



Due diligence White paper

This white paper describes how the Ripose Technique supports due diligence.

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Preface

Purpose

This white paper describes how the Ripose Technique supports due diligence.

Intended audience

Ripose clients, prospects and associates

Structure

Management summary Summarises this white paper and provides the Ripose Technique benefits and highlights why a client should be using the Ripose Technique.

Checklists Introduces the various checklists required in order to satisfy the process of due diligence

Glossary of terms Describes commonly used words in the methodology and technique subject area.

Associated documents – White papers

Seven steps Details the Ripose seven steps

Comparisons Compares the stages of a number of techniques with Ripose

Grammar Explains the terms used by the Ripose Technique

Business simulator Describes each step of various techniques and their associated costs

Knowledge management Describes how Ripose supports the concept of knowledge management

Management summary

Pre-flight checks

- Would you fly in a plane without pre-flight checks?
- Do you do a flight-check when you get into a car, even if it is subliminal?
- Is your organisation planning to fail? or is that failing to plan?
- Why doesn't your organisation have survival checklists, eg. strategic plans?
- Have you ever completed a due diligence on your own organisation? Before someone else does!

Before a pilot of any aircraft, even thinks about starting the engines, they go through a 'pre-flight checklist' (a process of checking a number of items on a list). This process is used to ensure that the flight has a better than even chance (lowering the risk) of delivering its passengers and/or cargo to its specified destination. When the aircraft lands at its destination, the pilot goes through some form of de-briefing, to ensure that all safety measures were adhered to during the flight. Killing or injuring passengers and/or cargo is bad for future business. This is probably true for any operator of any piece of sophisticated equipment.

Now aircraft (especially sophisticated ones) have a number of computers and indicators to speed up the process. Nevertheless, the pilot still goes through the process of ticking every box on the pre-flight checklist. This is called 'due diligence'.

Compare this to getting into the driver's seat of a motor vehicle and it would probably be absurd to carry out such a checklist. Yet we do this in a mentally as the items that we need to check are far less than those of an aircraft.

Organisations

An organisation is basically no different to a sophisticated aircraft. However, little has been done to rapidly and effectively ensure that the business operators continually go through the process of an 'organisation checklist' to ensure that every conceivable safety measure is in place to protect their customers, stakeholders, offerings and themselves.

Indicators

The major indicator that supports the above assumption is that as we enter the 21st century, despite the plethora of technological smarts (both in hardware and software), the number of business failures seems to be escalating. People talk about due diligence as if it some mystical thing that everyone needs but are only prepared to pay lip service to it. 'It is just too hard, so we will think about it tomorrow'.

Due diligence does not happen at the end of a cycle (i.e thinking about it tomorrow). Due diligence should be in place prior to even hiring the first person (other than the originator).

Methods

Many methods/methodologies/techniques have been developed to develop checklists to ensure that the parts of the complicated elements of the organisation are addressed. However, what appears to be missing is a totally integrated/holistic approach to ensure due diligence can be met.

The work carried out by Ripose Pty Limited has culminated in the development of a checklist, which should be comparable to a pilot's pre-flight checklist.

This checklist, together with the Ripose Technique and compilers will ensure that due diligence can be achieved rapidly, cost effectively and productively.

Benefits

The benefits to be derived from using the Ripose Technique are multiple:

- A clearer understanding of the business issues
- The time to market the business ideas from business operators to information technologists has been reduced. In some cases as much as 40 working days can be saved
- The cost of developing an efficient and effective 'blueprint' has been slashed by close to 90%. This frees up valuable resources for subsequent development activities

Conclusion

Ripose has simply simplified all the known methodologies and created a technique works efficiently and effectively every time. In short Ripose:

- Places due diligence first
- Is a technique that is repeatable and teachable
- Will take you from strategic planning to implemented solutions
- Is better, faster, smarter and more cost effective than most of the known techniques on the market today
- Rapidly integrates patterns of strategic elements

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Checklists

Due diligence

Definitions

Before we identify the elements in a due diligence checklist, let us first define what due diligence means. To do this it is necessary to define each word and then create a meaningful sentence from definition of the two words:

- Due – Fit; appropriate; suitable; in a proper manner
- Diligence – Steady application in business; constant effort to accomplish what is undertaken; care

Hence due diligence can be defined as: 'a process of constantly endeavoring to carry out business of any kind in a fit and proper manner'.

Identify objective elements or assets

To accomplish the objective of due diligence, it is necessary to identify the elements or assets that need to be on the checklists. These are:

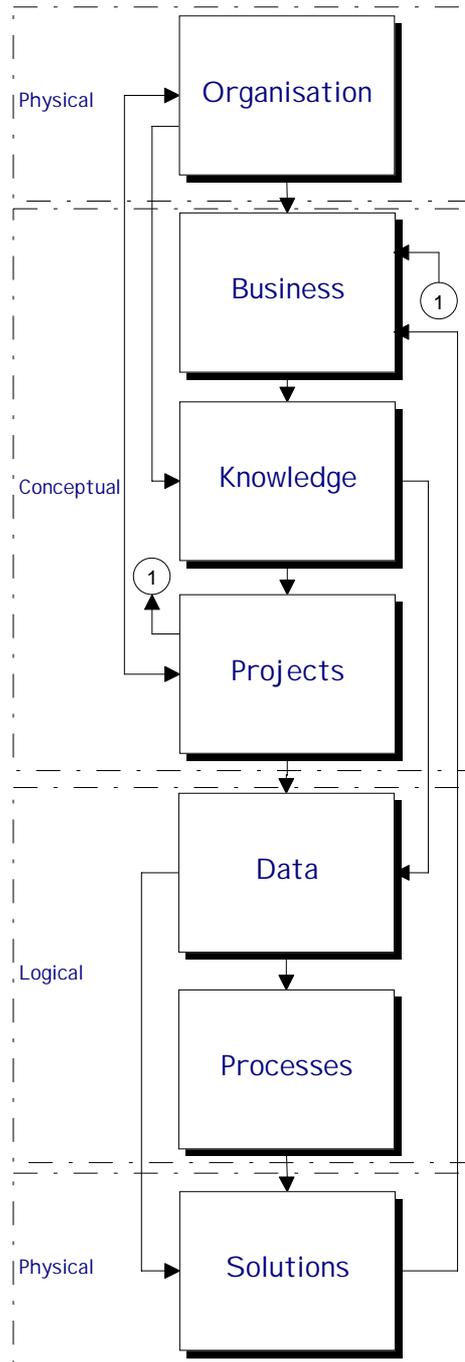
- The organisation structure
- The business the organisation undertakes
- The knowledge the organisation requires in order to conduct its business
- The projects the organisation requires in order to implement its knowledge
- The data or facts that each project relies on
- The processes that are required to manipulate the data
- The solutions that the organisation requires to fulfill its obligations

Each of the above elements has a specific relationship with each other and must be addressed in the correct sequence if due diligence is to be achieved.

For example: Suppose your organisation was about to purchase an accounts receivable package (a solution), you would need to ensure that each of the checklists for the previously mentioned 6 elements were addressed.

While this has been a major source of difficulty in the past, Ripose offers a rapid approach to overcome them.

The following diagram is a schematic representation of the elements and their relationship to one another:



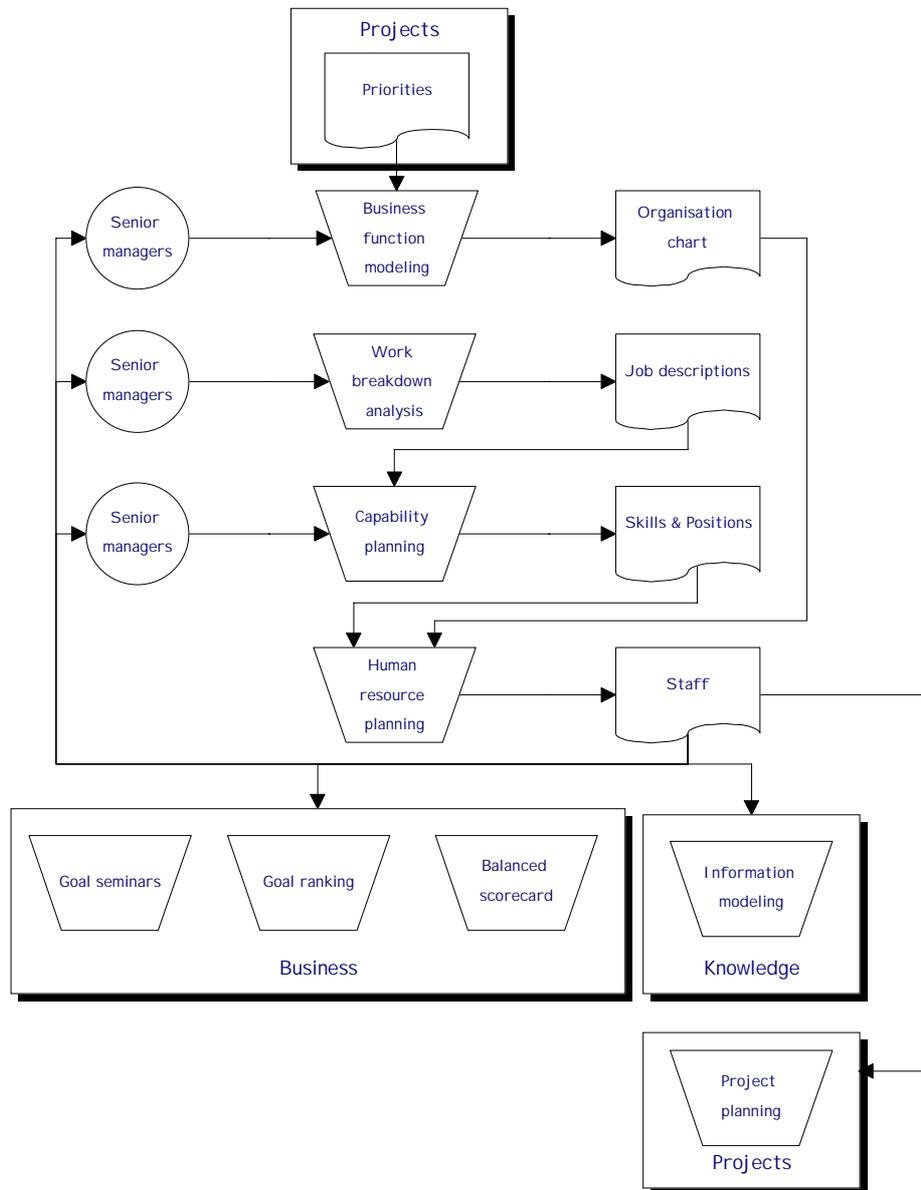
How many of the boxes in the pictorial representation of the checklist can you honestly tick? To effectively tick off each box, you need to check off each element in the subordinate checklist!

Organisation

The list of elements in the organisation checklist comprises:

- The organisation chart
- The job descriptions of each person carrying out activities for the organisation
- The skills and positions required to fulfill the role
- The person with the right skills to suit the position

The following diagram is a schematic representation of the elements and their relationship to one another:



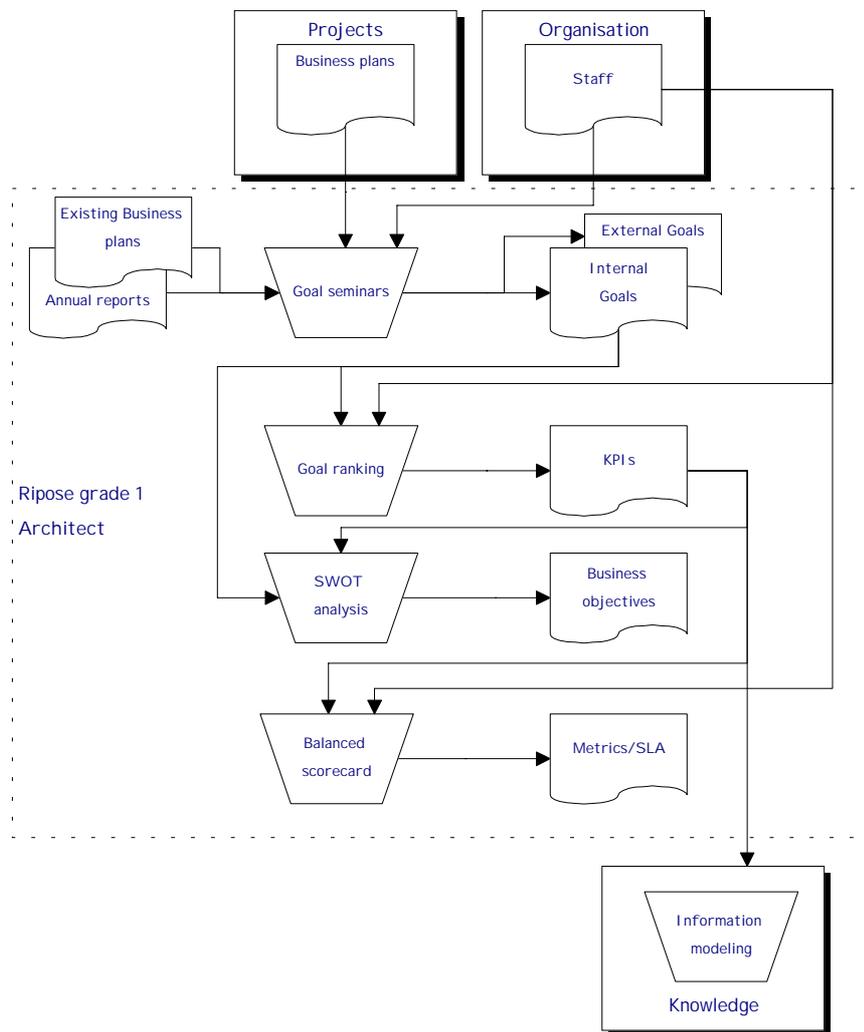
The reason why priorities feeds back into the organisation structure is due to the feedback achieved after completing the first pass through.

Business

The list of elements in the business checklist comprises:

- The internal goals – 1 Purpose, 4 missions and 11 critical success factors. These form part of the value proposition of the organisation
- The external goals – 1 vision, 1 external mission and any number of objectives. These form the marketing proposition of the organisation
- The business objective deliverable
- The metrics/service level agreements

The following diagram is a schematic representation of the elements and their relationship to one another:

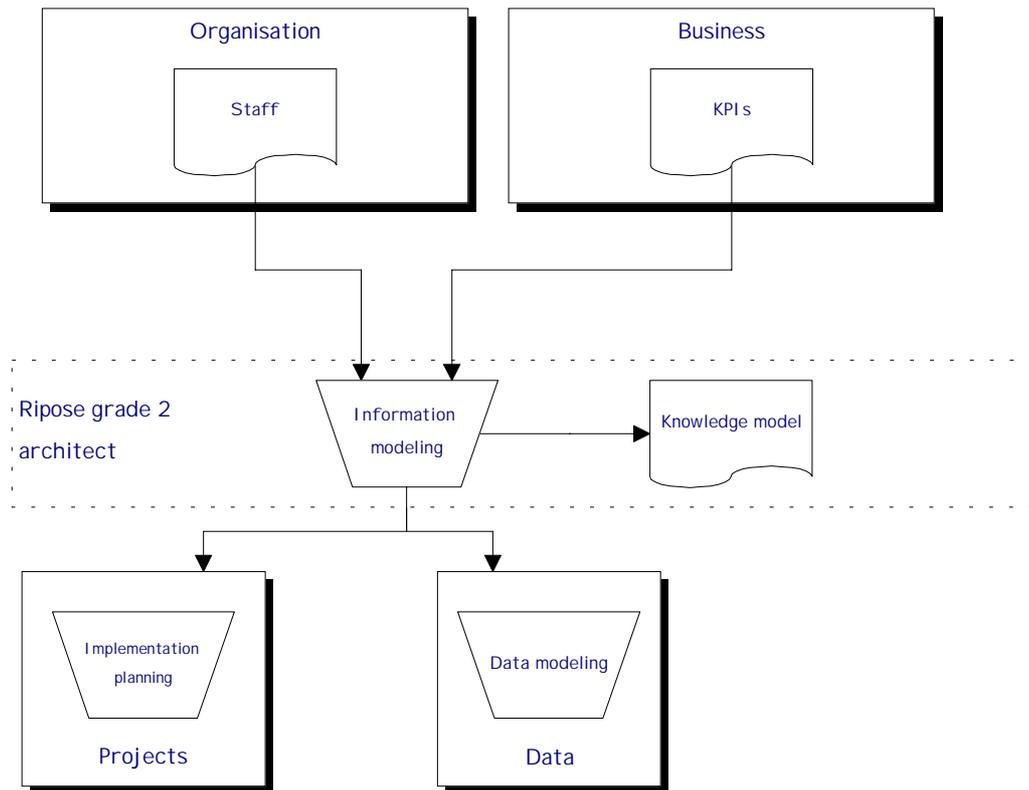


The reason why business plans feeds back into the business checklist is due to the feedback achieved after completing the first pass through.

Knowledge

The list of elements in the knowledge checklist comprises solely of the information model.

The following diagram is a schematic representation of the elements and their relationship to one another:



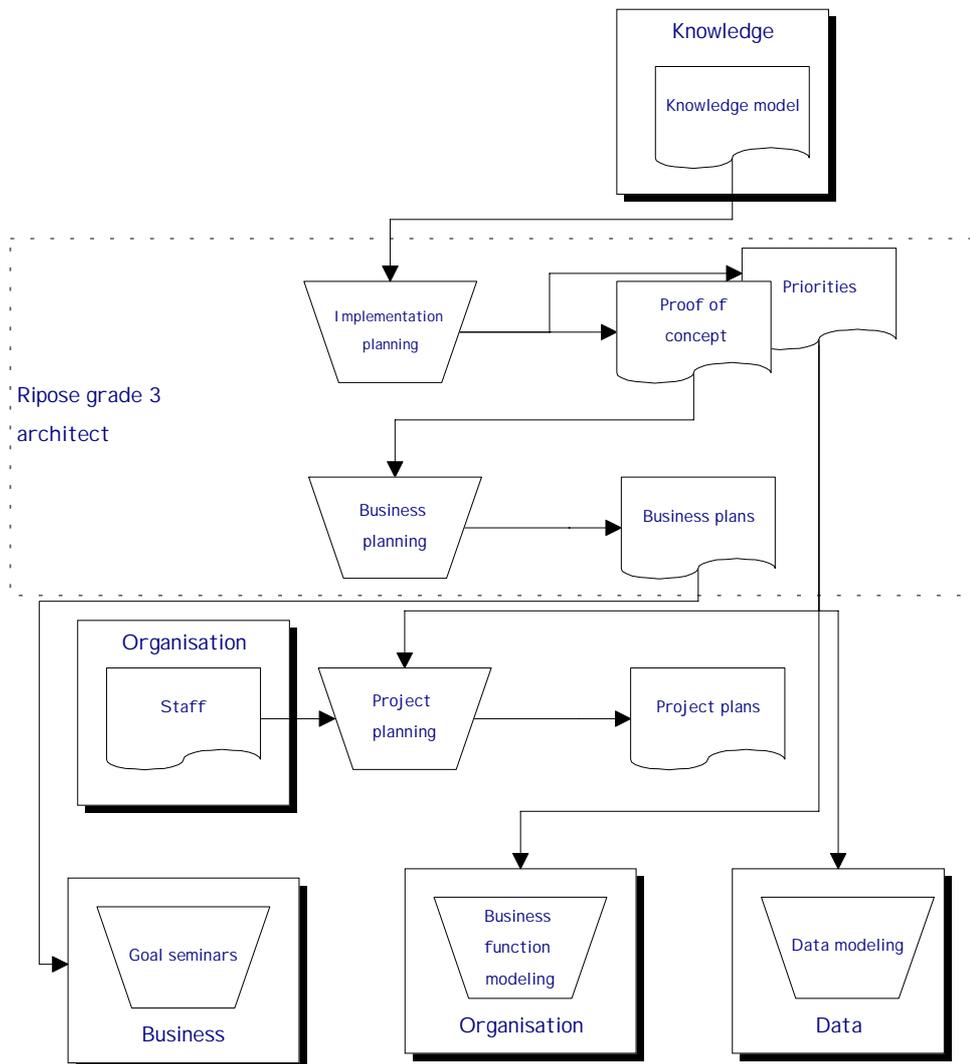
The knowledge model contains all the information classes that the organisation is likely to need to support its value proposition. This knowledge provides the base building blocks for the projects that the organisation will need if it is to meet its obligations to its value proposition.

Project

The list of elements in the project checklist comprises:

- The proof of concept
- The implementation priorities
- The business plans (see Business plan on page 9)
- The project plans

The following diagram is a schematic representation of the elements and their relationship to one another:



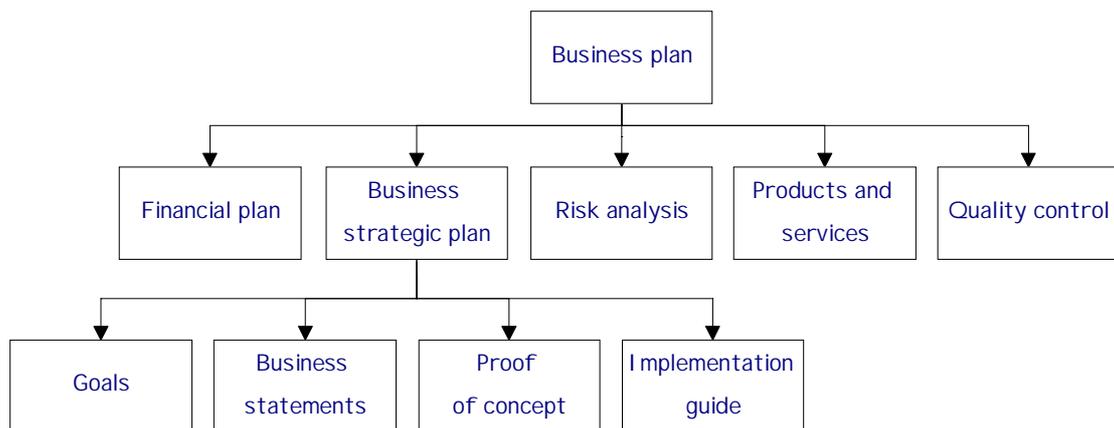
Business plan

The business plan checklist is a subordinate item that is constructed from a deliverable developed from the project checklist – the proof of concept. Once the proof of concept is in place, the task of creating an efficient and effective business plan will be simplified.

The list of elements in the project checklist comprises (amongst others):

- The financial plan
- The business strategic plan – Internal and external goals, the proof of concept and the implementation guide
- The risk analysis
- The products and services (offerings)
- The quality control plan

The following diagram is a schematic representation of the above:

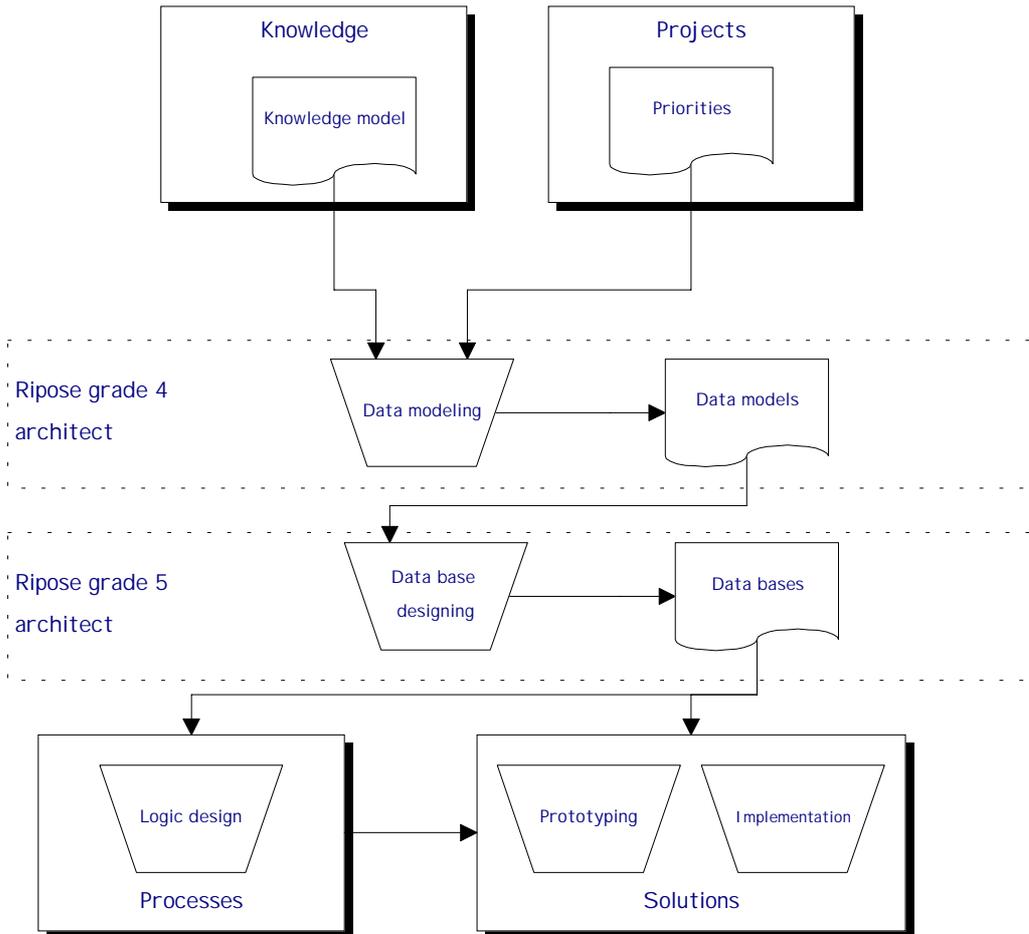


Data

The list of elements in the data checklist comprises:

- Data models
- Data base designs

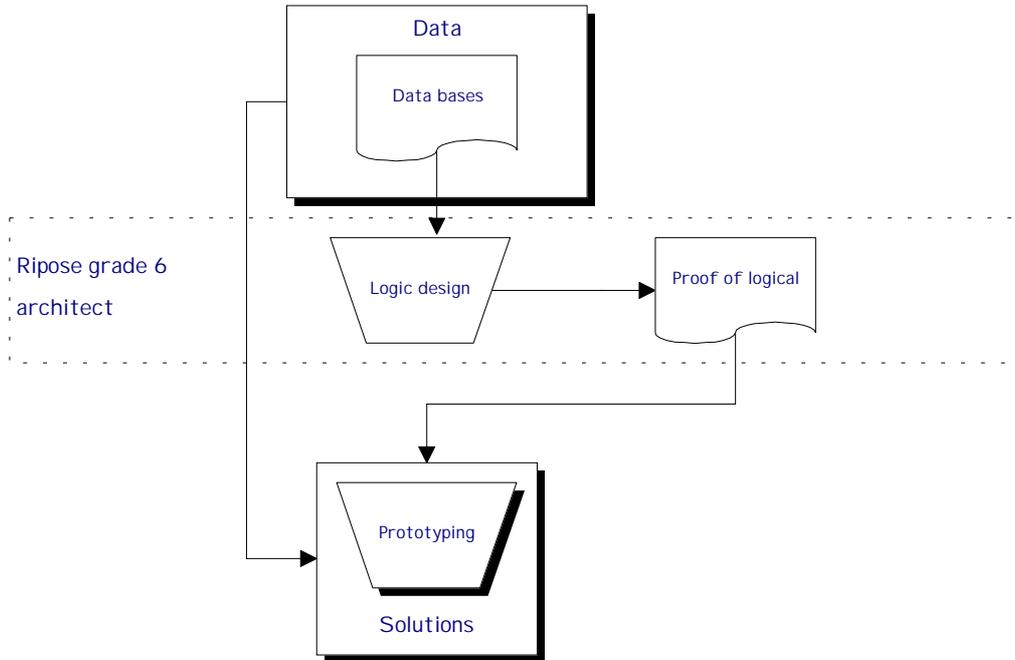
The following diagram is a schematic representation of the elements and their relationship to one another:



Process

The elements in the process checklist is solely the proof of logic

The following diagram is a schematic representation of the elements and their relationship to one another:

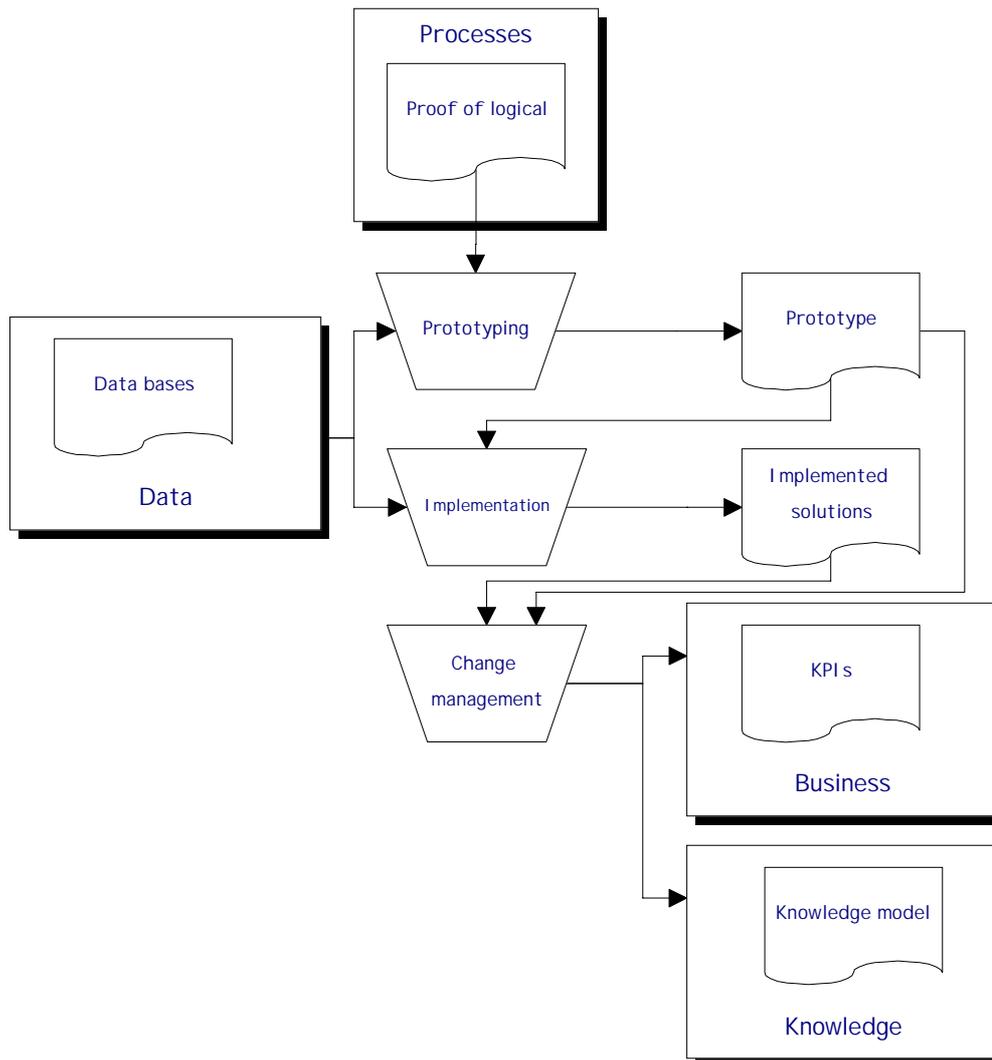


Solutions

The list of elements in the solutions checklist comprises:

- A working prototype
- The implemented solution running on the chosen hardware and software platforms

The following diagram is a schematic representation of the elements and their relationship to one another:



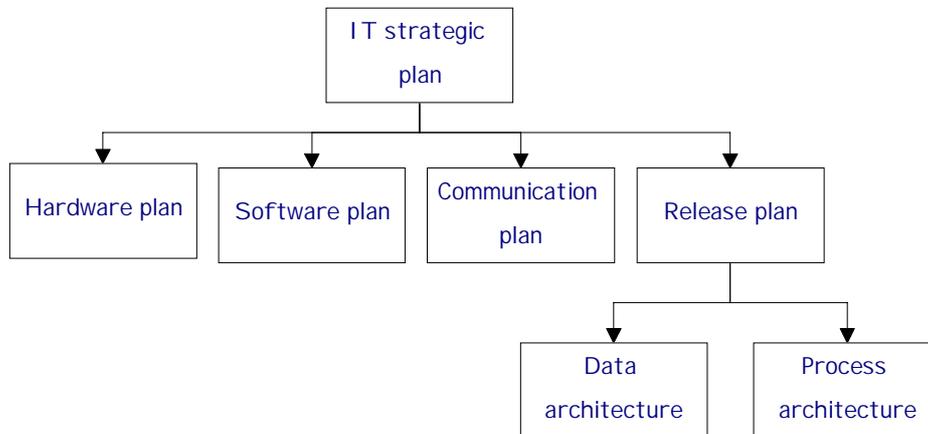
IT strategic plan

The IT strategic plan checklist is a subordinate item that is constructed from a deliverable developed from the solution checklist – the proof of logic. Once the proof of logic is in place, the task of creating an efficient and effective IT strategic plan will be simplified.

The list of elements in the project checklist comprises (amongst others):

- The hardware plan
- The software plan (operating systems)
- The communication plan
- The project release plan – Data and process architectures

The following diagram is a schematic representation of the above:



Glossary of terms

Term	Description
KPI	Any important pointer, gauge, measure or component, which assists in the fulfillment of a task.
Logical	The means of describing reasoning.
Methodology	A methodology is a documented set of formal procedures, rules and/or guidelines for a specific discipline. Depending on the nature of the task, the needs of the audience and the intentions of the authors, a methodology can be written at a detailed level (presenting step-by-step explanations of how to accomplish a process). It can also be at a general level (offering only suggestions and guidelines to support someone that already understands the basic steps of the process).
Program	A series of instructions to create, read, update, delete and print the contents of the physical databases. A name given to a grouping of projects.
Projects	A grouping of operational activities, see also - system.
Proof of concept	High-level specifications, describing the integrated functionality of a series of business ideas. It details 'what' the business needs and is independent of detailed logic. It provides a clear priority blueprint for future development - steps 1 through 3 of the Ripose technique.
Proof of logic	Detailed specifications describing the data structures and program reasoning. It is totally independent of hardware and software constraints. It fully supports the proof of concept and shows 'how' the proof of concept can be implemented - step 4 of the Ripose technique.
Proof of physical	A prototype/working model of the proof of logic. It enables business operatives to 'touch, feel and experience' objects identified in the proof of concept. It is independent of the final target hardware and software environment - step 5 of the Ripose technique.
Ripose	A general-purpose series of modeling techniques designed to specify, visualize, construct and document the artifacts of a business from an idea to the detailed logic. It is an acronym for 'Rapid information processing oriented systems environment'. Ripose rapidly integrates prototypes of strategic elements.
SWOT	Analysis of strengths, weaknesses, opportunities and threats.
System	A group of operational activities to support a business function. A name given to a grouping of applications.

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Identification

General

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