

The Value of Software

Version 1.1

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> **Reasons to license software**

Properties

Value



In-house development

In-house employees create and maintain the software.

Contract development

Software is developed externally under contract. Software is owned and maintained in-house.

Components off the Shelf (COTS) Software

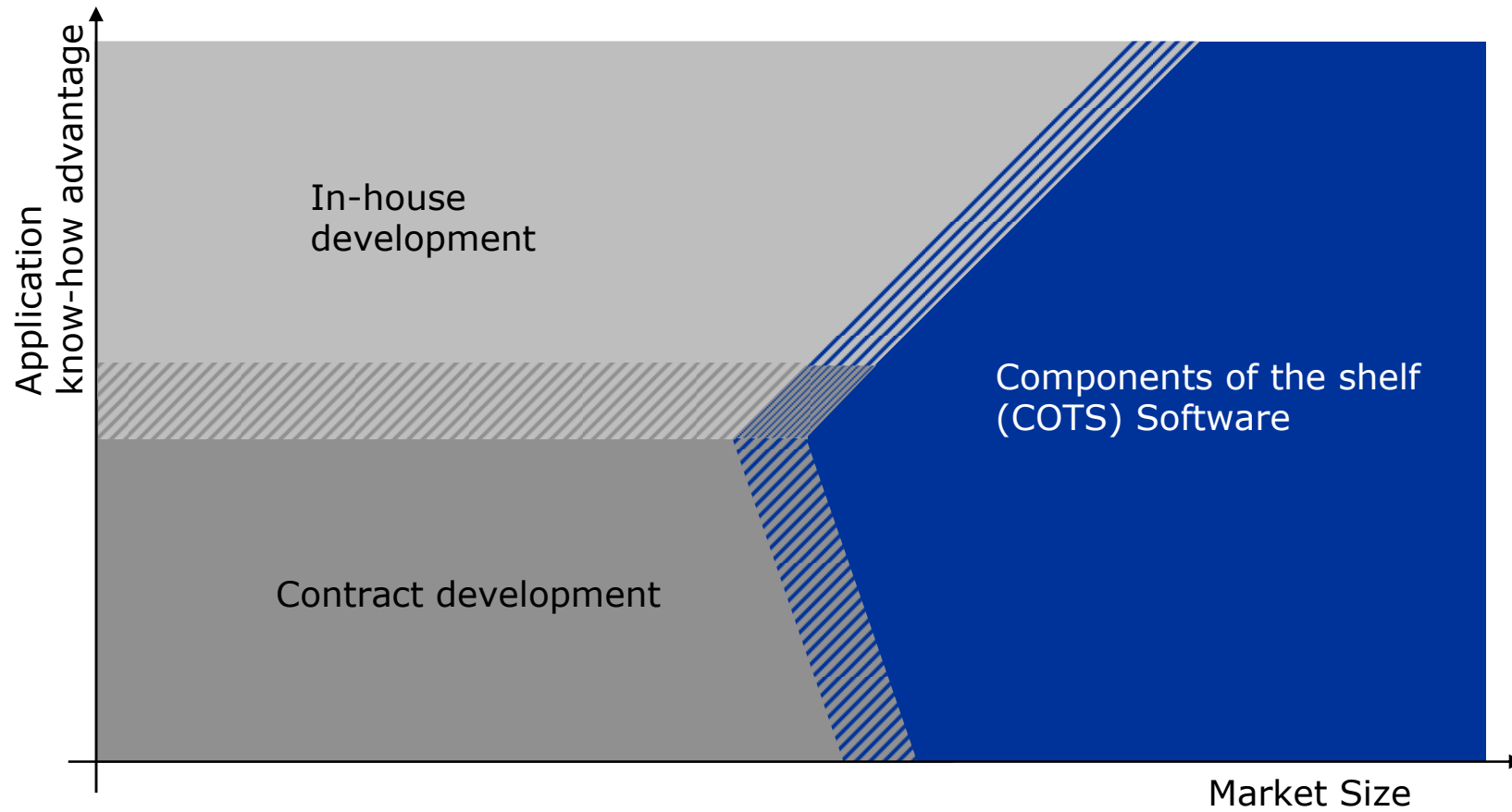
Development and maintenance at risk of supplier.
Software is utilized under license.

Make or Buy – Market View

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What “hidden” value does COTS offer?
Which tasks does the COTS supplier assume?
What are the benefits of software from AESAS members?



Specific Advantages COTS Products

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More capacity

By utilizing supplier's employees

Less risk

Since supplier does advanced development

Lower costs

Because of distribution to multiple users

Proven software

Due to multiple, widespread use

Better delivery time

Because of specialized production process

Maintenance

Assumed by supplier

Warranty

Assumed by supplier



Reasons to license software

> Properties

Value

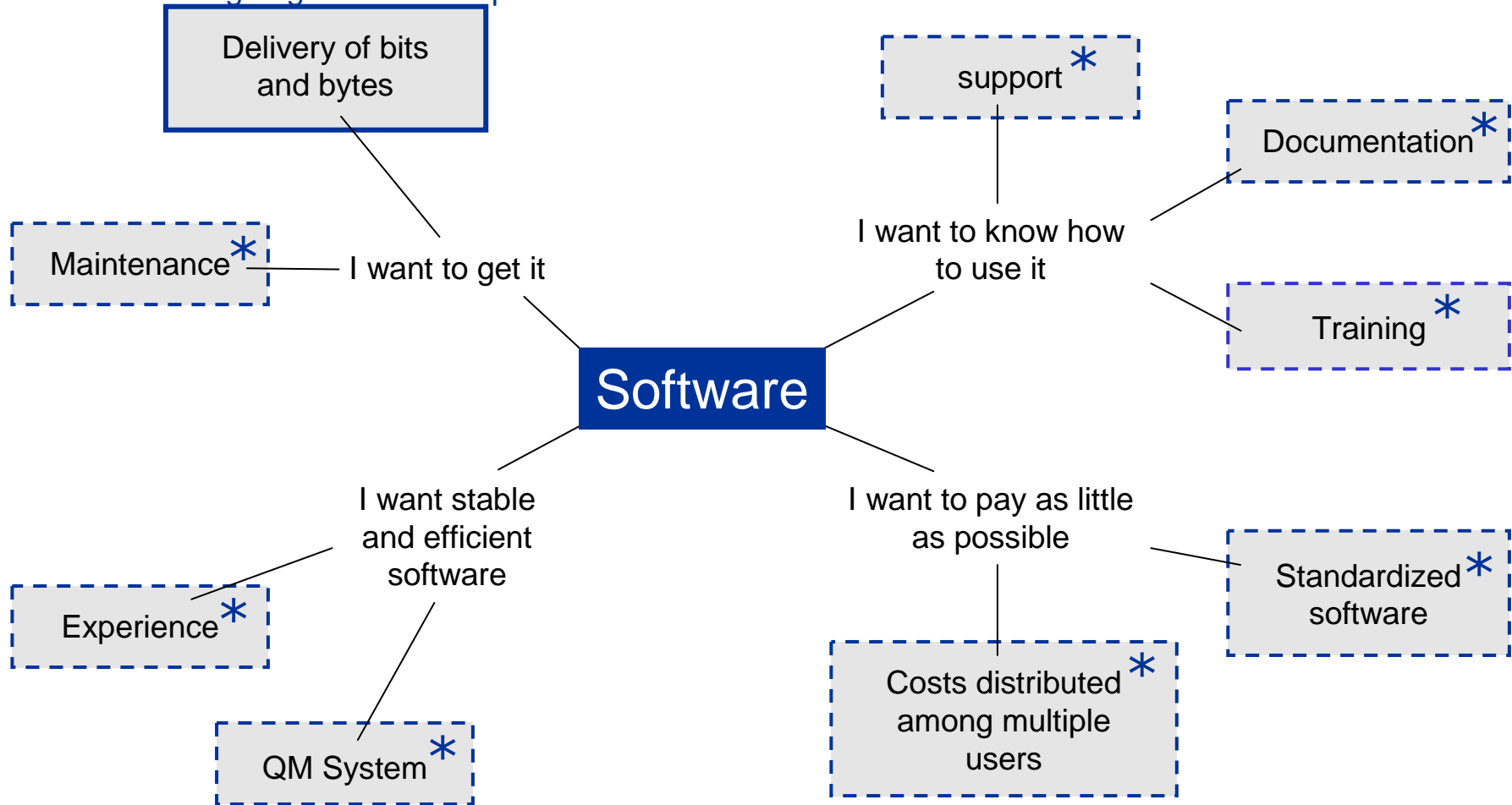


What does the customer expect from the software supplier?

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Purchasing negotiates these points

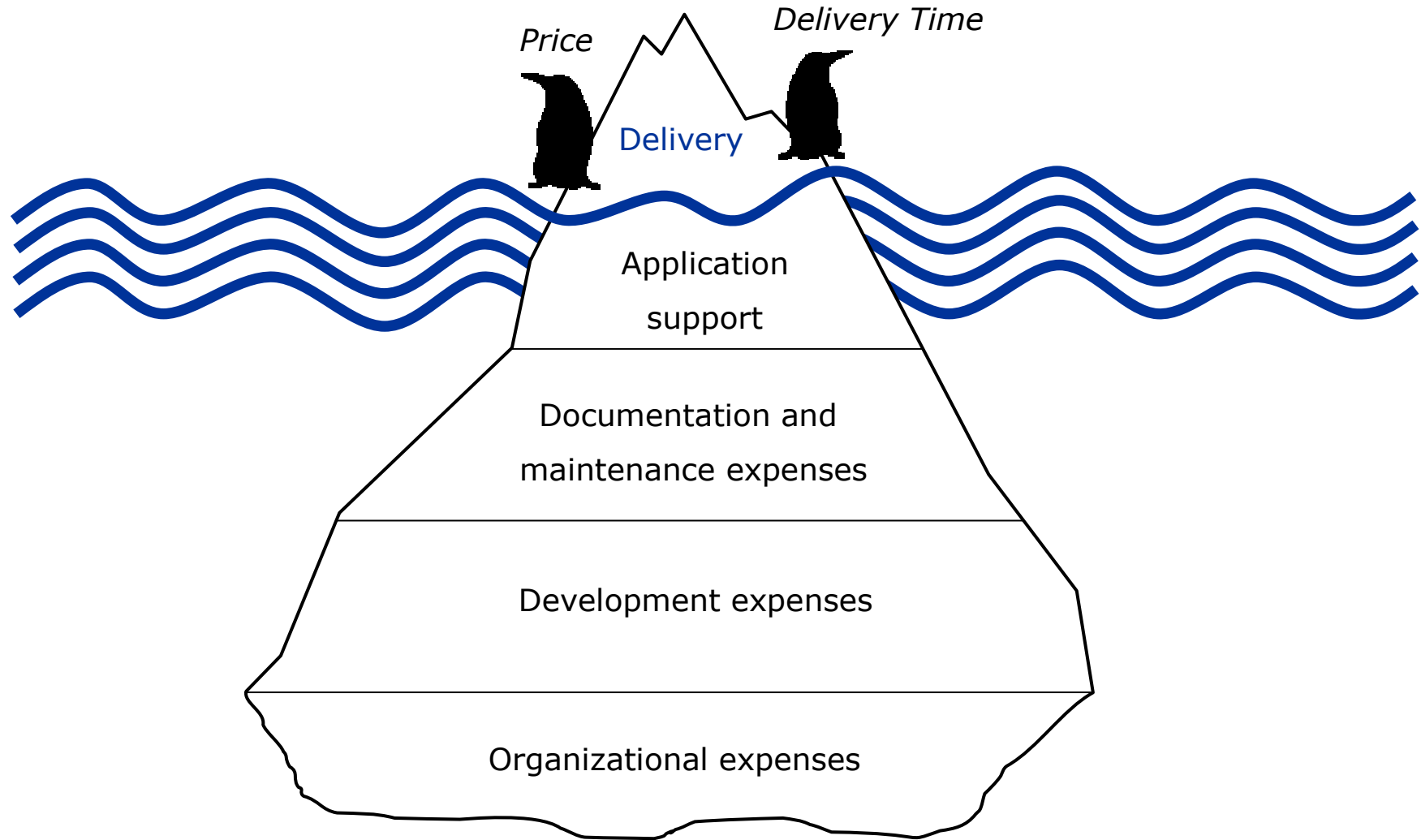


* and this must be provided (hidden value)



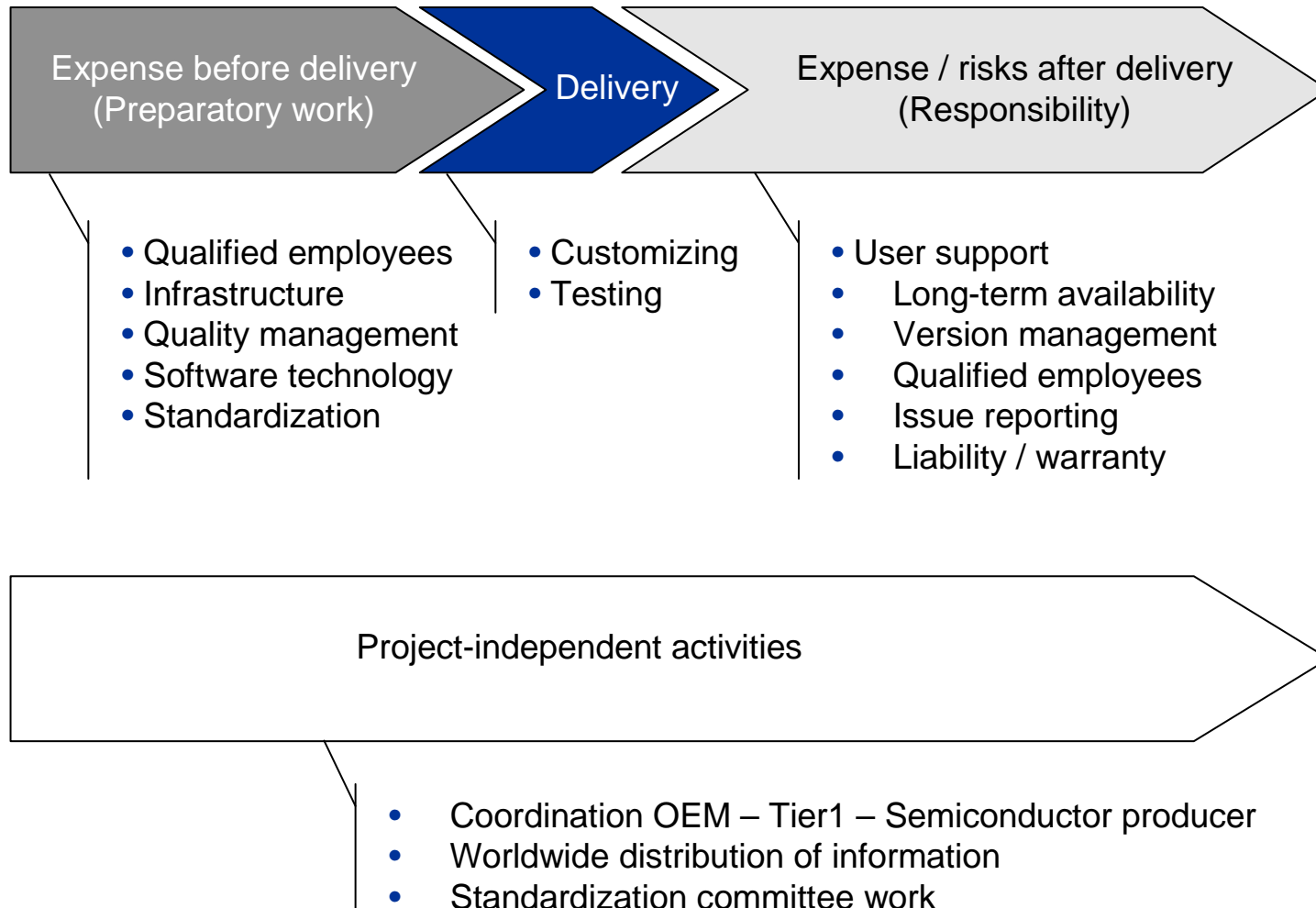
Software Iceberg

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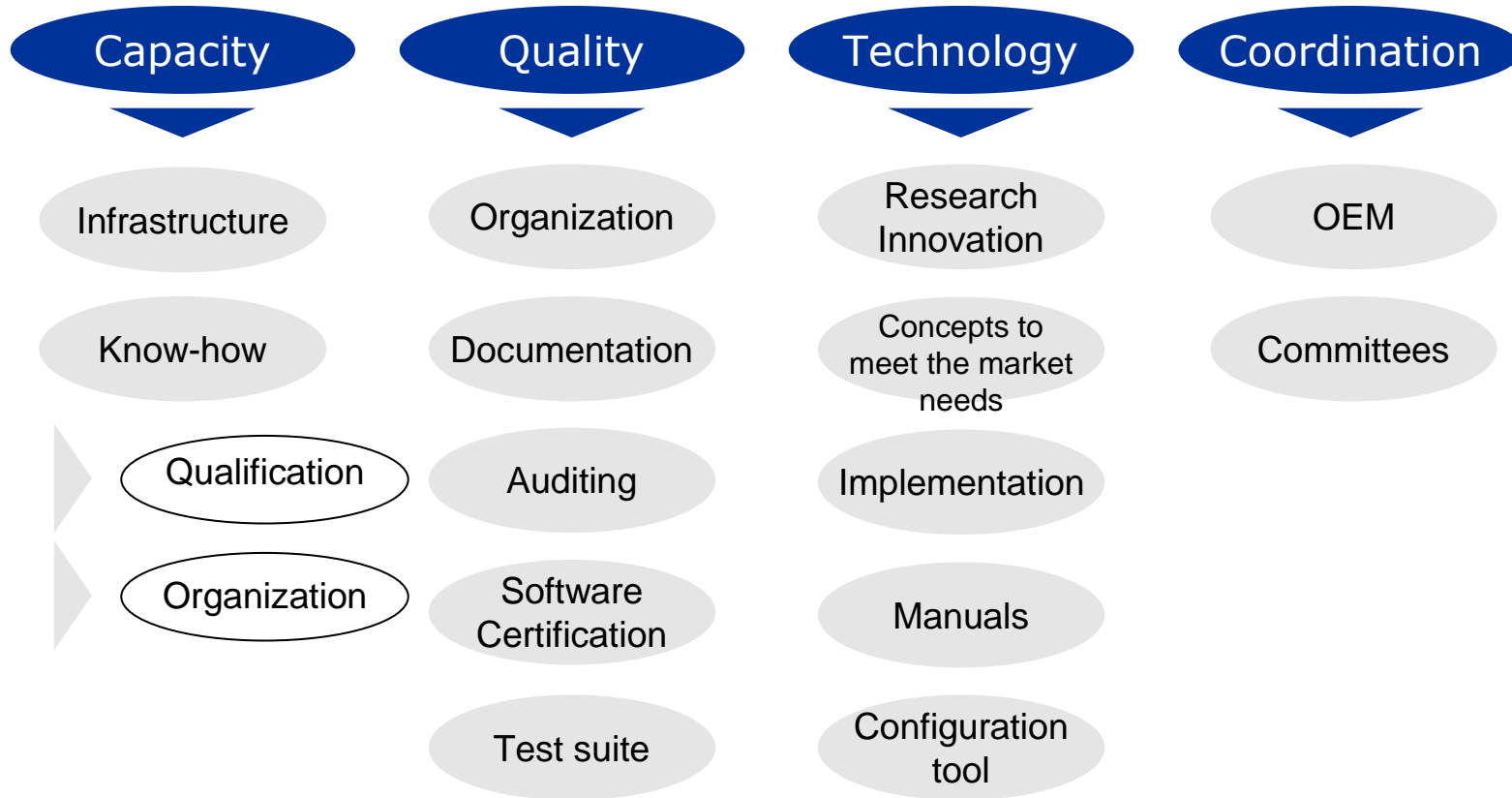
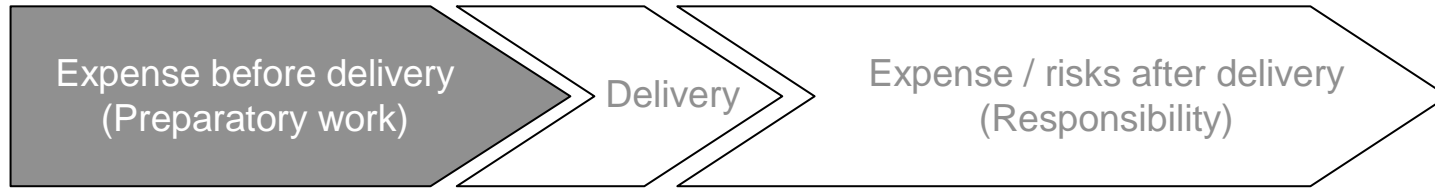
Activities and Expenses

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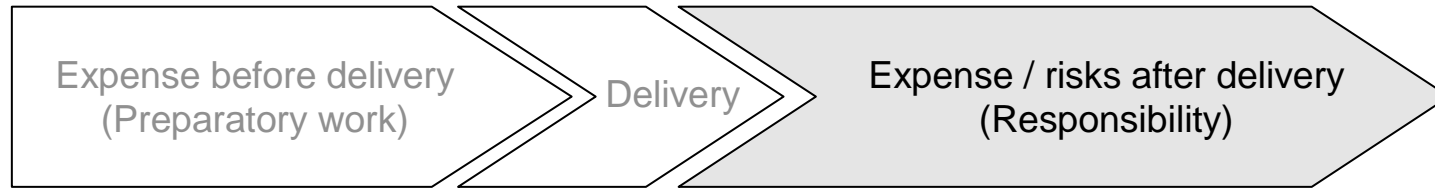
Preparatory Work by COTS Supplier

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Responsibility of the COTS supplier

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Distribution of information by:

- Organizing seminars and symposiums
- Presentations at trade shows and congresses
- Customer visits

Application optimization by:

- User consultation
- Standardization committee work



Agenda

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Reasons to license software

Properties

> Value



Everything has its price

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Requirements placed on COTS supplier

Desired

Price

Quality management (CMMI, SPICE) Level x	<input type="checkbox"/>	_____ €
Risk assumption by advanced development	<input type="checkbox"/>	_____ €
Standardization committee work (AUTOSAR)	<input type="checkbox"/>	_____ €
Certified products	<input type="checkbox"/>	_____ €
Refined manuals and Help functions	<input type="checkbox"/>	_____ €
Support (training, hotline, reviews, etc.)	<input type="checkbox"/>	_____ €
10 year availability	<input type="checkbox"/>	_____ €
Issue reporting	<input type="checkbox"/>	_____ €
2 year warranty	<input type="checkbox"/>	_____ €
Liability	<input type="checkbox"/>	_____ €



Software by AESAS members offers the following advantages

- Closeness to customer
 - Local presence
 - Same language
- Market familiarity
- Project experience in automotive industry
- High quality standards
- Established products
- AESAS members cooperate for compatible software components



COTS offers:

- Assumption of risk and expense by supplier
- Lower project costs due to sharing by multiple users
- High product quality
- Wide variety of supplemental services

This has its price:

- Amortization of preparatory work
- Coverage of delivery costs (including customization)
- Sustained business to cover after-sales costs

A long-term partnership is the goal



Thank you for your Attention

More informationen of AESAS is available at

www.AESAS.org

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