

The background of the slide features a light blue gradient with a faint, semi-transparent image of classical architectural columns on the left side. The columns are white and have ornate capitals. The entire slide is framed by a thin brown border.

Agile IT Cost Estimation

Bill Schneider, PMP
Principle, Project Manager
Digital Focus

An Agile Approach Initial Estimate

- Define High-Level Requirements
 - Experienced Architects, BAs, PMs
 - Challenge Business Stakeholder
 - Inform of conflicts; work to resolution
 - Make efficient design decisions
 - Business fully engaged
 - Project-long process of PM partnering
 - Define a solution that meets current needs
 - Change solution vision in the future
 - Adjust solution to mitigate business risk and take advantage of business opportunities
- Define stories and estimate effort
 - Functionally valuable to the business
 - Crosscutting
 - Testable
 - Small enough to do a handful in an iteration (1 – 4 weeks)

An Agile Approach Initial Estimate

- Result
 - Total effort estimates (Sum of all story points)
 - Estimate team capacity
 - Skill set
 - Size
 - Able to determine skills set, understanding of stories, and sizing accuracy in 3 – 4 iterations
- Entire process is time-boxed (1 – 4 weeks)

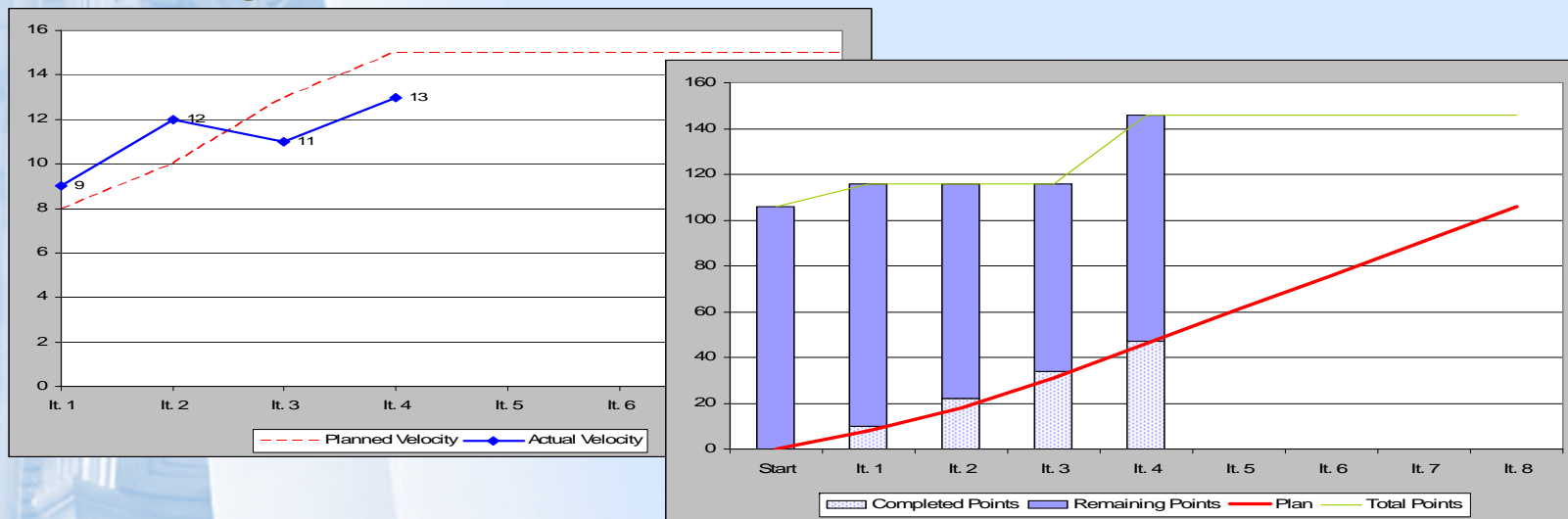
An Agile Approach Initial Estimate

- Knowing Effort and Capacity yields
 - COST!!
 - $(\text{Total Effort/Capacity Per Iteration}) * \text{Cost Per Iteration}$
 - Release Plan
 - Consistency and Predictability



An Agile Approach Continuing Estimates

- Estimate for capacity, not scope
- Estimate comes to steady-state quickly – and stops being an estimate!
- Anticipate and embrace change; learn and grow



An Agile Approach Continuing Estimates

- Estimate scope changes as they occur
 - Stories are written immediately
 - Business stakeholders and BA define requirements
- Whole team estimates
 - No power structure
 - Fully engaged team
 - Range of backgrounds and experiences
- Handling Change
 - Prioritize
 - Trade functionality