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Kozura

[MANAGEMENT GUIDELINES
 FOR COST ACCOUNTING
 AND COST CONTROL
 FOR ADP SYSTEMS
 DESIGN AND DEVELOPMENT
 ACTIVITIES]

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 NOVEMBER 1979

710338 / 094325

GENERAL

FORMAL PLANNING

--LONG RANGE

--SHORT RANGE

--SPECIFIC PROJECT PLANS

--ANNUAL AND MORE

FREQUENT REVIEWS

FORMAL PLANNING

GUIDELINES

--FORMAL WRITTEN PLANS

--TOTAL ECONOMIC IMPACT

--INTEGRATION

--COMMON DENOMINATOR

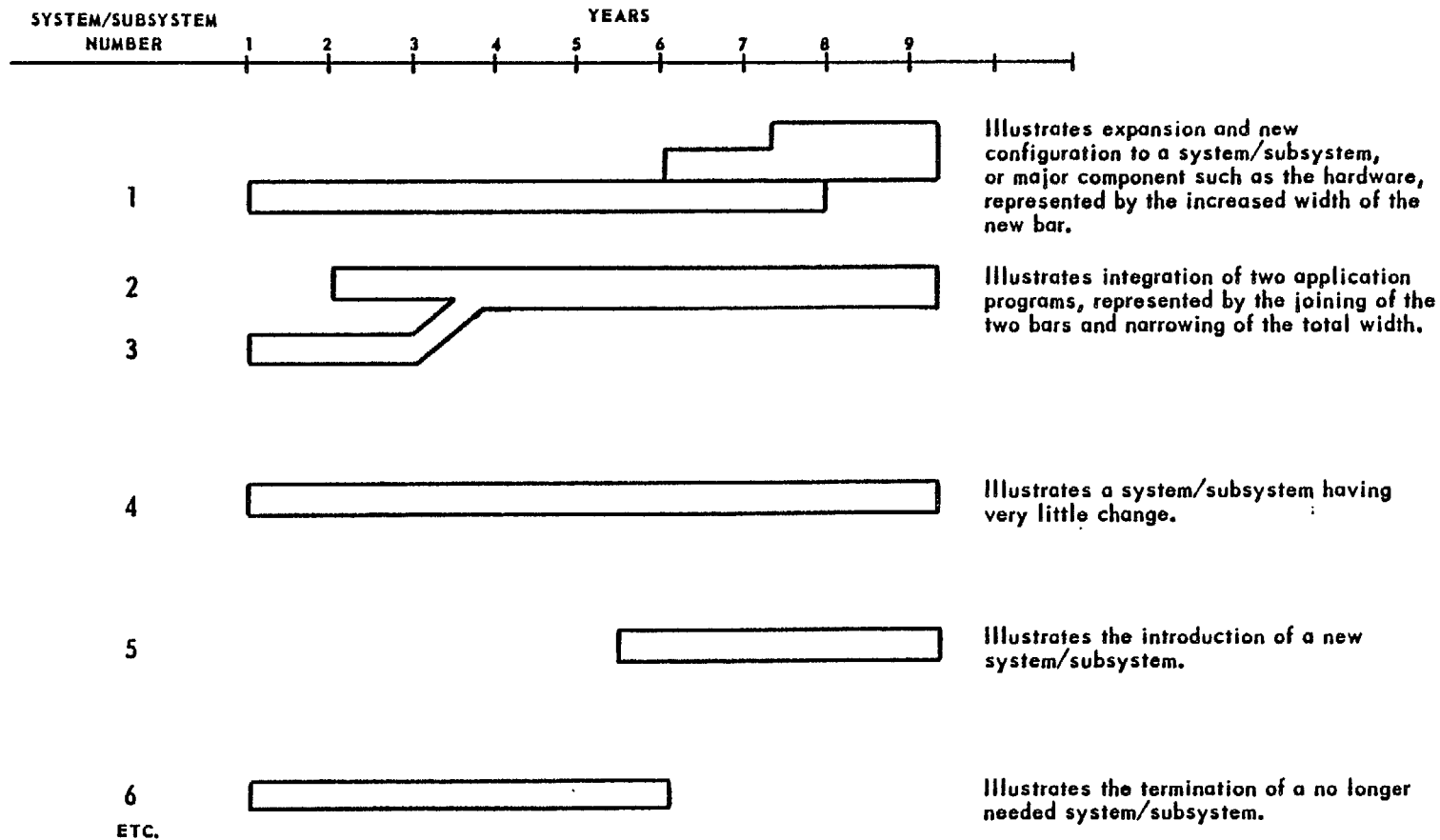
--COST DATA

--CONSISTENCY OF

PRIORITIES

--MILESTONES

THE LIFE CYCLE CONCEPT



The concepts illustrated are that:

- (a) ADP activities are concerned with a number of different life cycles at any point in time.
- (b) Each system life cycle may (or may not) be different from that of another. By life cycle we include the complete series of stages through which a system (or subsystem) passes during its lifetime. For our purposes the period extends from the time work is first started or costs are charged to a system to the time when it is no longer used or financially supported. The staggered life cycles for 6 different systems and the events that can occur during those life cycles are shown above.

THE LIFE CYCLE CONCEPT

--SYSTEM 1 - EXPANSION AND NEW CONFIGURATION

TO A SYSTEM/SUBSYSTEM

--SYSTEM 2 - INTEGRATION OF TWO APPLICATION

--SYSTEM 3 SYSTEMS

--SYSTEM 4 - VERY LITTLE CHANGE

--SYSTEM 5 - INTRODUCTION OF A

NEW SYSTEM/SUBSYSTEM

--SYSTEM 6 - TERMINATION OF A

SYSTEM/SUBSYSTEM

THE SYSTEM LIFE CYCLE CONCEPT

--A NUMBER OF DIFFERENT

LIFE CYCLES AT ANY

POINT IN TIME

--EVERY SYSTEM LIFE CYCLE

MAY OR MAY NOT BE DIFFERENT

FROM ANOTHER

CRITICAL DECISION POINTS

IN THE SYSTEM LIFE CYCLE

--DESIGN DECISION

--DEVELOPMENT DECISION

--INSTALLATION DECISION

--EVOLUTION DECISION

SYSTEM LIFE CYCLE GUIDELINES

--COST ESTIMATES BASED ON

EXPERIENCE

--PAST EXPERIENCE AND LIVES

OF SIMILAR SYSTEMS

--WELL-DEFINED AND STRUCTURED

VIEW

--FLEXIBILITY TO HANDLE CHANGES

IN SYSTEM LIFE

--PERIODIC UPDATING

--DOCUMENTED DESCRIPTIONS

--INTEGRATE PLANNING

RESOURCE UTILIZATION MEASUREMENT

--SYSTEMATIC MEASUREMENT

AND REPORTING OF RESOURCES

--ACTUALLY USED

--USED FOR REASON

--WHEN THEY WERE USED

--BY WHOM

RESOURCE UTILIZATION

MEASUREMENT GUIDELINES

--CONSUMPTION OF RESOURCES

--EFFICIENCY AND ECONOMY

--MEASUREMENT IN SUFFICIENT DETAIL

--COST INFORMATION ACCUMULATED BY OBJECT

--COST INFORMATION

ACCUMULATED BY CATEGORY

--COST INFORMATION AVAILABLE

TO PROJECT MANAGERS AND SUPERVISORS

--REPORTED ON AN APPROPRIATE TIME

SCALE

MANAGEMENT REPORTING

--COST OF DESIGN AND DEVELOPMENT REPORTED

IN FINANCIAL TERMS AND RELATED TO BENEFITS

AND ACCOMPLISHMENTS

RESPONSIBILITY CENTERS

--ORGANIZATIONAL

--FINANCING

--PROJECT

--EFFORT

--WORK FUNCTION

ORGANIZATIONAL CENTERS

--USED TO ASSIGN

RESPONSIBILITIES FOR WORK

FINANCING CENTER

--USED FOR FUND OR

APPROPRIATION RESPONSIBILITIES

PROJECT CENTERS

--RESPONSIBILITY FOR

AN ENTIRE ADP SYSTEM

OR MAJOR MODIFICATION

EFFORT CENTERS

--RESPONSIBILITY FOR

MODIFICATION AFFECTING

TWO OR MORE SYSTEMS

WORK FUNCTION CENTERS

--REPORTING OF

SIGNIFICANT CLASSES

OF WORK WITHIN

A SYSTEM DESIGN AND

DEVELOPMENT ACTIVITY

MANAGEMENT REPORTING

GUIDELINES

--STANDARDIZED BUT

FLEXIBLE

--REPORTING IN TERMS

OF ESTABLISHED MILESTONES

--CONTROL CONSISTENT WITH

SCALE OF UNDERTAKING

--MODIFICATION COSTS

SEPARATED FROM

MAINTENANCE COSTS

--MANAGEMENT COST

REPORTING RELATED TO

LONG-RANGE PLANS

--TIMELINESS, RELEVANCY

AND CONSISTENCY

--DECISION REVIEWS POINTS

COST ASSIGNMENT

TO USER UNITS

--END USER UNIT

--COST ASSIGNMENT

PROCEDURE

--COST/BENEFIT ANALYSIS

--REDUCE OR MODIFY

DEMAND FOR SERVICES

--COST ACCOUNTING SYSTEMS

MUST MEET THE NEEDS OF:

--INFORMATION SYSTEMS MANAGERS

--AGENCY SENIOR MANAGERS

--END USER MANAGERS