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Early involvement is the first step to successful tendering processes

>>limiting project risks

Tendering processes are becoming larger and more complex, and this is often also the case for maintenance and financing. As a result, the risks increase exponentially. How do you deal with this?

Involvement of the end user

ICT projects have a negative image. They seem to go wrong more often than other types of project. The main cause of these failures tend to be insufficient input and involvement from the end user. Clients and development partners consult with each other, but end users are rarely consulted, and when they are, it is limited to a questionnaire or a brief interview.

In major projects, it can often take months to determine specifications. If end users actively participate in this process, they can give their opinions at critical moments with regard to aspects such as usability. The development partner can also play a useful role in the establishment of specifications by contributing his/her own knowledge in order to realise the best possible solution. Unfortunately, during many tendering processes, the specifications have already been determined in detail by the time the person responsible for the construction comes on board. This results in very little room for manoeuvre and prevents the addition of any completely new functionalities.

Wishes and requirements

It has often been assumed that early involvement of the end user in the project involves risks, for example, overstrain. User and client will have to find a happy medium: what is essential and what would be ‘nice’? This sort of list of wishes and requirements is also a way that providers can distinguish themselves by clarifying, for example, what they offer and for what price. These days, there is a tendency to simply look at the price, which often does not ensure an optimal solution or an advantageous price-quality ratio.

Tendering processes are growing in scale

A current trend amongst big businesses and government institutions is to reduce the retention of expensive knowledge in house. Less people must do the same work. Anything that does not belong to the core tasks is outsourced. As a result, tendering processes are constantly growing in scale. They do not only involve the design and the construction, but also the financing and maintenance over a period of, for example, 30 years. It is an entire life cycle in one contract: Design, Build, Finance, Maintain (DBFM). These kinds of projects are so sizeable that there are practically no single entities that have all of the relevant expertise under one roof.

DBFM demands sustainability

A DBFM contract has one important advantage: builders have a vested interest in the aspects of sustainability and maintainability. After all, if they create a substandard product, they will then have to spend a great deal of time and money on maintenance. The crux of the matter is the end of the contract. What should remain at the end of the contract period: a completely worn-out and redundant system or a system that can be used for another 10-20 years?

Risks during ICT development

Projects that include a development aspect will always involve risk, and this is often the case for ICT projects. During this kind of project, something new is created, so it can only be understood to a limited degree. There is a major contrast within civil engineering projects: we have been constructing buildings since the start of recorded history, while we have only been making software for a few decades. This is clear to see during major construction projects such as railway lines or tunnels. The physical construction is completed on time, but the ICT causes delay. The demands regarding safety and availability turn out to be insufficiently defined. Discussions are started about what the exact definition of safety and accessibility is and how the demands for both should be interpreted, resulting in delay to the project due to redesigns.

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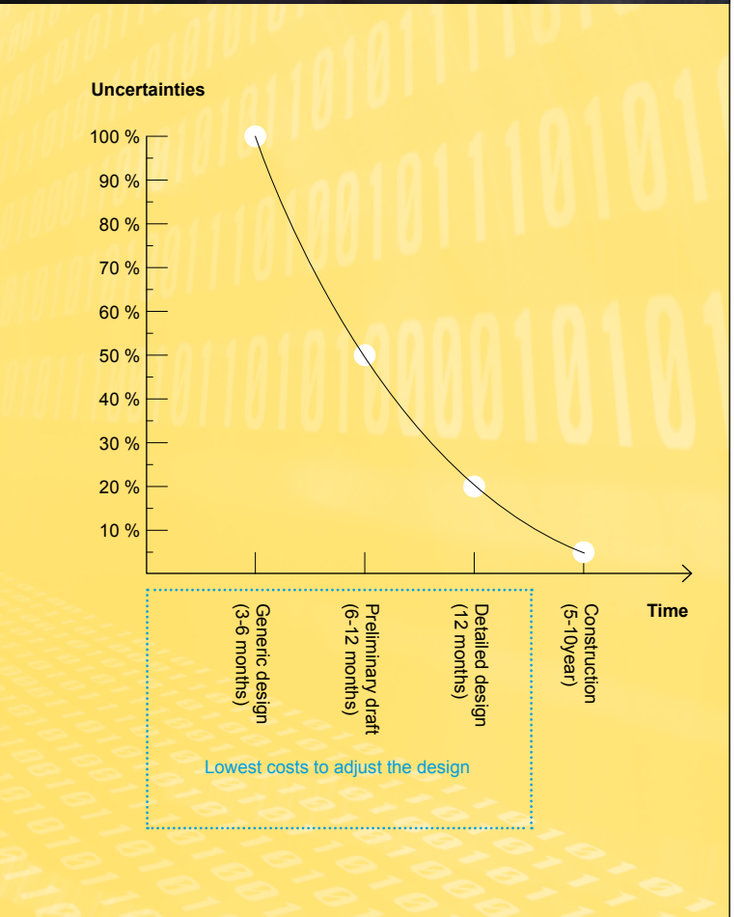
This article was written in collaboration with our sister company, Technomanage.



Professionalisation

The ICT world is becoming increasingly professionial. The working processes and the development methods are well defined. A great deal is being done to optimise the processes and to improve predictability, although process monitoring is no guarantee of a good product. The client often possesses insufficient knowledge to accurately assess this. One option is an independent test – a kind of KEMA quality mark for software. This is a challenge: after all, how easy will it be to find a software company that would be willing or able to independently approve another company's software? A better solution would be to give the party responsible an assignment with clear functional specifications. However, the developer can never view things completely from the user's perspective: the user will always have to check whether or not he/she is satisfied with the product and whether everything he/she wanted has been provided. The developer and user must communicate on a functional level with regard to this matter. It may be frustrating if problems surface during development, although this situation is always preferable to discovering the problems during usage.

Management rather than pot luck

The main problem of ICT projects is uncertainty: the specifications and the solutions only become clear as you go along. By splitting this process up into various projects, the risks are reduced. A first step in this could be competition-oriented dialogue, in which the client makes the specifications clear to a number of market players. Together, they can examine factors such as whether all requirements have been defined, whether differing interpretations can occur, whether everybody understands the situation and whether it is feasible.

Competition-oriented dialogue is good, but it is not enough on its own. Even with clear specifications, the uncertainty is still significant. This can be solved by breaking the process up into bite-sized chunks, for example, by making the design process a separate project and putting all of the knowledge from this phase onto the market. You should then call for tenders from every interested party: not only the party responsible for the design, but also other involved parties. The results of this are more efficient tenders with a clearer end result and a more competitive price. An alternative to this is a collective development process based on a partnership. With this structure, the client and the contractor conduct the design process together. The price for the whole project is only determined once the preliminary draft is complete. Both approaches reduce risks and increase the chances of a suitable end result. This is effective management rather than just pot luck.