizes resources. Seilevel gets the software requirements right, so our clients get their software (and business outcomes) right.



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The risk from IT project failure is potentially catastrophic to an organization, ranging from multimillion projects that get scrapped¹, to public scandal (see a recent lawsuit claiming racketeering by SAP and Deloitte)², to billions in cost overruns in part from "inadequate requirements management."³ A strategic vision for requirements is not merely concerned with improving requirements or improving projects; it must incorporate linking IT spend with strategic initiatives.

Most IT executives are familiar with the data on project risks, including overages and failure to meet business needs.⁵ The risk described by Bent Flyvbjerg and Alexander Budzier is that *one out of six IT projects incurs "a cost overrun of 200%, on average, and a schedule overrun of almost 70%"*⁶ — overages significant enough to cause austerity-inducing budget deficits for government, put corporations out of business, and end careers.

“IT projects are now so big, and they touch so many aspects of an organization, that they pose a singular new risk.”
— Flyvbjerg and Budzier, HBR September 2011⁴

It is imperative that organizations incorporate business strategy into their requirements.

In doing so, IT executives and their teams can define, achieve and measure the return from IT initiatives. When IT initiatives align with business strategy, executives can utilize corporate business objectives to ensure only projects that represent tremendous value for the organization get chartered, and project teams can ensure that project scope is limited to only the most valuable functionality. While most organizations follow an ad hoc methodology for portfolio management and controlling project scope, a mature organization will find that all of IT understands the strategic value of every project and can make daily decisions based on those values.

Utilizing business strategy to control requirements will mature requirements delivery.

Even at low levels of requirements maturity, the process of incorporating business strategy will help to mature requirements delivery. However, to generate strong business alignment requires strong leadership, and possibly the establishment of a Requirements Center of Excellence (RCOE).



Key areas needed to create a Requirements Center of Excellence.

The development of a RCOE can be incremental and iterative. Each level of requirements maturity requires incremental improvements in the following functional areas:

- **People.** Skills and knowledge of the IT product managers, business analysts, quality assurance, systems developers, SMEs, and business stakeholders.
- **Process.** Practices for all stages of requirements, including templates, guidelines, assessments, training, and mentoring.
- **Tools.** Requirements management, requirements collection, document management, team collaboration, issue tracking, and knowledge repositories.

Creating a Requirements Center of Excellence, stage by stage.

The stages of RCOE creation build upon each other to support building requirements maturity.

Stage 0: Ad Hoc. There is no requirements maturity. Requirements are created ad hoc, project scope is based on “squeaky wheel” direction. The RCOE vision is laid out; influencers and strategy stakeholders are identified.

Stage 1: Individual. Although individual efforts may align with business strategy, there is no consistent measurement of business return.

Stage 2: Team. Teams now share an understanding of business objectives; some individuals may share an awareness of strategy. While individual projects may be measured for return, there is no organization-wide validation of project return yet.

Stage 3: Business Unit. There is strong portfolio management across multiple teams. Teams and finance consistently define and evaluate the project return across the portfolio. More than one business unit may be at this level of maturity.

Stage 4: Organization. Throughout the organization, there is strong portfolio management based on organizational strategy. The scope of projects is aligned with the strategy, and the entire portfolio is regularly analyzed for business return.



Creating a Requirements Center of Excellence.

