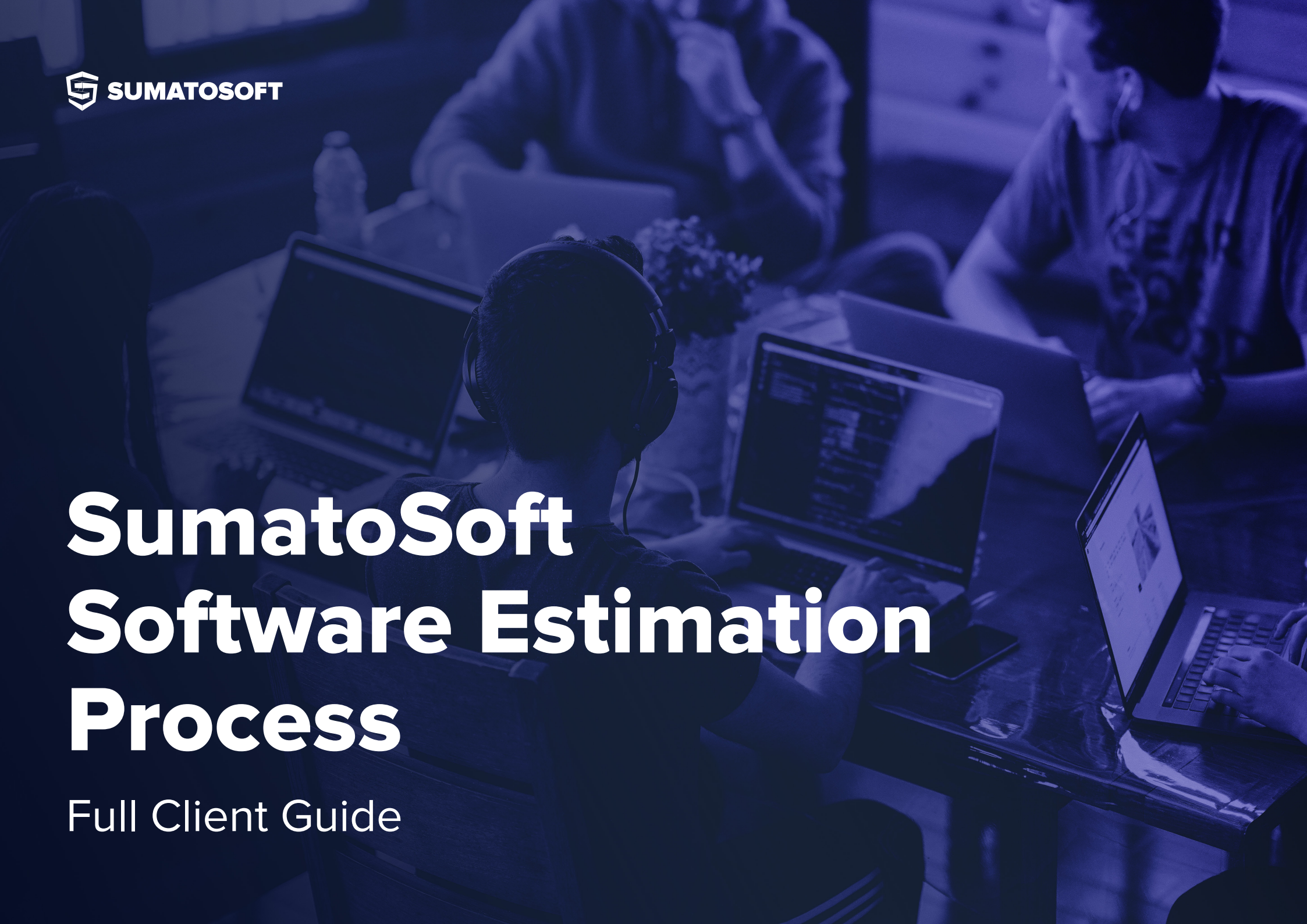


SUMATOSOFT

SumatoSoft Software Estimation Process

Full Client Guide

Contents

3 **Introduction**

4 **Types of request**

5 Why is it important?

6 **Step 1: Initial request**

7 Get in touch

8 **Step 2: Intro talk**

9 Talk about software company

10 Talk about project

11 Questions about business goals

12 Questions about general solution concept & implementation

13 Questions about budget

14 Questions about authority & processes

15 Questions about timeline

16 Next steps

17 **Step 3: Project analysis phase**

18 **Step 4: Estimation**

19 **Step 5: Business proposal**

22 **About SumatoSoft**

When you plan to develop a software, no matter what type - an MVP for your startup or a corporate application - one of the first things you want to know is how much it will cost and how long it will take to develop it.

However, this process is important not only for you but also for the software development company. This is the way for us to define if and how we can help with your project development.

And today we would like to share some insights about the best practices applied in the software estimation process, how it should be done in the right way and some potential pitfalls to avoid.

In general, the whole estimation stage can bedivided into several phases such as:

1. Initial request
2. First Intro Call
3. Project Analysis
4. Estimation Process
5. Business Proposal

Yury Shamrei
CEO, SumatoSoft

Types of requests

- **Just-an-idea request**

  It has just a general description of the application idea. The clients don't have a clear understanding of what they would like to develop and how their digital business will operate. It is usually people who would like to create a startup, but they have just a general idea of it without any business plan.

- **Elaborated request**

  It has some business and technical requirements ready, e.g. business model description, target audience, app mockups, functionality, etc. The level of details can be different - from a high-level description to a detailed one. The key difference from a just-an-idea request is that the clients understand how the application should work - either as a startup app or software for their current business automation.

- **RFP request**

  It is an invitation to participate in the official tender process performed by companies. It is a formalized process of choosing the vendor to work with. Companies know exactly what they would like to develop, what business goals should be reached, they have the desired timeline for it, technical and non-technical requirements, sometimes defined budgets, etc.

- **Outstuff requests**

  It is a request to find out if the company has any specialists who could join and enforce the current IT team of the client.

> *In our practice, we faced thousands of various requests for software estimations shared with our team either orally or in writing via the website form or sent to our corporate emails. We single out several general types of such requests.*

Katerina Merzlova
Head of Sales and Marketing
SumatoSoft

Why is it important?

We define such types because depending on it we define the way of its processing.

Further information about the estimation process will be applicable only for Elaborated and RFP requests.

Just-an-idea requests, unfortunately, cannot be studied and estimated within a few days as the clients themselves don't have a clear understanding of the final product. In this case, we provide a ballpark estimate based on our experience of developing similar-at-scale projects and highly recommend those who do believe in their startup idea to go through the Discovery Phase to shape the idea and requirements.

Outstuff requests are usually processed through interviews with developers. No official estimations and business proposals are made for such clients.

Step 1: Initial request

The initial request is the information you share in your first message to the software company. It shouldn't be long or very-very detailed, however, we would recommend you include the following details into the message.

01 **Introduce yourself**

Describe if you represent a company or a startup, define your role and position.

02 **Describe the core challenge you have**

It will help a software company understand your motives and final goals.

03 **Describe the core application idea**

Just a few words about what exactly the application should look like and how it should work.

04 **Define technologies, time and cost restrictions**

Define if you have any technologies, time, and cost restrictions or expectations.

05 **Send RFP doc / Additional details**

If you perform an open tender, send the RFP document with the details. If you don't mind, send the additional information about the application, for example, using some questionnaires.

> *"The more information you share in the first message, the more productive the initial conversation with the software company you will have."*

Vladimir Shidlovsky
CTO, SumatoSoft

Get in touch

1. Early start

Start searching for a software development partner at least 1 month before the desired start date of your project.

The less time you give to software developers to study the project, the less detailed and precise proposal you will receive.

Urgent estimations are always a ballpark and the risks of creating the unrealistic expectations are higher, no matter what companies will tell you.

2. Sign NDA

Any software development company which takes care of your IP rights will suggest **signing an NDA**.

If the development company doesn't want to do it or their template doesn't meet the international standards, exclude such a team from the list of companies to work with.

3. Discuss project

Be ready to discuss the project and its details with every company. Yes, it will take time and effort, but if you're serious about your project it is the time worth spending. You will receive the right proposal only if you synchronize your vision with the vision of the developers.

4. Send a message

It is better to send a written message to the company rather than make a phone call. In this case, specialists will have an opportunity to study your details, set up the call, and be ready to answer your questions without any hurry.

5. One Business Day Standard

It is the best practice to **answer the requests within 1 business day.** If you send the request on Friday, you should receive the answer on Monday at the latest.

Also, it is a business communication standard to answer messages within one business day (for both, service companies and clients). You may not have an answer here and now, but you should confirm that you received the message and will answer it promptly.

Step 2: Intro talk

When you send the request, receive the answer from the team, sign the NDA, it is high time to meet the team and have a talk with the company's representative.

Generally, the intro talk consists of 3 parts:

- **Details about the software company**
- **Details about your project**
- **Next steps discussion**

Talk about software company

This is the part of the talk when the company manager makes a short intro about the company and shares some basic information. The most important part here is not only the things that the manager says about the company but also your questions about it.

Get ready for the call defining exactly what information about the company you would like to find out to decide if the company is worth dealing with. The most common things are the following:

- Company history, size, structure
- Processes & approaches
- Experience & previous clients
- References, etc

Tips & Insights:

1. No matter if you already studied the company's details online or the manager sent you some presentations or company details, the manager should present the company. It shouldn't be a long one-hour speech, but a short 5-10 minute pitch.
2. Pay attention to the way the manager talks about the company. Is it a premade speech or a real story about the company?
3. The manager should "lead" the talk following the processes set in the company, (s)he should know the details about the way the company operates, etc.
4. The manager shouldn't make any promises or create any expectations which depend on the rest of the development team (e.g. about the final cost, exact timeline, technologies, etc).

Talk about project

The initial call is not only the way for you to find out some information about the company but also a very important step when the software development company finds out more about you, your project and defines if they will be able to assist you with the project and move on with the estimation. We call it a qualification.

Here we provide the most common questions which should be asked by the managers (some of them can be omitted if you already shared this information). The exact list of questions can differ depending on the type of your solution (e.g. existing system or a new app, dedicated team, etc)

> *“Good managers have a very clear vision of what information they should ask about to make sure that they will be able to move on with the project analysis. And you should be ready to answer these questions.”*

Yury Shamrei
CEO, SumatoSoft

SUMATOSOFT

Questions about business goals

- What is the business problem you're trying to solve (seeking to fix)? What has triggered your search for the right solution?
- What challenges are you struggling with?
- Have you tried to solve this problem in the past? If so, why didn't that solution work?
- What's the roadmap of the project for the coming 6 / 12 months?
- Is there anything that you want to achieve precisely?
- What goals and results should the project have?

Tips & Insights

To be able to develop a software solution that brings value and solves your challenges, it is essential to know not only what you would like to develop, but also why you need it.

When we understand the core reasons and goals, we use our previous experience to make a truly business-oriented proposal and share some insights and best practices that can be not obvious in the beginning.

Questions about general solution concept & implementation

- What's the idea of the product?
- What is the overall structure of the product? What components does it consist of?
- Which features are must-have versus nice-to-have? Why do you need these particular features?
- What tools are you using?
- Why are you unsatisfied with the current system/tool? What has triggered your decision to build a new solution?
- What's the type of solution you're looking to build: web, mobile, IoT, chatbot?
- Do you have any preferences for technology stack? If yes, then is this stack a strong requirement? What is it based on?
- Who will use the solution? What's the target audience?
- How many users will the system have in 3 months, 12 months?
- What other applications do you use? Do you want to integrate them?
- What will be your monetization model?

Tips & Insights

When discussing the application functionality, you should understand:

- Who will use the application
- Why and when they will use it
- What exactly actions should be done by each type of users
- How you will earn money on the application.

Questions about budget

- **What budget was provided for the project?**
- **What is the reason for investing in that project?**
- **How will the budget be managed?**
- **What is the source of financing?**

Sometimes clients don't want to share their budget expectations with software developers as they think that in this case, the estimation will be more fair. It can be true but only with the companies whose estimations are not based on the project analysis.

> *If the company intends to study your requirements, ask questions about the project, and plan to create a detailed business proposal, share budget details with them freely.*
>
> *Why? If the company knows your business challenge, understands your application idea which should solve the problem, but sees that you have an insufficient budget to develop it, it will investigate and suggest to you options of how you can modify your idea (e.g. solution functionality) without sacrificing the core idea, but within your budget.*

Katerina Merzlova
Head of Sales and Marketing
SumatoSoft

Questions about authority & processes

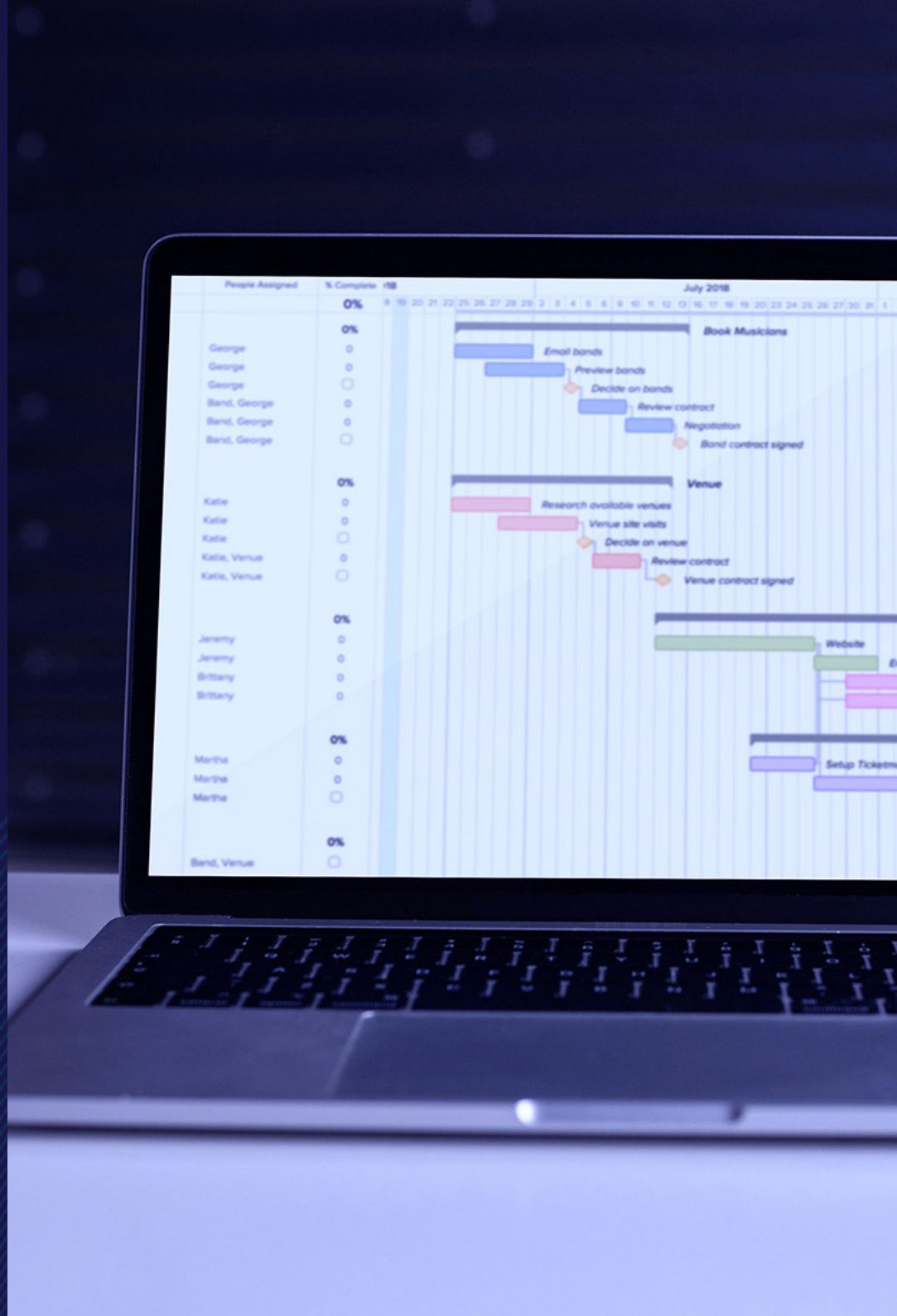
- **How will the decision process work on your side?**
- **Who, besides yourself, is involved in the decision-making process?**
- **What potential concerns do you think they will have?**
- **What would be the best way to handle them?**
- **What are your top priorities when making this decision?**
- **What happens if this decision doesn't get made?**

Tips & Insights

Here we define the people whose expertise can also be used in the project analysis, only yours or also other people. Also, what priorities you have in the decision-making process to make sure that we **provide all the necessary and even extra information** for you regarding these points.

Questions about timeline

- Expected project timeline (start date, end date, deadlines)
- Are there any factors that can delay the project start?
- How will it affect your business if the problem is not solved?



> *The desired timeline directly influences the suggested team structure and project planning in general.*
>
> *Also, sometimes the desired timeline may be unrealistic (e.g. develop another Youtube within 2 weeks) and it may lead to either the idea change or negotiation regarding the timeline.*

Vladimir Shidlovsky
CTO, SumatoSoft

SUMATOSOFT

Next steps

Once the above-mentioned details are discussed, you should discuss the next steps.

They may be the following:

- The software development company starts the analysis of the project if all the details are clear and defined (see next chapter).
- The software development company starts the analysis of the project if some additional details should be reviewed with the tech team.
- You agree to have the next call if you were not able to answer the manager's questions.
- The manager sends you some additional information, e.g. presentations, references, case studies, etc.

Anyway, you should exactly know what exactly each side should do and the timeframes for the next actions and status checks.

Step 3:
Project analysis phase

This is one of the most important phases in the whole estimation process.

During this phase, the estimation team which usually consists of a project manager, business analyst, and tech specialists study the details of your project shared by the manager.

The team creates the application vision and structure to be able to see the whole picture.

If your initial requirements are not detailed, the team will come to you asking about the following sides of the project:

1. Design
2. Devices & Platforms to support
3. Technical preferences (e.g. databases)
4. Integrations
5. Legislation
6. Localization
7. Payment systems
8. Performance
9. Reliability
10. Security

Tips & Insights

- Usually, such analysis takes from a couple of days up to a week depending on the project size and speed of communication.
- During this phase, we can also have one or a few calls with you and/or all your stakeholders to discuss the above-mentioned details.
- If you are not able to provide some answers, don't worry, the tech team will suggest our solution based on the research performed and the best industry practices applied.

Step 4: Estimation

Software developers which follow the best practices in project estimations commonly use the following framework.

01 The team discusses and synchronizes the project vision and in general, the proposed solution taking into account the desired time & budget estimation.

02 Project Manager or Business Analyst create a Work Breakdown Structure of the project based on all the requirements received.

03 Software developers (backend, frontend, mobile), designers, QA engineers, project managers estimate their scope of work.

04 Software developers (backend, frontend, mobile), designers, QA engineers, project managers create some additional artifacts (tables, images, mockups, etc) to visualize the project vision and solution.

05 Final estimation and vision are checked and validated by leading specialists in the company from a business perspective.

Tips & Insights

Some companies **skip or change some steps** of the framework which may result in incorrect estimations and solutions, for example,

- The shortened estimation cycle due to the urgency of the request;
- No synchronization in vision between analysts and developers;
- The estimations are done not by specialists in each technology, but by sale or project managers who don't have enough knowledge and expertise;
- No final estimation validation to make sure all the parts are gathered.

Step 5:
Business proposal

When the tech team has finished with the project analysis, estimation, artifacts creation, it is high time to put everything together and form the business proposal which should reflect the key details about the way the project development is planned.

Different companies follow their specific business proposal templates. Sometimes they share only the WBS and cost estimates, sometimes more details.

Having worked on hundreds of tenders and based on the client's feedback, we developed our template and the list of the information we share with potential clients.

Tips & Insights

To make sure that all the proposals you receive have a similar structure and you have similar information from various vendors to compare, discuss with the software developers what exactly should be included in the proposal, e.g. during the initial call or define these details in the requirements you share.

Our common business proposal includes the following details. We do believe that all these details are essential for shaping the future success of the project and be as transparent as possible to our clients.

Executive Summary

A brief overview of the proposal

Project & Business Objectives

Description of the understanding of your goals and objetives discussed previously.

Assumptions

The list of assumptions made during the analysis and estimation. Usually, they cover the unknown aspects of the solution or those which require additional investigation and analysis.

Solution Vision

The description of the application vision based on your requirements and our analysis, including functional and technical sides.

- Solution Analysis
- Architecture Overview
- Platform Selection
- Technical Specification

Project Processes

The description of the way the project will be managed.

- Management Approach
- Project methodology
- Reporting
- Knowledge Risk Sharing

Commercial Proposal

One of the most important parts of the business proposal where all commercial details of the proposal are defined.

- Project Scope Details
- Deliverables
- Schedule
- Cost Estimation
- Team
- Payment Methods
- Other Terms and Conditions
- Ownership of the intellectual property

Development Approach

The information about the peculiarities of each stage of the software development process planned.

- Development Roadmap
- Business Analysis Phase
- Design
- Quality Assurance and Control
- Post Implementation Support
- Support & Maintenance

In Conclusion

Today we shared some of our experience of making the software product estimations in the right way. We do hope that these tips and tricks will help you to receive the best possible offers and choose the right partner to work with.

If you have any questions or would like to share your feedback with us, please do not hesitate to email us to:

info@sumatosoft.com

Vladimir Shidlovsky
CTO, SumatoSoft

About SumatoSoft

With deep understanding of modern technology and strong expertise in multiple business domains, we implement comprehensive projects and deliver high-end web, mobile and IoT solutions.

We develop custom software products tailored to specific business needs of our clients and support them throughout the whole way: from an idea to its implementation.

Our solid background, flexibility and full transparency enabled us to become a trusted technological partner for our clients. SumatoSoft is synonymous with top quality and high-end products & services.

Business Development Office

One Boston Place, Suite 2602
Boston, MA 02108,
United States

Delivery Office

1 /5 Kuprevicha str., office 301
Minsk, 220141,
Belarus

info@sumatosoft.com

sumatosoft.com