

JONATHAN STARK

HOW TO PREVENT SCOPE CREEP

WITHOUT WRITING MASSIVE SPEC DOCUMENTS

Video: <https://www.crowdfunder.com/jonstark4>
Website: <https://www.scopecreep.com>

TYPICAL PROJECT

- Mary gives Bob an estimate
- Bob approves estimate
- Mary invoices Bob weekly

Over the years, I've worked with a lot of software consultants. The vast majority of them follow a project life cycle that looks more or less like this:

- * A client (let's call him Bob) needs something built (a web application, for example).
- * Bob contacts a consultant (Mary) because he knows that she builds web applications.
- * Bob and Mary discuss the application until she feels like she understands it fairly well.
- * Bob asks Mary how much it will cost to have her build the web app.
- * Mary estimates that the project will take around 100 hours, she multiplies that by her \$200 hourly rate, and sends an estimate for \$20k to Bob.
- * Bob approves the estimate, and Mary starts working.
- * Mary keeps track of her hours while she is working. For each time entry, she includes a description of what she did.
- * Mary sends an invoice to Bob every Monday for the hours worked in the previous week. The invoice includes a list of the hours worked with descriptions.
- * Bob reviews Mary's hours and pays her invoice.

Steps 8 and 9 repeat until the project is done.

TIME BOMB

- Project goes over estimate
- Bob starts freaking out
- Vicious cycle begins

UNDERLYING PROBLEM

Bob **doesn't trust** that his investment is going to pay off

Bob's Fear Monster comes out from under his bed. His risk is increasing dramatically and he'll try to control it. He goes back over every invoice looking for inconsistencies or items that he feels shouldn't have been charged for. He starts to micromanage Mary in a desperate attempt to achieve his unstated (perhaps subconscious or in fact, non-existent) goals.

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Long projects that are focused on deliverables and billed hourly in arrears ENCOURAGE scope creep.

SOLUTION

1. Make projects shorter
2. Focus on outcomes
3. Fixed price in advance

1. MAKE PROJECTS SHORTER

- Sell a roadmapping phase
- Prioritize outcomes into phases
- Encourage MVP approach

2. FOCUS ON OUTCOMES

- Validate client's self diagnosis
- Have a "Why Conversation"
- Retain "Veto Power"

3. FIXED PRICE IN ADVANCE

- Price on value (not cost)
- Aligns financial incentives
- Creates trust (no Fear Monster)

Presenting a fixed price aligns the financial incentives between you and your client. This creates trust in the client because you are taking on the risk. This helps prevent scope creep because they can relax, which means they won't turn into a micromanaging control freak frantically requesting asinine changes. NOTE: You have to price yourself higher than you think, so start with small projects while you get used to it. Base your calculation on the value to the client, not your costs.

WEAK SOLUTIONS

- Comprehensive spec
- Change orders
- Better time tracking

QUESTIONS?

Video Q&A: <https://www.crowdcast.io/e/jstark4>
Website: <https://expenseproblem.com>

Quite a bit of Q&A on this talk can be found here:

<https://www.crowdcast.io/e/jstark4>