SCREEN TEST

SOA projects can learn from a technique used to manage film and TV projects, says Graham Oakes.

Graham Oakes: if the production runs into difficulties, the guarantor may step in

Here's an interesting analogy I came across recently. When people are financing films or television productions, they often seek guarantees that the producer will deliver to the agreed timescale and budget.

In this situation, it's generally possible to buy a Completion Bond, whereby an independent third party (the guarantor) gives insurance that the producer will deliver.

The guarantor typically takes a very active role in identifying risks that affect the project. This starts with the 'specification'.

Before offering any guarantee, the guarantor conducts a thorough review of the script, production schedules, budget and so on. They meet with key members of the production team to confirm that appropriate direction and controls are in place, that the plans are feasible, and that the team have the necessary skills and experience to deliver them.

The guarantor then actively monitors status throughout the production. They receive daily progress reports showing what scenes have been shot, how many people have been on set, what materials have been used, and so on. They review details of expenditure against the budget. They retain the right to visit the set at any time, unannounced, and to meet with anyone involved with the production.

If the production runs into difficulties, the guarantor may step in to take control of the troubling aspects. They may, for example, impose additional financial controls or seek changes to the script or personnel. In *extremis*, they may bring in their own producer to take control of the whole project.

If the film still can't be delivered, then the guarantor repays the original financing. In the UK, the guarantor steps in at some level on about one in five films.

For the financier, a completion bond helps bound their investment risk and provides access to independent expertise to actively manage production risks. A completion bond may cost between 2% and 6% of the total production budget, but that's a price many are prepared to pay for effective risk management.

SOA potential

It seems to me that this idea has a lot of potential for SOA. Firstly, the parallel with software projects is obvious: many sponsors would be attracted to project guarantees with real bite.

However, think a bit more broadly, and even bigger possibilities open up. We talk of service level management and service guarantees, but to our audience, that's mostly what it is: talk. Often by an IT function that has proven very adept at redefining past promises.

What premiums would you have to pay to find an independent third party who would back your service levels with real guarantees?

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