



Technology & Leasing Newsletter

May 25,
2004

"The paperless office will arrive soon after the paperless bathroom!"

"If someone...has 85% of the solution that covers 90% of the most critical needs... do not ... build..."



sourced from the Americas' SAP Users Group Meeting 26 February 2002 "IBM Worldwide SAP Beta Test Site"

"If someone from outside has **85%** of the solution that covers **90%** of the most critical needs, it doesn't make sense to build our own application." – M. Langman, Director of Business Re-engineering and Global Application Architecture

What I like about this statement is that it quantifies things for you. BUT, most RFPs will list all the needs and will not prioritize them as to most critical. This typically comes out in the discussion that follows IF the software vendor is allowed to ask questions. Also in the list can be 'nice-to-have's' rather than 'musts', so the count can be skewed by adding functions that no vendor does.

We probably answered over 100 RFPs in our lifetime. We did see some gaming by internal IT departments who did not want to lose the work. Plus, with 'configuration as a new option, the RFP needs to allow for 'can the system be configured for....'. That is why many lessors choose to outsource their RFP process to consultants.

Since 1983 the XeC team has installed 451 leasing systems in 22 countries.

How is Six Sigma Relevant to my Software Systems ?



sourced from the Software Engineering Institute's News at SEI newsletter March 2004

"Using Six Sigma in Software Development" by Lauren Heinz

<http://interactive.sei.cmu.edu>

"Six Sigma has resulted in significant cost savings," said Lynn Penn, director of process management at Lockheed Martin. "It's a structured approach that provides more than a checklist-it shows you what's coming next, lets you look at data from different views, and gives you a big picture of your practices for making decisions."

Six Sigma is an approach to business improvement that includes a **philosophy**, a set of **metrics**, and an **improvement framework** (also called a toolkit). Its philosophy is to **improve customer satisfaction** by eliminating and preventing defects, resulting in increased profitability.

Sigma is the Greek symbol used to represent standard deviation, or the amount of variation in a process. Six Sigma (6S) refers to a measure of process variation (six standard deviations) that translates into an error or defect rate of 3.4 parts per million, or 99.9997 percent. In Six Sigma, defects are defined as any product, service, or process variation that prevents the needs of the customer from being met.

Significance:

Six Sigma is touted by GE as having contributed to its high profitability

XeC Opinion:

The author didn't say it directly, but this is about **Business Process Analysis** and **Re-engineering** of work flow and data flow. I assure you that BPA and ReE work as promised, but you have to the compatible attitude within your company for them to succeed. If you want an explanation, send us an email.

Like Kind Exchange for Leased Assets a New Trend ?

sourced from articles in **The Monitor** and **Equipment Leasing Today**

The new IRS safe harbor guidelines for leasing along with advanced software now enable lessors to take advantage of Like Kind Exchange (LKE) provisions to further defer tax payments and increase after-tax yields on asset portfolios. Using LKE, new assets can be matched to expiring assets allowing the deferment of capital gains on the expiring assets.

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