I494 - Designing and Developing an Information System

Class 3

Announcements
- Informatics East Party – 9-17
- Accenture case competition
- Labs this week
  - Unix

Turnover and Job Satisfaction Issues?

1) Cost of replacement (Money, time)
2) Department image (external view)
Positives (things people like)

1) Moving forward on projects when appropriate
2) Measure own progress
3) Only keep in touch with things that affect them
4) Brief, pragmatic communications
5) Practical work
6) Personal goals stated in project goals

Negatives (things people dislike)

1) Waiting for politics
2) Not getting feedback on how work is progressing
3) Administrivia (keeping up with things that don’t affect them) TPS Reports 😞
4) Policies, forms, regulations
5) Remembering feelings, birthdays, social events
6) Group or organizational concerns
Rewards:

1) Problems with pay not linked to performance
2) Should acknowledge and reward instantly
3) Money, promotions, vacation
4) Fairness is critical

Basic outline for project proposal

- Background
- Motivation
- Goal
- Scope
- Deliverables
- Risks
- Rewards
- Project plan

How do we decide whether to proceed?

- Background
- Motivation
- Goal
- Scope
- Deliverables
- Risks
- Rewards
- Project plan
Take the Positive View
- Argue based on opportunities
  - Quantitative
    - Revenue
    - Efficiency
  - Qualitative
    - Customer satisfaction
    - Employee satisfaction

Financial Considerations
- Define the following:
  - Revenue
  - Expenses
  - Overhead
  - Employee cost

Financial Considerations
- Revenue
  - Goal is to bring more money in
- Expenses
  - Goal is to move less money out
- Overhead
  - Typically outside of project’s control

How do we make more revenue?
How do we lower expenses?

Return on Investment

ROI calculations

1) ROI: Costs in $, Benefit in $
2) ROI: Costs in $ - Benefit in $
3) ROI: Benefit in $ / Cost in $
4) ROI: (Benefit in $ - Cost in $) / Cost in $

Task - Assume that we have these values:
- costs = 1,000,000
- benefits = 1,100,000

Each person on a team (1,2,3,4) calculate ROI for their corresponding calculation above, and then jot down pro’s and con’s for how the calculation might be interpreted.

Discussion

- How do the calculations differ?
- What questions might an executive ask?
- When is the right time to analyze ROI?
- What circumstances might preclude ROI?
- What might happen to projects that do not perform a justification analysis?
- Is anything really free?
Opportunity Cost?

Non-Monetary Considerations
- activity