

WHAT IS ENGAGEMENT MODELS?

As a project manager, it is essential to understand the different engagement models available to you and how to choose the right one for your project.



TYPES OF ENGAGEMENT MODELS



FIXED COST

When both the price and commitment are set



According to Infosys report, **11%** of all Waterfall projects being successful as compared to **88%** of agile ones.

Advantages	When Cost is the Major Factor	Disadvantages	When to Use
<ul style="list-style-type: none"> Clear scope and requirements Clear budget and timeline Clear roles and responsibilities Clear communication channels Clear reporting structure Clear risk management Clear change management Clear conflict resolution Clear exit strategy 	<ul style="list-style-type: none"> When the project has a fixed budget When the project has a fixed timeline When the project has a fixed scope When the project has a fixed team When the project has a fixed risk When the project has a fixed change management When the project has a fixed conflict resolution When the project has a fixed exit strategy 	<ul style="list-style-type: none"> Unclear scope and requirements Unclear budget and timeline Unclear roles and responsibilities Unclear communication channels Unclear reporting structure Unclear risk management Unclear change management Unclear conflict resolution Unclear exit strategy 	<ul style="list-style-type: none"> When the project has a fixed budget When the project has a fixed timeline When the project has a fixed scope When the project has a fixed team When the project has a fixed risk When the project has a fixed change management When the project has a fixed conflict resolution When the project has a fixed exit strategy

88% Project Failure



TIME & MATERIAL

Ideal for long term projects in which client pays day for time and resources spent on the project

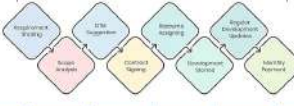


Advantages	T & M is best for	Disadvantages
<ul style="list-style-type: none"> Flexibility in scope and requirements Flexibility in budget and timeline Flexibility in roles and responsibilities Flexibility in communication channels Flexibility in reporting structure Flexibility in risk management Flexibility in change management Flexibility in conflict resolution Flexibility in exit strategy 	<ul style="list-style-type: none"> When the project has a flexible budget When the project has a flexible timeline When the project has a flexible scope When the project has a flexible team When the project has a flexible risk When the project has a flexible change management When the project has a flexible conflict resolution When the project has a flexible exit strategy 	<ul style="list-style-type: none"> Unclear scope and requirements Unclear budget and timeline Unclear roles and responsibilities Unclear communication channels Unclear reporting structure Unclear risk management Unclear change management Unclear conflict resolution Unclear exit strategy

ODC

(Services based contract model)

Ideally for long term projects with unstructured and ongoing requirements.



Advantages	ODC is best for	When to use	The focus of ODC projects are	Disadvantages
<ul style="list-style-type: none"> Flexibility in scope and requirements Flexibility in budget and timeline Flexibility in roles and responsibilities Flexibility in communication channels Flexibility in reporting structure Flexibility in risk management Flexibility in change management Flexibility in conflict resolution Flexibility in exit strategy 	<ul style="list-style-type: none"> When the project has a flexible budget When the project has a flexible timeline When the project has a flexible scope When the project has a flexible team When the project has a flexible risk When the project has a flexible change management When the project has a flexible conflict resolution When the project has a flexible exit strategy 	<ul style="list-style-type: none"> When the project has a flexible budget When the project has a flexible timeline When the project has a flexible scope When the project has a flexible team When the project has a flexible risk When the project has a flexible change management When the project has a flexible conflict resolution When the project has a flexible exit strategy 	<ul style="list-style-type: none"> When the project has a flexible budget When the project has a flexible timeline When the project has a flexible scope When the project has a flexible team When the project has a flexible risk When the project has a flexible change management When the project has a flexible conflict resolution When the project has a flexible exit strategy 	<ul style="list-style-type: none"> Unclear scope and requirements Unclear budget and timeline Unclear roles and responsibilities Unclear communication channels Unclear reporting structure Unclear risk management Unclear change management Unclear conflict resolution Unclear exit strategy

CHAOS RESOLUTION BY THE AGILE PROCESS VS. WATERFALL METHOD

The resolution of all software projects from 1979-2005 with the new CPM database, segmented by the agile process and waterfall method. The total number of software projects is over 8,000.

	ODC	Time & Material	Fixed
Project Size	Large	Medium and Large	Small, Mid, Short term
Project Duration	Long	Average and Long	Short and Average
Scope Over Performance	High	Average	Low
Clear Product	Not Clear	Not Clear	Clear
Requirements	Changing	Changing	Not Changing
Technology Used	Not New	Not New	Not New
Flexibility	High	High	Low
Scope of Work	Unlimited	Not set	Pre-defined
Methodology	Agile	Agile	Waterfall
Pricing	Fixed price for each team member per month	Hourly rate per hour	Fixed project price
Project Management Methodology	Agile	Agile	Waterfall
Budget	Flexible	Flexible	Pre-defined
Time to Market	Unlimited	Unlimited or Extended	Pre-defined
Dedicated Resources	Stable	Not Assigned	Assigned
Team Availability	Stable	High	Low

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