

Auriga's Newsletter

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Auriga introduces Risk-Reward pricing for increased flexibility

Apart from two traditional approaches to pricing - Fixed Price and Time&Material (T&M) models - Auriga now offers Risk Reward approach to those clients who want to combine maximum risk mitigation and reasonable pricing. One of the key components of pre-sale activities of all outsourcing contracts is a balanced selection of a pricing model which makes a project or a contract beneficial both for the client and the contractor.

Auriga introduces a new approach, where the selection process is supported by Auriga CPPM (Choose Project Pricing Model Tool) - a specially designed tool to assist in choosing and offering pricing options from three main pricing models - T&M, Fixed Price and Risk-Reward. Understanding that realistic and sound project estimation is a basis for reaching the project goals, we are enhancing our estimation methodology - replacing an interval approach to project estimation with a more advanced probabilistic project profile calculation. As before, based on PERT-analysis, the estimator comes up with a range estimate of project efforts. The estimator derives a list of project risks using the corporate process performance baseline (PPB) of key risk profiles. A risk calculator tool integrated in CPPM allows the estimator to perform Monte-Carlo simulation of project risks and riskless project profile and calculate the total probabilistic project profile.

The total project profile is used in the preparation of a CPPM-based financial proposal. The estimator specifies and adjusts CPPM input data (rates, SG&A, Net profit, setup costs, etc.). As a result, CPPM shows project financial indicators - particularly, success probability of each project

model - and draws a plot of an optimal for the client pricing model. After revising project commitments and schedule, pricing options are offered to the client.

This new approach adds flexibility to our pricing proposals giving a wider range of options to choose from for our clients.

Hereinafter we offer a diagram as an illustrative quota:

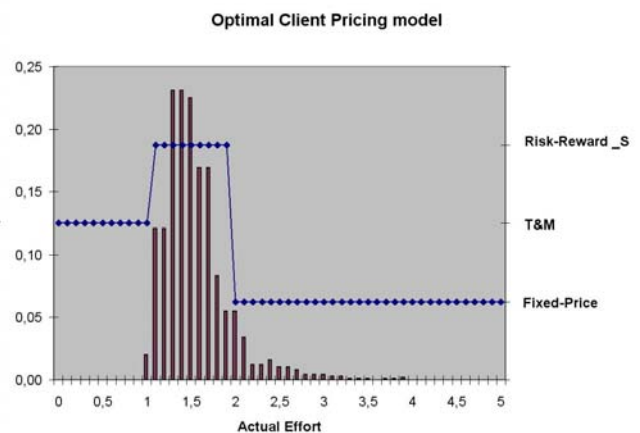


Table 1. Optimal Client Pricing model.

X-Axis: Resulting project effort/Y-Axis: Probability of finishing in effort interval

Auriga shares Embedded Systems Knowledge: latest publications

Auriga's commitment to professional development of its employees is completely aligned with the major challenge of developing the intellectual potential of IT professionals faced by Russia. The major analytics agencies worldwide consider that "despite the high level of scientific education in Russia" it is essential "to bring together theory and cutting-edge technologies, as sometimes conventional teaching methods get in the way".

At Auriga, we are devoted to developing our employees, and provide the training opportunities they need to reach their full potential. It is rewarding to see our colleagues share their expertise, lead and support the development of knowledgeable, skillful, and productive specialists. We offer a selection of publications by our experts in the field of embedded systems.

Embedded Systems Testing. Roman Ivliev

Roman Ivliev, Auriga Test Group Lead, has shared his expertise with the readers of the June issue of "World of Embedded Technology", a supplement of "Computer Automation World", a well-reputed Russian magazine on IT and automation that has been published since 1995. The article deals with the peculiarities of the embedded systems testing. Roman focuses and analyzes the features associated with the organization of the testing process, the complexity of hardware and software allocated to the project, the most common inherent problems and accepted solutions. As an illustration of using the medical embedded systems, Roman provides a description of testing project for a hospital computer network.

Virtual Machine: choice problem. Sergei Zimin

Virtualization has been a very popular theme for perhaps the last decade. In the last few years, it became a real buzzword and now covers not only servers and PCs, but even mobile devices. There are many different solutions on this market that cover virtually all aspects of virtualization, so the problem is only how to choose the most suitable one.

At the same time developers often face the tasks that have some not-quite-typical requirements, not covered fully by any of the existing solutions. The most reasonable approach is to take the "closest" of the available solution and refine it to match the

requirements. But how can one choose it? What aspects are important and what are not? What one should keep in mind considering the basement?

Published in "World of Embedded Technology", this article defines a project aimed at developing a virtual machine with not finalized requirements. It considers possible requirements deviations and provides several recommendations regarding choosing an open source solution to develop the system atop of.

The full text of the article (in Russian) is available [here](#).

About Auriga:

Auriga (www.auriga.com) is a software R&D and IT outsourcing services provider incorporated in the U.S. and operating development centers in Russia since 1990. Auriga focuses on satisfying the specific needs of software and hardware high-tech companies as its driving strategy. Included in Global Services 100 since 2006, Global Outsourcing 100 since 2008, and Top 10 Central/Eastern Europe Providers of the Black Book of Outsourcing, Auriga offers services covering all aspects of the product engineering area and expertise in a set of knowledge areas from embedded systems and OS internals to enterprise information systems and Web applications. Auriga's client list includes such industry majors and leaders in their segments as IBM, Draeger Medical, LynuxWorks, NMS Communications, Verdasys, and many others.

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