

Procurement for IS Adaptation Projects

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Executive Abstract

BACKGROUND

Procurement must be understood as: all activities dealing with the interaction between the customer and the supplier during an IS adaptation project, i.e. arrangements concerning communication patterns and (intermediate) products. An IS (Information System) must be understood in the broad sense, i.e. that aspect of the organization dealing with providing, using, and distributing information, including the associated organizational resources.

Euromethod, an European initiative in order to develop a methodological framework aiming at facilitating customer/supplier interaction during IS development projects, defines an IS adaptation as any kind of modification and automation of an IS to fulfil the changing need of an organization. The Euromethod consortium can be considered as a first initiative in this field by starting and stimulating research.

A number of problems can be recognized in current procurement practice:

- The customer often experiences difficulty in making decisions about how to proceed, because terminology and diagrams of exchanged documents are difficult to understand by the customer.
- The complete or partly absence of sound arrangements supporting procurement in practice, which may lead to a situation in which the outcome of the project does not meet the requirements and expectations of the customer and/or will come too late.
- The harmonization of European markets requires that customers and suppliers of different countries and cultures are able to make arrangements about developing information systems during projects.

RESEARCH QUESTIONS

What is the current practice of procurement for IS adaptation projects and can it be improved? Six IS adaptation projects of two organisations (three projects for each organization) have been investigated. An instrument has been developed in order to trace the procurement activities systematically. This instrument starts by characterizing the project and the customer, after which the project organization, the project phases, and the contract will be specified; eventually the project performance itself will be analyzed. Six projects have been investigated by applying this instrument.

To what extent supports Euromethod current procurement practice? There may exist situations in which Euromethod is not

useful or supportive. In such situations we wish to propose improvements or to specify recommendations.

CONCLUSIONS AND RECOMMENDATIONS

Organization A

There was not sufficient knowledge available for dealing with the tendering phase of a project. Euromethod distinguishes three phases: tendering, execution and completion. Knowledge acquisition concerning the tendering phase will be helpful. However, the Euromethod approach to the tendering phase does not fit the situation of this organization. Other models from literature may be useful and have been proposed.

The chosen approach to information systems development did not fit the actual project situation. It has been recommended to match the IS development method and the project situation using the strategy model of Euromethod.

Organization B

Procurement has been adequately arranged by this organization, except the planning of maintenance projects. The proposed way of working differs from the current procedure in a number of ways:

A way of working must be developed supporting the decision making process for choosing an approach to performing maintenance activities. The Euromethod strategy model might be used for building procedures supporting maintenance activities.

The description of the structure of deliberations must be enhanced by mentioning the documents on which decisions are made. This must be recorded in the contract before entering the execution phase.

Euromethod

The model of the tendering phase did not fit the actual project situation in case of building new information systems. Especially, early selection of suppliers during the tendering phase of such projects is not adequately supported. Enhancements have been proposed to improve the model.

In case of management and maintenance projects Euromethod is hardly applicable. Therefore, it has been recommended to change the role model and the transaction model, and to develop a strategy model to determine the approach to performing maintenance.