

## Calculate Return on Investment (ROI) from Implementation and Use of Effective Requirements Practices

Most of us (and our managers) accept that the requirements process has a critical effect on an organization's or project's development costs as well as product quality. Managers and workers alike have experienced the pain resulting from poor requirements and ineffective requirements practices. How can we convince our managers to invest in effective requirements practices?

The joint team may find it useful to measure and track the ROI of various requirements-related activities. This mechanism facilitates evaluation of these activities to determine those that are most effective.

Dean Leffingwell<sup>1</sup> has provided a convincing estimate of rework costs and an effective approach to calculate the value of investment in improving requirements engineering practices. If, by applying more effective requirements practices such as those recommended in this book, we can reduce rework, we can save our projects and organizations (including our customers) money. The following artifact provides the assumptions, project costs, and a template for calculating rework costs for your project. It also provides a table to estimate the ROI over the life of the first project of selected requirements error reduction percentages.

<sup>1</sup>Leffingwell, Dean. *Calculating Your Return on Investment from More Effective Requirements Management*. Available at [http://www.rational.com/sitewide/support/whitepapers/dynamic.jhtml?doc\\_key=300](http://www.rational.com/sitewide/support/whitepapers/dynamic.jhtml?doc_key=300).