

# Case Study

## *Financial Cost Model*

### *New York State Office for Temporary and Disability Assistance (NYS-OTDA)*

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#### **Client**

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**Industry:**  
USA State Government

**Description:**  
NYS-OTDA is responsible for supervising programs that provide assistance and support to low-income families through temporary assistance with cash, food stamps, heating, and others forms of benefit, based on eligibility.

**Sponsors:**  
Bob Mastro, Chief Information Officer (CIO)  
Gail Adams, Program Director

#### **Challenge**

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NYS OTDA is planning to deploy a new Statewide Welfare Management System through the acquisition of a commercial off the shelf (COTS) package. The challenge consisted of two stages. The first part was to understand the cost and the second was to provide a benefit profile of the project.

These models were used by the client to submit a detailed federal budget form in the Investment Appraisal Project Definition (IAPD) process.

#### **Approach**

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Stanian Limited developed a 28 step analytical framework model providing a detailed build-up that assessed key variables and factors driving the estimated cost. This included, functional sizing, day rates, productivity, productive hours/weeks/days per annum, other productivity factors, complexity factors, and risk factors.

**Associates:**  
Metri Measurement Consulting  
SPR Research

## Project Definition

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### Key Objectives

- Deliver financial cost model cost model that provided detailed insight into the costs associated with the proposed system.
- Validation of cost analysis by comparing results with other forms of models such as: Benchmark model, Bottom up tools based, and Market tested model.
- Knowledge transfer to CIO's and other senior managers.

### Deliverables

- Detailed functional sizing analysis of existing Statewide Welfare system.
- Detailed cost and benefit model for the proposed new system based on size, complexity, and risk.
- Knowledge transfer session to executive team.

## Benefits and Outcomes

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### Actionable advice

- Illustration of basis and general factors included in the cost of the project.
- Breakdown of cost structures of the development cost profile.
- Executive survey based on the analytical framework.
- Knowledge transfer through a detailed off-site workshop attended by a collection of state CIO and other senior managers.
- Comprehensive lessons learned analysis, based on previous large scale implementation experiences.

### Final Impact

- Project detail budget form (IAPD) completed for Federal submission.
- Benefits realization model definition.
- Cost model.
- Complexity analysis international function point user group (IFPUG) standards.
- Comprehensive lessons learned from

## Testimonials

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*"We have achieved enormous value from this work and it has been a pleasure to work with Stanian Limited".*

**Gail Adams**  
Program Director

*"While I was a Project Manager for a Cost Benefit Analysis for a major NY State systems initiative, Stanian Limited was engaged to perform a Function Point Analysis and deliver a highly technical systemic method to arrive at total potential project costs. Stanian Limited's knowledge management based approach was methodical, comprehensive and detailed. Stanian delivered their solution on time and in a professional manner and translated their findings in terms that non - technical executive decision makers could understand."*

**Paul Gellman**  
Project Manager NYS OTDA SWMS Project

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