

# WSR CONSULTING GROUP, LLC

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## Consultants & Expert Witnesses in Computer Systems and Software Projects

Below are **Eleven Proposed Presentations for your Consideration**<sup>1</sup> newly developed, customized, updated, enhanced and/or presented by Warren S. Reid or Lubomyr Chabursky of WSR Consulting Group, LLC. for 2008:

- I. **“Surviving and Thriving in the Changing World of Technology: Reid’s Remedies 1-10”**
- II. **“There Are Six Sides to Every High-Tech Valuation: Secrets Every High-Tech Lawyer Should Know About How to Value High-Tech Companies, Deals & Assets”**
- III. **“The 50 Ps of Software Project Success”**
- IV. **“CPR: Reviving the Drowning Large-Scale IT Project”**
- V. **“Ten Classical Causes of Testing Failure that STILL Persist and What You Can Do About Them”**
- VI. **“Dramatically Increasing Project Success with Radical QA: A Guide to Managing Expectations and Results”**
- VII. **“The Scope Game – Winning With a Moving QA Target”**
- VIII. **“Bu-St-ED: BS Exposed and Debunked”**
- IX. **“Looking for Mr./Ms. Right: Selecting the Right Expert – Selecting the Right Counsel -- How It All Plays Out!”**
- X. **“MBASE: Software Model Clashes & Conflicts”**
- XI. **“Tough Questions in Large-Project Litigation”**

This document/webpage describes our latest and current presentations/seminars/workshops, including some brand new ones. All are scalable, from 60 minute briefings and presentations to longer workshop formats.

Call us to discuss any of these further, and about how we might customize the materials and presentations to your specific needs. Also, consider referring these to:

1. Individuals that you think would have interest and would benefit.
2. Persons who would have interest in my doing these topics in their organization.
3. A good author doing an intelligent compilation of creative IT thoughts for a book
4. A Conference Board/Planner/Manager of major, world-class IT, Legal or Business conferences
5. As additional credentials, to anyone who might want to engage WSR Consulting Group, LLC as a consultant, assessor or expert witness on projects, issues, and litigation related to these topics.

Thank you,



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# Eleven Proposed Presentations for your Consideration (By Warren S. Reid - updated 2008-05-27)

## I. “Surviving and Thriving in the Changing World of Technology: Reid’s Remedies 1-10”

By Warren S. Reid, Managing Director, WSR Consulting Group, LLC

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As an industry, software development and implementation has been structured, objectivized, CASE-d, tooled and retooled, TQMed, walk-throughed and inspected, BPRed, ERPed, CXOed, outsourced, in-shored and off-shored, webified, extremed and agilated, and SOXed! Yet after decades of these new panacea technology introductions, the rate of software and software project success still hovers at only 30% in the U.S. – and \$55,000,000,000 is written of each year on scrapped software projects.

Why has this happened? Are we doomed to a failed future? What can you, your organizations, project directors and industry leaders do about it so your projects and software can be successful?

Mr. Reid will present his philosophy, experience over the last 36 years, recommendations and rules in how to be successful in your software development and implementation endeavors and projects through a series of real case lessons as a project leader, as a developer of world class methodologies, and as an expert witness in court in matters involving alleged software and software project failures.

His topics include:

- Why the 15 great panaceas of the last thirty years have failed and what really needs to be done to increase success rates.
- IT Lawsuits (“It’s always the same 10 complaints – all over the world!”)
- Why requirements and scope always change and how to deal with this reality.
- Getting to the “MEAT” of the problem -- apparently the four least understood aspects of systems life cycle! (**M**aintenance, **E**nhancements, **A**cceptance, and **T**esting)
- Identifying, managing and mitigating common risks to all large projects – before the occur.
- “Radical Project Management”: Lessons Learned from Failed, Death March and Runaway Projects
- Will the move from disciplined to “Xtreme” & “Agile” development methodologies for delivering allegedly “better, cheaper, higher quality and on-schedule software” work for you? What are the caveats?
- Recommendations, and points to consider, for each topic above

### Recurring Litigation Themes: What the Triers of Fact Hear...

Just about EVERY time!

### HE SAID...

1. System Doesn't work
2. We can't use it
3. System Failed in field
4. Fundamental Flaws – will never work
5. System is full of bugs
6. Limited functionality
7. Developer failed as Sys Integrator
8. Poor advice given by other party
9. Unqualified personnel
10. Wrong development process

### SHE SAID...

1. Client changed mind
2. Client people not trained
3. Client did not do required BPR
4. We need only “2 more months”
5. Bad data / Bad version
6. Client kept changing/enlarging scope
7. Client failed as Sys Integrator
8. Poor client decision-making
9. Wrong client people
10. Poor client support

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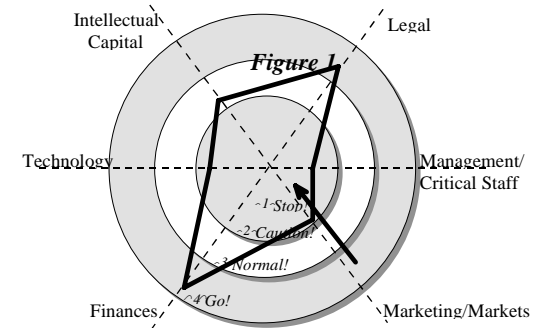
## II. “There Are Six Sides to Every High-Tech Valuation: Secrets Every High-Tech Lawyer Should Know About How to Value High-Tech Companies, Deals & Assets”

By Warren S. Reid, Managing Director, WSR Consulting Group, LLC  
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Typical approaches to valuing high-tech assets, companies, applications, and deals have missed the mark for a long time. Classic asset based approaches (book value, adjusted book value, replacement cost, liquidation (orderly or forced), cost to recreate); (b) comparison based methods; (c) publicly traded company method; and (d) capitalization/discount based methods are no longer good enough – if they ever were -- for valuing high-tech properties. Such approaches just don't explain why so many high-tech properties under perform, or why IBM “overpaid” for Lotus Development by \$2 billion.

Anyone who wants to properly value a high-tech company or solution for purposes of the Merger & Acquisition team table, the negotiation table, the boardroom or the courtroom, needs to look at all sides of the property – especially the following six sides:

- I. **Management/Critical Staff**
- II. **Markets/Marketing**
- III. **Technology/Products/Services**
- IV. **Finances**
- V. **Legal**
- VI. **Intellectual Capital**



Knowing how a company or assets fare in these six interrelated areas, will give you the greatest insight as to what their long-term value and potential are, and what to focus on to dramatically increase property value! That is why the University of Southern California (USC) has made Mr. Reid's model a part of its Masters and Ph.D. program in **Strategic Management of Technology** in 2006, and then again in 2007.

In this presentation, Warren S. Reid will present the kinds of special analyses and questions that you will want to ask regarding your client's high-tech opportunity. Mr. Reid offers a series of approximately 150 questions, with contextual explanations, empowering the attendees to answer the questions for him/herself for his/her own specific situations.

A major bonus is that these six areas equally apply to businessmen, lawyers, venture capitalists, corporate valuation specialists, board members on high-tech companies, investors and others who are investigating transactional opportunities, mergers and acquisitions, companies going public, as well as litigators and expert witnesses whose responsibility is to help triers of fact determine asset values. Interestingly, the model can be very helpful in determining why companies, integrators, consultants, and software developers succeed or fail in defining, developing, implementing, and/or maintaining large-scale systems, applications, and projects. That is the power of this methodology!

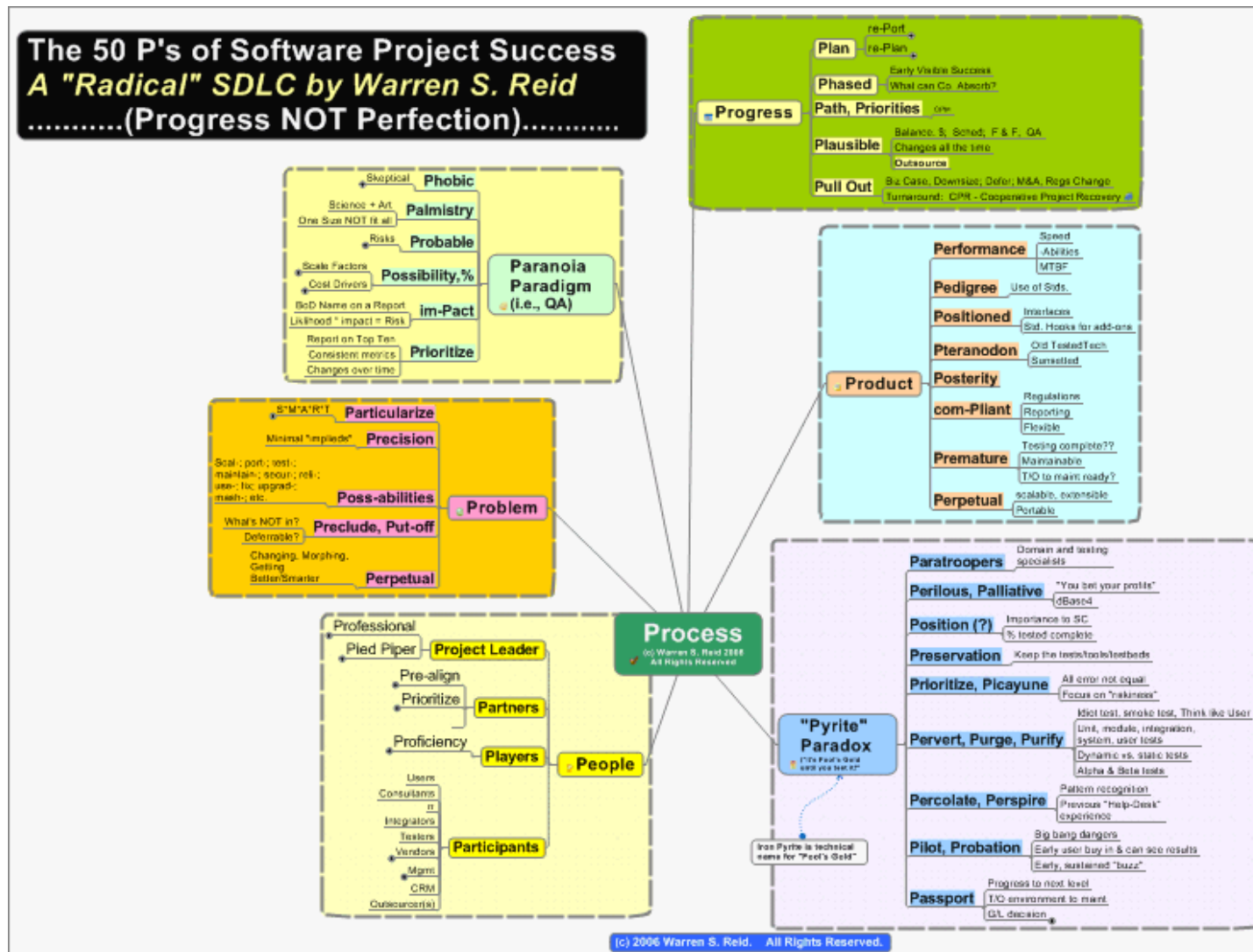
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# III. The 50 Ps of Software Project Success © Warren S. Reid 2006 All Rights Reserved

*A fun but rigorous way to rethink or tighten up your SDLC methodologies that stopped working!*

This interactive presentation is for intermediate/advanced Project Managers and CXOs, based on Mr. Reid's software development, project management, and expert witness work. It is consistent with best practices in several world class institutions and governing bodies. A different presentation is available for attorneys who contract for or litigate large-scale systems projects issues.



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## IV. CPR:<sup>2</sup>

### Reviving the Drowning Large-Scale IT Project

By Warren S. Reid, Managing Director, WSR Consulting Group, LLC  
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#### Overview

In 2004, one-third of all IT projects were reported as failed and were scrapped! One-third were “challenged” and came in with deplorable budget and schedule overruns! Only one-third were deemed successful!

Warren S. Reid will show you what can, and in most cases, **must be done** to turn around the runaway IT project and try to get it into the “successful” column -- before you ever litigate (and hopefully, you won’t have to).. By referencing actual anecdotal turnaround cases (and some litigation situations that could have been avoided) that he has worked on, Mr. Reid will present a proprietary, multi-tiered, 13 step model that focuses on what actions must be taken during a failing project to turn around, overcome and compensate for project management, methodology, technology and people deficiencies/issues.

A real **bonus** to Mr. Reid’s presentation and model is that this same model and related procedures, if contracted for and employed early in a project, will prevent runaway situations, and also be useful as a yardstick for good IT industry standards and practices to be used in the courtroom.

#### **This presentation includes:**

- 1) The CPR Model (and a presentation of each of the 13 critical steps)
- 2) Software project statistics and trends over the past 8 years
- 3) Typical u.s. latent error/defect statistics for various types of software projects
- 4) What are the software project estimating factors
- 5) Typical known risks before a project starts
- 6) Recurring litigation themes: what the triers of fact hear – just about every time – in large scale systems failure matters.

*You won’t want to miss this one!*

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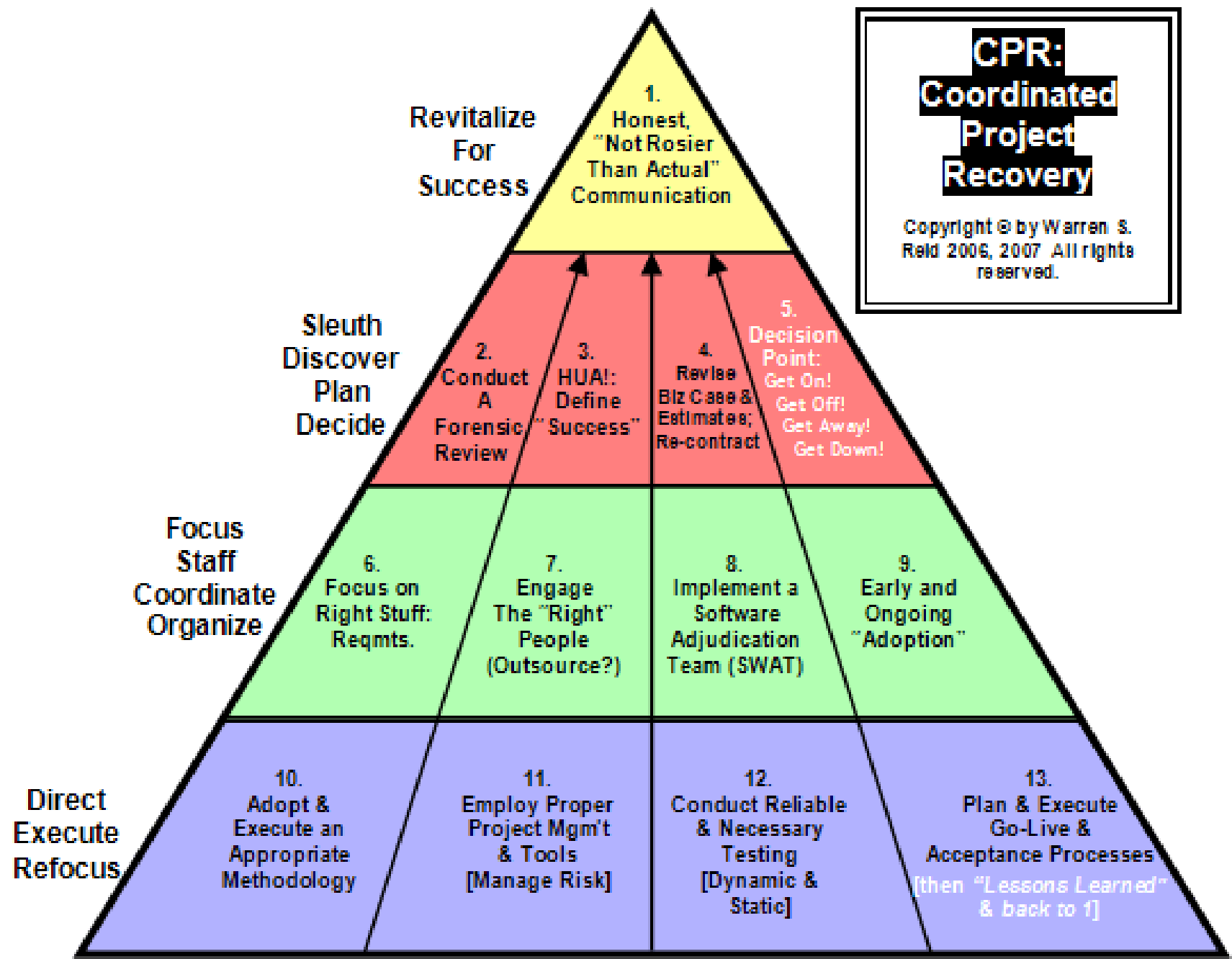
<sup>2</sup>CPR is **Coordinated Project Recovery**

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**CPR:**  
**Coordinated**  
**Project**  
**Recovery**

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## V. "Ten Classical Causes of Testing Failure that STILL Persist and What You Can Do About Them"

By Warren S. Reid, Managing Director, WSR Consulting Group, LLC  
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While the testing of computer systems and software has certainly improved over the last two decades, there continues to be ten mainstay causes of testing failure which, taken together, help explain why “two-thirds of systems projects are scrapped or challenged.”

In addition to finding these root failure causes on my turnaround projects, I have been involved in litigation matters where **opposing experts have testified with conviction to the following misconceptions that cause testing failure:**

1. Testing methodologies are only a guideline to be used at the Test Detectors' discretion.
2. You don't need industry experience or platform experience to manage a large, industry specific, testing project.
3. You can manage large test efforts and test defect logs with Excel, Word, PowerPoint and emails.
4. “Critical path is all the critical items that must be done before go-live.”
5. I/we know the status of our testing efforts – thus I/we don't need to manage risks.
6. “Aggregate” testing (i.e., overlapping test phases) will shorten the test cycle.
7. We only have 30 non-critical errors left – its time to go live!
8. On large ERP installations, software customization is the vendor's problem; software configuration is the customer's problem.
9. Strong and thorough dynamic testing with “full coverage” will flush out the most critical errors before go live.
10. You don't need test tools – they cost too much, take too much time to learn, and introduce a new level of errors into the project.

### **Why do seasoned project managers and expert witnesses allow or testify to such things under oath?**

Do these things make sense? Can they be right? Or partially correct? Why do these arguments have such appeal with project managers, project champions, Project and IT Steering Committees, judges, arbitrators, and juries?

Will these arguments cost you your project? Or your job? Or your future?

Mr. Reid, a recognized IT and systems consultant and testifying expert in North America, Europe, and Asia will challenge these assertions, as he has done on projects and in courtrooms, and uncover the fallacies and the truths behind them, and what you must do to properly protect your project, your job, your colleagues, your company, and, if your are unlucky -- your legal case.

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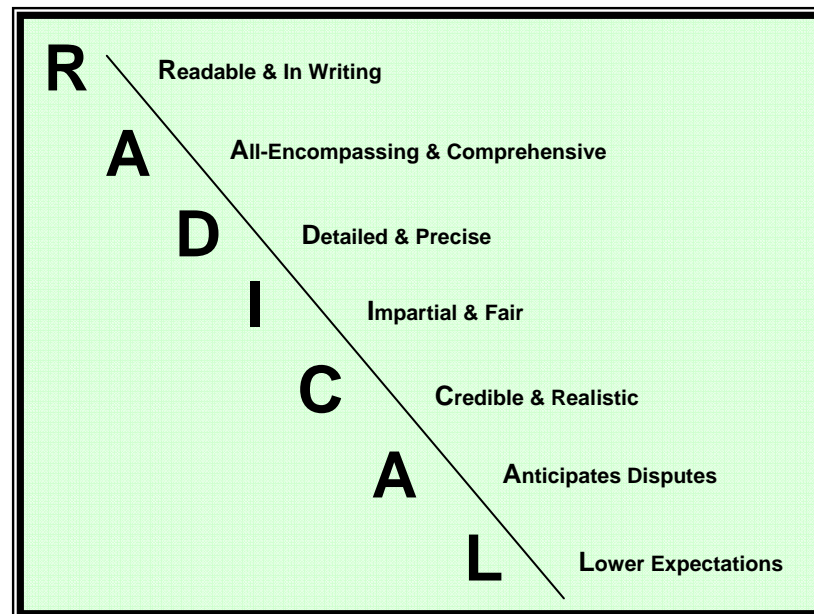
## VI. Dramatically Increasing Project Success with Radical QA: A Guide to Managing Expectations and Results

By Lubomyr Chabursky, LL.B., LL.M., M.B.A  
Senior Manager, WSR Consulting Group, LLC  
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Most systems development projects struggle and fail due to discord and discontent that emerges as a result of imprecise, ambiguous and less than comprehensive contractual principles and commitments.

This thoughtful and lauded presentation and article encapsulates the methodology that WSR Consulting Group, LLC employs to apply traditional quality assurance processes in a radically new fashion to ensure that the principles and commitments underlying the relationship of the developer and customer are clear, precise, comprehensive, realistic and balanced.

Parties that do this successfully will enjoy better run projects, as they stay on the same page regarding their expectations about resources, schedule, functionality, quality, roles, responsibilities and project processes. Lubomyr Chabursky's thoughts about Radical QA were first published in the June 2005 "peer-reviewed" issue of the Journal of the Quality Assurance Institute.



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## VII. The Scope Game – Winning With a Moving QA Target

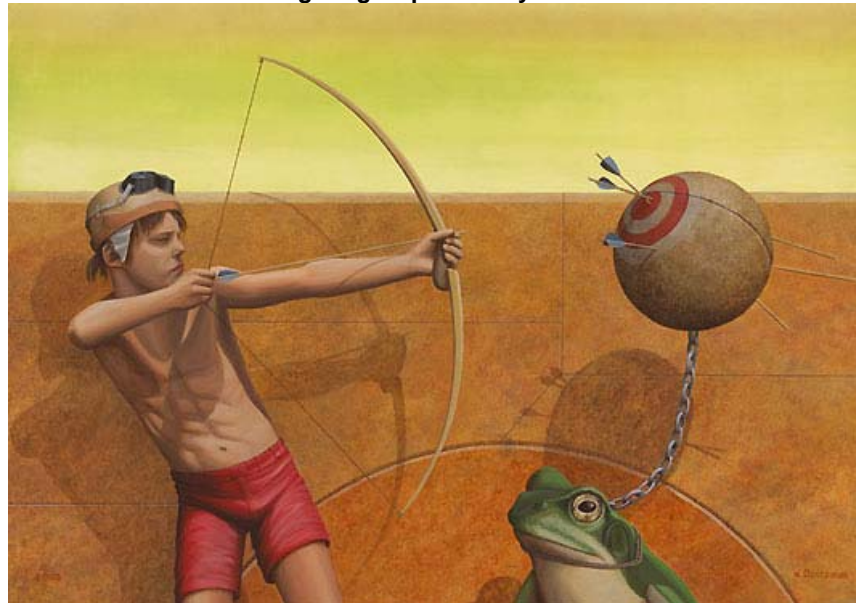
By Lubomyr Chabursky, LL.B., LL.M., M.B.A  
Senior Manager, WSR Consulting Group, LLC  
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"It may have been what I told you I needed – but it's not what I want" - this story repeats itself project after project.

Scope change will always be an issue! Delivering mockups, prototypes or a complete system to users will cause them to think of and ask for more, when they see what they can have – it's human nature and the process of how humans learn. Knowing when and how to defer "newly uncovered but questionably necessary" requirements to a future release, or whether to scale them down, or how and when to use workarounds can make a big difference in keeping costs, schedule, quality, and functionality in balance when scope creeps, or gallops away, during a project.

This presentation will review the need for QA and Testing professionals to keep pace with the moving target of what the client wants – and provide insights into how project managers can help QA and Testing professionals keep pace with the change.

"The Curse of the Moving Target" painted by Peter van Oostzanen © 2000



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Some years ago, Tom Peters coined the term MBWA (“Management By Walking Around”) in his book “In Search of Excellence.” That phrase was adopted by business media immediately. While MBWA does have its place and benefits when coupled with other important management processes, it has faded from popularity over the years and is rarely used today.

Throughout the years, various trends, buzzwords, clichés, have become popular and then abandoned – sometimes to be resurrected, but under a new catch-phrase. In that spirit, I too created 3 buzzwords 12 years ago – in Tom’s *image*. They are:

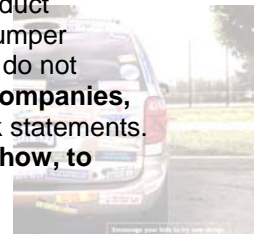
- **MBS** - Management By Slogan
- **MBBS** - Management By Best Seller, and my personal favorite
- **MBBS - Management By Bumper Sticker**

It is the last one I use in this thought piece’s title: **Bu St E D** (**Bumper Sticker** mgmt. **Exposed** and **Debunked**).

**My three paradigms above revolve around the following type of scenario:**

1. Exec is looking for new opportunities to improve his business (even though tried & true concepts have only been half implemented in his business)
2. Exec hears or reads about a new buzzword business philosophy, strategy, or process that s/he believes has some relevance to his or her business, and will bring the business to its full potential
3. Exec adopts that paradigm immediately and radically within her own company (say, for example, the new paradigm is to be “Where Quality Comes First!”)
4. Although implemented with rhetoric & fanfare, nothing really changes except the company’s letterhead and business cards, which both proudly display “Where Quality Comes First!” -- with no real contemporaneous changes in culture, corporate heroes, budgets & reward/comps to support quality, or better ways of delivering products and services.
5. Company is in no better position, and the executive can’t understand why?!&%#

The IT industry has developed “so-called” best practices to help ensure successful systems selection, development, implementation & maintenance. However, some of these best practices are at times misunderstood or abused CXO’s, VPs, Project Managers, and Product Managers oftentimes resulting in misfortune and failure. Below, I identify some of these “best practices” (first, in a tongue-in-cheek “bumper sticker” style followed by the IT “best practice” it represents). Then, you and I will **BuSt** them wide-open. The “BS” statements below do not divulge my opinion, but force you to reflect, explore and discuss openly. **Why do they work sometimes & not always? For some companies, but not others? When do they fail? What prerequisites are needed to use these effectively?** Note that a few of these are trick statements. Don’t be dismayed! The purpose is to get you to think, discuss it with others, and determine for yourself **whether, where, when and how, to what extent (or not)**, based on your own experiences (and mine), to apply these principles to get the most benefit from each.



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- 1) **“GRAB IT AND GO!”**  
(or **“STICK WITH YOUR ESTIMATES!”**)
- 2) **“EVER STOP TO THINK, AND FORGET TO START AGAIN?”**  
(or **“TESTING & QA SHOULD/CAN TAKE UP TO 40% OF AN IMPLEMENTATION PROJECT’S BUDGET”**)
- 3) **“TWO WRONGS DON’T MAKE A RIGHT, BUT THREE RIGHTS MAKE A LEFT.”**  
(or **“IT IS EASIER TO TEST 3RD PARTY APPLICATIONS THAT HAVE BEEN IMPLEMENTED 100’S OF TIMES THAN A NEW LARGE IN-HOUSE DEVELOPMENT”**)
- 4) **“MY REALITY CHECK BOUNCED!”**  
(or **“PROJECT COMMUNICATIONS TO STAKEHOLDERS IS A WASTE OF TIME!”**)
- 5) **“I WANT TO DIE IN MY SLEEP LIKE GRANDPA ... NOT SCREAMING LIKE THE PASSENGERS IN HIS CAR”**  
(or **“THE PROJECT MANAGER IS YOUR SINGLE MOST IMPORTANT PERSON ON THE PROJECT!”**)
- 6) **“JUST DO IT! “**  
(or **“AUTOMATED TOOLS ARE GOOD FOR YOUR PROJECT”**)
- 7) **“I DON’T SUFFER FROM STRESS. I’M A CARRIER.”**  
(or **“A GOOD ACTIONABLE CONTRACT MEMORIALIZING YOUR AGREEMENT/UNDERSTANDING IS CRITICAL”**).
- 8) **“THERE ARE 3 KINDS OF PEOPLE. THOSE WHO CAN COUNT AND THOSE WHO CAN’T.”**  
(or **“RISK IS ABSOLUTE - NOT RELATIVE!”**)
- 9) **“YOU ARE CONSISTENTLY INCONSISTENT, EXCEPT WHEN IT COMES TO FAILURE.”**  
(or **“THERE’S NO SUCH THING AS BEST PRACTICES”**)
- 10) **“TELL ME WHAT YOU NEED, AND I’LL TELL YOU HOW TO GET ALONG WITHOUT IT!”**  
(or **“ALL GOOD METHODOLOGIES ARE THE SAME!”**)
- 11) **“ON THE KEYBOARD OF LIFE, ALWAYS KEEP ONE FINGER ON THE ESCAPE KEY.”**  
(or **“A WELL DESIGNED/DOCUMENTED SYS , EASILY PASSING THOROUGH UAT, WITH TRAINED USERS & GOOD SECURITY IS READY TO GO-LIVE”**)
- 12) **“IF YOU’RE NOT 1ST, YOU’RE LAST”**  
(or **“IF YOU CAN’T DO IT, OUTSOURCE IT. IF YOU CAN’T OUTSOURCE IT, DO IT!”**)
- 13) **“I’M NOT JUST A GARDENER, I’M A PLANT MANAGER.”**  
(or **“WE KNOW HOW TO CONVERT FILES AND DEVELOP EFFICIENT AND EFFECTIVE AND CORRECT INTERFACES”**)
- 14) **“EAGLES MAY SOAR, BUT WEASELS DON’T GET SUCKED INTO JET ENGINES.”**  
(or **“SYSTEM SUITABILITY IS IN THE EYE OF THE BEHOLDER.”**)

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## IX. “Looking for Mr./Ms. Right: Selecting the Right Expert – Selecting the Right Counsel -- How It All Plays Out!”

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Finding the “right” expert for your case can be very difficult! Reid presents thoughtful, empirical & provocative “tips”, created in the crucible of 100 cases, of what counsel should look for from/in experts in terms of: specific expertise, style, skills, work relationship, communications ability, (2) help in discovery, pleadings & case strategy, (3), when to hire & how to evaluate experts. Also, Reid provides an incisive compendium of what the “best” experts look for from/in counsel so that they can do their job most efficiently, effectively & powerfully. There are **many eye-opening concepts and “ahas”** in this one!!

# WSR CONSULTING GROUP, LLC

Consultants & Expert Witnesses in Computer Systems & Software Projects

## Looking for Mr./Ms. “Right”

*Selecting the right expert...*

*Selecting the right counsel...*

*& how it all works in large-scale systems failure disputes.*

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Materials covered include:

- What **abilities** should your Expert have?
- Which Expert’s **methodologies** best suit your case?
- What the best Experts **really need** from you?
- What **10 things** can you do (& how to do them) to get the most out of your Experts, at the earliest time, in an efficient manner.



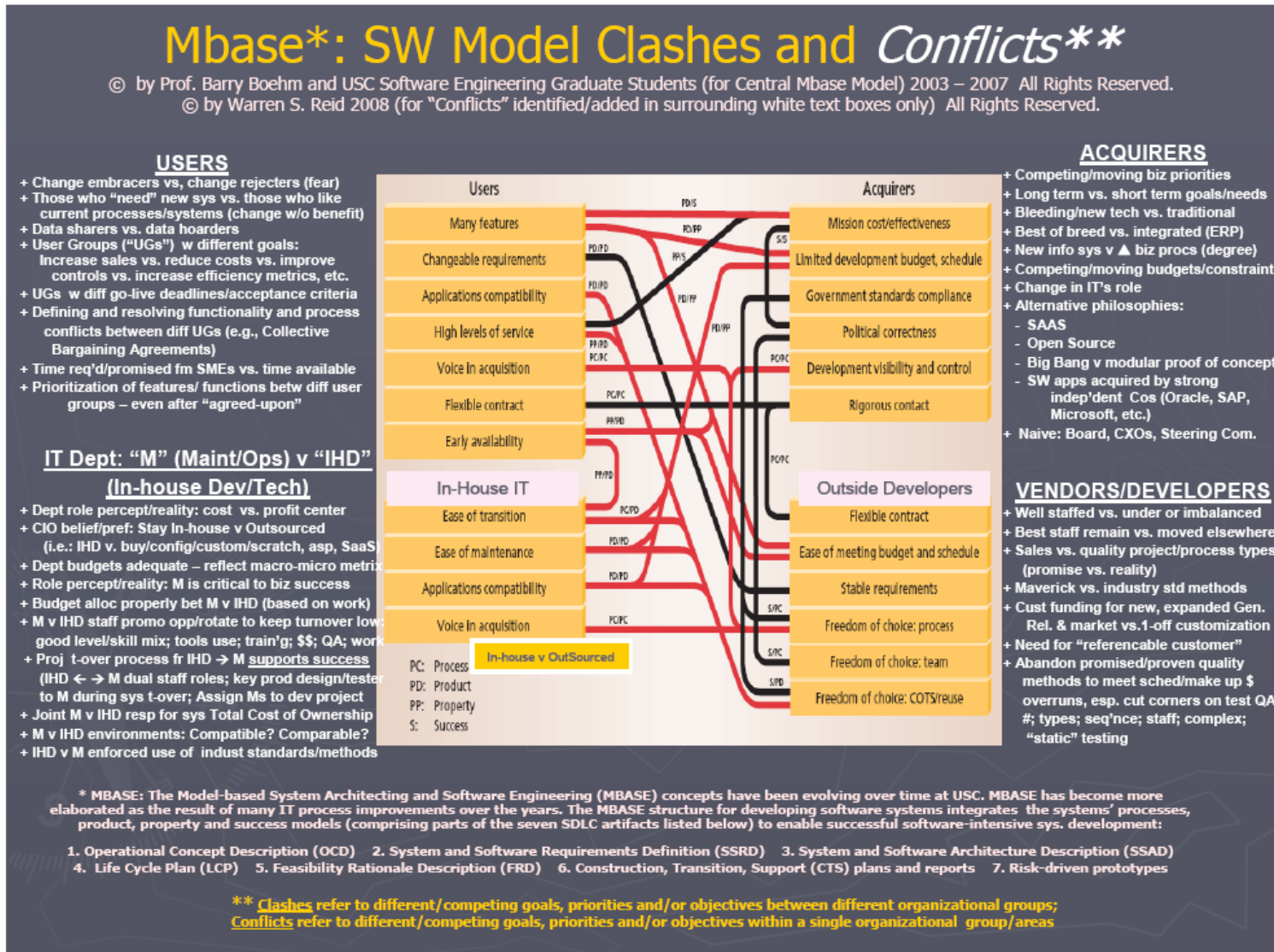
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## X. "MBASE: Software Model Clashes & Conflicts"

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An interesting & disturbing look at the (1) intercompany **Clashes** between IT constituents, and (2) intradepartmental **Conflicts** within each IT constituent that can cause any large-scale system development/implementation project to fail – before the project starts, during the project, or even after the system is up & successfully implemented. It's amazing that 33% of all such projects "succeed" at all. Reid adds his practical experience to USC's MBASE model (created by some of the best IT thinkers/practitioners in the business) to create a list of the organizational, strategic, cultural and tactical issues that can kill any project – and how to avoid them through good/"best" IT project management and SDLC practices, managing stakeholder expectations, and proper IT contracting & contract management.



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## XII. “Tough Questions in Large-Project Litigation”

By Lubomyr Chabursky, LL.B., LL.M., M.B.A., Senior Manager, WSR Consulting Group, LLC Copyright © 2007 All Rights Reserved  
With Alan Friedman, Esq. Jones Day

Though the facts and circumstances of each case are unique, there is considerable consistency in the themes and issues that arise across the majority of litigation disputes over large-scale computer and software projects. Corporate and litigation counsel alike must grapple with these issues when litigation offers the only way to resolve a dispute. However, in-house counsel and CIOs would do well to pay attention to these issues and tough questions when projects **are live** to increase the chances of success of the project, foremost, and to increase the chances of success in litigation if it should come to it later. The tough questions group themselves into the following categories:

- 1) **Scope, Requirements and Functionality** – While most contracts are intended to define scope and expectations with precision, the parties often push ahead with ambiguities, generalities, and broad undefined promises of suitability, functionality, roles and responsibilities, and quality of deliverables.. Counsel on both sides of the equation often end up having to explain why the contract means what their client needs it to mean in order to win the case.
- 2) **Change Control** – Although scope creep is disparaged in litigation, changes in scope are both inevitable and needed for the customer and developer to be happy with the outcome of the project. But changes tend to accumulate in small increments. What happens when the cumulative effect is too much for one party to absorb or it dramatically impact costs, schedule, functionality, risks and suitability?
- 3) **Project Management** – Most systems integrators extol their talents and skills at project management. But a majority of contracts for projects say little about how the project is to be managed, and who is to do it (or share in it). Since proper project management takes significant time and effort, this is an area ripe for cutting corners, and pointing fingers when projects do get into trouble. It is hard to prove that you did your job if you did not create a record of doing so.
- 4) **Unit, System, Integration Testing** – Even contracts that do a good job of specifying functionality and acceptance criteria often say little about unit, system, and integration testing. With both the customer and systems integrator desiring to go live as soon as possible, these tests are cut short and/or overlapped, leaving the errors to be discovered after go-live. Counsel is left to explain that their client contributed less to the short-changing of this testing.
- 5) **User Acceptance Testing** – the UAT is where users get to experience the system end-to-end for the first time – and it is often different from what they expected, and from what they are used to. Without adequate specification of acceptance criteria before UAT begins, UAT can easily become a free-for-all, essentially a focus group referendum on system design and functionality. Since acceptance hangs in the balance the UAT often becomes an arena of tension.
- 6) **Billing and Audit** – Every dispute comes down to money sooner or later. Good time recording helps the parties understand the underlying economics of the dispute. But more importantly capturing “actuals” in terms of time spent on the myriad of tasks (and comparing them to estimates, calculating earned values, and adjusting critical path, among other things) is the best practice to keep track of a project and to make the necessary adjustments to resources and tasks along the way.
- 7) **Go-Live** – No system is perfect, but it is the customer’s prerogative to decide how many errors it can tolerate for go-live because fixing those errors cost more after go-live. It is the integrator’s responsibility to inform the customer of the risks associated with the level of errors in the system, and it is the customer’s responsibility to decide what level of risk to take-on in going live. All should go relatively smoothly, if both sides understand each other well.
- 8) **Damages** – There is a tension between documenting every misstep, which would be useful to prove gross mismanagement, and maintaining the healthy, cooperative relationship necessary. In-house counsel needs the skills of a sage to strike the right balance.
- 9) **Dispute Resolution** – The mechanisms of dispute resolution are well known. But knowing when to use them is tricky. Each side’s management is invested in and internally accountable for its position, and cannot be perceived to “lose.”

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