Why Should My End-User Company Join OMG?

A White Paper on the Benefits (and Total Costs) of OMG Membership

By Jon Siegel, Ph.D.
Vice President, Technology Transfer
Object Management Group

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A stable Information Technology (IT) environment provides a huge boost to a company's performance but, left uncontrolled, IT can impose tremendous costs in both money and lost productivity. Companies that attempt to control cost by locking into a computing infrastructure and middleware platform beyond its lifetime lose interoperability with their customers and suppliers when they move on to the "Next Best Thing", and cede to their competition the advantage of better, faster, and more capable data processing when everyone else moves on to the next generation of IT systems.

Computer industry standards can stabilize a particular platform for as long as it lasts in the marketplace, but most platforms' lifetimes are too short to provide the Return on Investment (ROI) that IT must yield to justify expenditures. To maximize ROI, companies need a coordinated set of standards and applications that work together on *multiple* operating systems programmed in *multiple* programming languages, connecting *multiple* middleware platforms and networking environments, even bridging the gap between the end of one platform's lifetime and the beginning of the next. Fortunately, there is an organization provides this standards environment today: The Object Management Group (OMG). OMG's multi-platform specifications address the heart of a business's requirements, extending the lifetime of applications and infrastructure to maximize IT ROI while maintaining the flexibility needed in today's constantly-changing technological world.

How do leading companies know how to manage their IT in the way that maximizes their ROI? Everyone knows who these companies are. They install the winning technology 'way ahead of the competition, but never waste a dime on dead-end alternatives no matter how much they were hyped in the press. Their applications all work together – the legacy mainframe applications that run their business interoperate with the newer Internet servers that extend their reach into the electronic marketplace. That is, they drive their IT; they don't let it drive them. What do they know that you don't?

These companies model applications before they build them, ensuring as much as possible that their development and integration projects will succeed. Their corporate metamodel supports company-wide data sharing, allowing them to mine customer data –

their most valuable growing asset – to increase profits. They know that architecture pays back (reducing overall IT spending by 25% according to a META group survey, as we'll discuss soon), so they form an architecture board to coordinate IT infrastructure across their enterprise. They design smooth interoperability into their corporate architecture, which is based on industry standards. And, they know what upcoming standards are going to say in advance because they *write* them, unlike their competitors who wait for them to be published and then *read* them. And, chances are, they write them at the OMG.

The Object Management Group (OMG) is an open-membership, not-for-profit, international organization of information system vendors, software vendors, and IT end-user companies. OMG members, working within a formal process that assures fairness and gives each company an equal vote, adopt and maintain specifications covering every aspect of software development from analysis and design, through development, to deployment and maintenance.

OMG's hundreds of member companies (see the current list at http://www.omg.org/cgi-bin/apps/membersearch.pl) include both vendors and end-users of software and development tools. The vendor companies have "skin in the game"; their bottom line depends on OMG specifications so it's easy to see why these companies join OMG and participate in setting the organization's specifications.

But why are so many end-user companies members too? They don't sell software or development tools, so their motives can't be the same as the vendors. What do they know that you don't, and what advantages do they gain from their memberships?

We've already suggested the answer: Our end-user members are the leaders; the companies that drive their IT, instead of letting it drive them. Their OMG membership is an important weapon in the arsenal they use to maintain their lead in IT, as we'll show in this paper.

Six Reasons to Join OMG

We've identified and analyzed six ways that these companies exploit their OMG membership, and we'll present each of them here. Implemented as a coherent strategy, they allow a company (yours, we suggest!) to bring its IT under control and build the same advantage that the leaders rely on. As a member of OMG, working within our process along with other companies in your industry or related to it, your company can:

- Help shape industry standards and vendor products to your company's needs
- Leverage the work and knowledge of the industry's best minds
- Plan, purchase, and implement in front of the curve, instead of behind it
- Keep your competition from jumping ahead of you
- Let your company, and your department, be seen as a leader
- Cover your costs (and more!) with savings

As we examine each of these reasons, we'll assign a dollar value to the benefit of those that allow. For the others, we'll present a concrete rationale and suggest an approximation to the dollar benefit. (The benefits from these others are so large that, even at the lowest range of our estimate, the argument for OMG membership is clear.) When we're done, we'll calculate *total* costs – membership fees, plus the cost of your employee delegate's time spent on OMG membership activities, and (should your company choose to participate by traveling to our meetings) travel costs as well. The difference – since the benefits outweigh the costs by a large margin – makes a convincing case for membership.

Before we start our tour through the six reasons, we'll take a minute to describe OMG and list our current suite of standards. If you want to learn more about them, you'll have to check out the references; this is a paper about ROI, not technology!

OMG: What We Are and What We Do

We've already pointed out that OMG is an international computer standards consortium with hundreds of member companies. After sixteen years of successful work, our organization now publishes, maintains, and extends quite a suite of specifications. Here's a list; check the Reference section at the end of this paper for pointers to more information:

The **Model Driven Architecture** (MDA) establishes OMG as the organization with strategic standards aimed at maximizing long-term IT ROI. (Because the lifetime of a platform is potentially so short, technology-specific standards must be considered tactical.) Unifying the stable, business-oriented modeling space with the technology-specific implementation space, the MDA focuses on applications' *business functionality and behavior* as it allows an enterprise the freedom to target virtually any middleware platform or combination of platforms they choose in their initial implementation, and later to re-target should circumstances require.

The foundation of the MDA, and the key to building standards that cover multiple systems and platforms, is the OMG's suite of modeling specifications – the **MetaObject Facility (MOF), Unified Modeling Language (UML), XML Metadata Interchange (XMI),** and **Common Warehouse Metamodel (CWM).** To an enterprise, modeling (that is, formal requirements analysis and application design) is the strategic step that increases the odds that its development or integration projects will succeed, as it increases software lifespan and thus ROI. OMG's unique focus on modeling sets it apart.

OMG also standardizes an open platform, the **Common Object Request Broker Architecture** or **CORBA**. Used in millions of business deployments today, CORBA also dominates and is expanding rapidly in specialized markets including distributed Realtime, Embedded (small footprint), and High-assurance computing. Our more recent Data Distribution Service (DDS) specification is already widely used, and not just in military real-time applications.

Along with CORBA, OMG standardized the **CORBAservices** and **CORBAfacilities**. Taking advantage of the early start, the organization turned these definitions – including such essential services as transaction processing, security, a distributed event service – into a mature framework that now supports some of the largest and fastest applications in the industry. To flesh out the MDA, the organization is now constructing UML models of these successful services. When complete, these will constitute the MDA's **Pervasive Service** layer.

OMG's **Domain – that is, industry-specific – facilities** have been specified in MDA since the architecture was adopted as our formal basis in late 2001, allowing our members to specify interoperable interfaces on just about any middleware. This includes the recently popular Web Services, to populate a Service-Oriented Architecture (SOA). The most popular of our older CORBAservices are getting a makeover and emerging in a more general MDA-based format.

All of these specifications were conceived by, drafted by, adopted by, and are maintained by *OMG's Members* – staff do none of the technical work; members populate and comprise the Task Forces that choose the specifications they want to adopt, write the requirements documents for them and vote to set the process moving, and recommend final versions for adoption. A smaller group of members draft and submit the documents that, following evaluation and a sequence of votes by all members, become the final specifications. Formal adoption comes on a vote of OMG's Board of Directors, also composed of members.

For more information on OMG's specifications, process, or membership, check out the links in the References section at the end of this paper. We're ready to start our tour through the six reasons why end-user companies join OMG, starting with the one closest to the organization's stated purpose:

Help Shape Industry Standards and Vendor Products to Your Company's Needs

Working in the MDA, OMG members define industry standards usable on *all* of the middleware platforms used in their industry; each participant interoperates using its preferred middleware. Even better, the platform-independent base model allows these standards to evolve to new platforms and ways of networking when they are introduced, making standards generation a strategic investment in a way not possible before the MDA. One pre-MDA alternative – industry standards written in a single technology – forces every company in the industry to use that technology whether they want to or not, and risks obsolescence when advances move the platform out of favor. An alternative to technology-specific standards is technology-free standards, written in English (or your favorite other language), which are typically so loose that true interoperability eludes and little benefit results.

At OMG, you will work with other companies in your industry to set computing standards, focusing on those that require interoperability. Because work at OMG is done by volunteers, and there are never enough, you can almost always choose the amount of

influence you want: contribute effort, and your influence goes up; lay back, and others will (usually) fill in the gap. The concentration of industry players in the group attracts the attention of vendors, increasing the uptake of the resulting standards.

You can have a substantial influence on OMG process even without attending meetings. Your staff can read initial drafts of documents – RFPs, initial and revised submissions – and comment via email. Document authors appreciate other members' interest, and respond to virtually every comment. You can follow up this work with a note to the Task Force chair, specifying a proxy vote in favor (presumably, since you worked on it) of a motion on the document at a meeting. If you like a particular submission (or, perhaps, you leaned on your favorite vendor to make the submission), you can ask the submitter to name your company as a supporter on the document.

If you choose to attend a meeting, you can speak at a Task Force session, make or second a motion, and vote. If that group's work is particularly important to your company, you can encourage one of your staff to run for chair or co-chair. End-user chairs are viewed especially favorably by the members, because of their neutrality compared to the participating (and essential) vendors.

The dollar value of this benefit depends on the size and complexity of the software involved. We performed sample calculations on a piece of standardized software that would replace a two man-year development project, putting the savings at about $300K over five years, or $60K/yr. Most specifications deal with (much!) larger software modules so these figures are a minimum value. If your company helped write the requirements and evaluated the final submission, your savings will be maximized because of the way the software meets your company's needs. Harder to quantify, but just as important: The specification will be designed by the best companies in your industry, working together, and product implementations will be tested and documented to meet industry product standards, not always the case for in-house software. Another benefit, impossible to get any other way: Your standards-based products will interoperate with those of your customers, your suppliers, and the other companies in your industry,.

In early 2002, META Group compared the IT budgets of companies with and without a commitment to architecture, as shown by their established architectural standards and/or a corporate architecture board. Keeping things simple, they compared total IT budget per user for large (over 5,000 users) and smaller (fewer than 5,000 users) companies. For the larger group, corporations with architecture spent $6,185/user while those without spent $9,209, for an architectural savings of 32%. For the smaller, corporations with architecture spent $22,534; without spent $30,386; for a savings of 25%.

What if you don't join? Your competitors, suppliers, and customers won't wait for you. They may have already joined OMG to work on standards that don't take your company's needs into account simply because you don't participate. As they work the standards, they're building them into their corporate architecture so, as products arrive, they'll fit right into an infrastructure designed for them. Compared to these companies,

your architecture will need to be redesigned with accompanying delays and additional cost.

Leverage the Work and Knowledge of the Industry's Best

The best people in the computer industry write OMG specifications, and come to our meetings. They have to, because technical work and evaluation is performed there – the meetings are not just for presentations and speeches (although some of that happens too!).

OMG specifications are not just built; they are *designed* – for use in mission-critical applications where they need to keep working when every response contributes to the bottom line and a missed invocation translates to missed profits. Architects study the design of such OMG specifications as the Transaction Service (with contributions from one of the originators of the mainframe database); the Security architecture (designed, in part, by experts from the U.S. National Security Agency); and the Distributed Notification Service (designed by experts in Telecommunications Network Management for use on stressed networks) for insight in designing their own systems. The UML includes contributions from the "3 amigos": Grady Booch, Ivar Jacobsen, and Jim Rumbaugh.

Of course you can benefit from this good design by buying compliant products and integrating them into your company's IT infrastructure and architecture, and you don't have to be a member to do this. But only members may attend our meetings with these experts, and interact with them over OMG email lists. Even though these experts keep busy with OMG activities during the week, most find time here and there to chat with other members with common interests. The end result? Many OMG member companies leave each meeting with tidbits of information and suggestions that their staff can integrate into their IT or software architecture, putting or keeping them at the head of the curve. While we're not promising you free consulting, we are pointing out that each OMG meeting represents an opportunity to solve a nagging problem, or find an elegant solution to an architectural conundrum, by interacting with the experts around you. Few, if any, other gatherings present this kind of opportunity: Vendors' technical staff attend OMG meetings because the work gets done there. With these experts gathered in one place, opportunities arise naturally. Compare this situation to a trade show, for example, where non-technical sales staff repeat carefully-coached answers to anticipated questions.

Plan, Purchase, and Implement in Front of the Curve, Instead of Behind it

Good IT – the kind that builds your profits, keeps your customers coming back, and makes your staff brag about the support they get – doesn't just happen. It's *planned*. Infrastructure planners forecast years ahead, budgeting for infrastructure improvements that will keep up with the state of the art without basing your core business on technology so advanced (and flaky) it belongs in R&D. Crews install the newly-arrived hardware while support staff go to just-in-time training; before staff can forget what they learn, they sit down at new terminals and put it into practice. One of the things they do is install new software that takes advantage of these advanced capabilities. Development staff,

who may have been developing in the new environment on a test bed, now move their work to the production system and your staff uses all of their new toys to build the business. In the meantime, of course, the planners are working on the second generation beyond, because this cycle happens again and again.

How do these companies know what's coming down the pike? They read the analysts' predictions, of course, but the analysts don't have as much skin in the game as the vendors, who keep their plans secret (or divulge selected bits to a few major customers) in order to maintain a competitive edge. One place where the future comes out is within standards bodies and, more effective when you work in "Internet time", industry standards consortia and especially OMG.

OMG defines the state of the art of *commercial* software in many areas: *Enterprise Architecture* and integration, including the Model Driven Architecture (MDA); software modeling, analysis, and design; Business Process Modeling and Business Rules; scalable transactional business applications; Realtime, embedded, and fault tolerant distributed computing; and many industries' software standards.

Our organization completes standards faster than any other, but it still takes 10 to 18 months to move from a newly-issued RFP (*Request for Proposals*, the requirements document that initiates a technology adoption) to a finished specification. What do members know, and when do they know it? They know, six to ten months before the RFP is issued, about plans to adopt a standard in the technology area and have probably followed the draft RFP as it progressed from initial draft to final form. When the RFP is issued, everyone finds out because OMG makes it public to encourage as many submissions as possible (although non-member companies will have to join in order to submit).

The most interesting documents – initial and revised submissions, along with the email and meeting discussions of their strong and weak points – are restricted to members only during the evaluation period that follows; this restriction continues during voting. Once the final vote is complete, the completed specification is exposed to the world on OMG's website. The bottom line: Members knew two years in advance that there would be an industry standard; non-members knew possibly fifteen months in advance. Members knew over a year in advance approximately what the specification would look like, and knew the final details perhaps six months in advance; non-members waited until the votes were complete. End-user members use this information to plan future architectural direction, budgeting, and infrastructure purchases. (Vendor members, of course, implement these specifications in products that, in many cases, form their core business.)

Members know not only *what* is coming down the pike; they also know *who* is riding on the bandwagon: The list of companies registered as submitters to each OMG RFP is available to members only. It may be easy for a company to say, in a conversation or an advertisement, that it's going to support a hot new technology but RFP-submitter status requires a true commitment: Every company on this list has submitted a legally binding Letter of Intent to OMG pledging that, if their submission is voted by the members to be

the standard in this technology area, they will produce and market a commercial implementation within the year.

Using this information, a perceptive end-user company can separate the truly hot technologies from the wannabes, and the committed companies from the ringers. If members have any questions after they read the list, they can ask people from the companies involved (although it's up to each member to decide how much he wants to divulge, of course). This not only lets them put the winners onto their acquisition list farther into the future; it also lets them avoid money-wasting commitments to dead-end technologies.

What if you don't join OMG? The roadmap documents posted on each Task Force's public home page forecast the direction of future work, but these are very general and subject to change. You can not find out which companies are committed to the technology, since this information is kept on listings available to members only. And, you can not network at member meetings with the people doing the work. You can, we suppose, subscribe to the computer trade rags and read Spencer F. Katt and Robert X. Cringely for hints about what's going on in the industry.

Don't Let Your Competition Jump Ahead

OMG members support our standardization process in many ways: Vendor members' staff write and revise the submissions that become, after a series of votes, the actual specifications themselves. Vendor and end-user members together evaluate and critique the various submissions, working the process that culminates in that series of votes. To be eligible to do all of this volunteer work, these companies pay membership fees that allow OMG to oversee the process, and support the market for the resulting specifications and implementation products.

Governments around the world allow consortia such as OMG to gather companies together to build standards as long as certain requirements are met. One is that membership be open, and OMG encourages every company to join and participate – in fact, this document is part of our membership recruitment effort. Another requirement is that the organization's standards, once they have been completed, must be made available to every company equally. So, OMG posts every final specification on its website where it can be downloaded for free. Completing the availability picture, every current OMG specification is free of intellectual property restrictions, and may be implemented and sold by any company without license or payment of royalty. (OMG plans to continue this policy, although laws and policy also allow the group to adopt specifications that require licensing as long as licenses are granted on a reasonable and non-discriminatory basis to all requestors.)

If the world moved slowly, a company could wait for specifications to appear on the OMG website, purchase or build compliant software, and reap the benefits. Unfortunately for companies that try to do this, the race in today's Internet-paced world of Darwinian competition does not go to the patient, plodding turtle but rather to the fast-paced hare *as*

long as the hare knows the twists and turns far enough ahead down the road. So, working for its members' benefit where the law allows, OMG restricts access to working documents to members only. As we've seen, this creates two advantages for members: They know, far in advance, the direction that industry standards are going to go, and in addition, they get to help steer the course through their comments and votes.

IT prowess conveys a major competitive advantage, even though IT is a cost center and not a profit center for every company (even those that produce hardware and software themselves!). In this context, consider the position of a member company vis-à-vis a non-member: Neck and neck at the start (we'll presume), the member company gains a significant advantage as it uses its inside information to plan and implement ahead of the competition.

"But," you say, "my company is doing fine. I don't have anything to worry about." Not so: While your company is being recruited by OMG (it must be; otherwise you wouldn't be reading this white paper), your competition is being recruited also, along with your software vendors, your suppliers, and your customers. In this context, you can either be a leader or a follower. Being a follower can be dangerous, as we'll discuss next.

Position Your Company, and Your Department, as a Leader

Everyone seems to know who the true leaders are, whether they're companies or people. They know the right direction to go, before anyone else does, and they head out with a calm assurance that others – the followers – recognize right away. There are advantages to being a leader. Where do the leaders find out the things they know? OMG is one place.

At OMG, you'll help to write industry standards, working with prominent vendors and the other companies in your industry: your customers, suppliers, and competitors. The advanced knowledge that you gain from this process puts you in an enviable position.

Use this knowledge to fine-tune your corporate IT architecture. (Remember the META study about the value of an IT architecture, which we mentioned a few pages back?) Implement it across your company, starting in your own department. Select building blocks that work together, and plan upgrades several years ahead, with planned multi-stage rollouts. Base everything on OMG's MDA; metamodels based on the MOF establish a commonality that smooths out barriers to interoperability and interworking.

Within your company, you'll be the "go-to" person, and your department will be the "go-to" department. Leadership status builds on itself: every time someone goes to you because you're the leader, and you come through with a good solution, your leadership status climbs a rung higher on the ladder. In today's uncertain economy, it's good to give your company this kind of value, and even better that everyone knows it came from you.

But where is the value to your company? How do you put a value on Leadership? Apparently the equities marketplace knows how to put a value on it, according to Jonathan Low in *Invisible Advantage* (Perseus Publishing, 2002). Low identifies a

number of areas where a pervasive corporate culture conveys such a distinct advantage *that it shows up as a quantifiable increase in the company's valuation on the capital markets*. It's obvious that the OMG benefits contribute in Low's category of Technology and Processes, but that's not the only one: they also contribute to Leadership, Alliances and Networks, Workplace Organization and Culture, and Innovation.

The business world has become much more Darwinian as we made the transition from the plentiful 1990s to the leaner first decade of the new millennium. The scavengers are waiting to pounce on any company that shows vulnerability. A company with the Invisible Advantage will execute its business plan in a smooth, robust way that accomplishes business goals quickly at minimum cost. Think of your company, compared to your two or three closest competitors. OMG is anxious to give all of our members every advantage possible.

Cover Your Costs with Savings and "Intangible" Benefits

In this section, we'll summarize the benefits that OMG membership brings to your bottom line, giving numbers where they make sense but conceding that we can't be precise with the kind of intangible benefit mentioned in the last section. First, we'd like to review OMG's marketing benefits:

OMG's marketing department covers the industry looking for deals and discounts for members, who can get discounts on conference registrations, training, and analyst reports and services. Members can find out about available discounts on the web for analyst reports and services, and training, and by email for upcoming conferences.

Our marketing department also maintains pages presenting stories of companies' success with the MDA (www.omg.org/mda/products_success.htm), UML (www.uml.org/uml_success_stories/index.htm), and CORBA (www.corba.org/success.htm). A listing on these pages marks a company as not only a success, but also as a leader, and as we mentioned in the previous section, measurable rewards accrue to leaders.

So, in summary, your end-user company accrues these benefits from its membership in OMG:

- *Shape industry standards and vendor products*: We calculated that the benefit from a standard equivalent to a 2 MY development project would be about $300K over five years, or $60K/yr. Since most standards cover larger software modules, consider this to be a low-end estimate. If your industry standardizes a suite of applications that all work together, the savings for a large enterprise could easily reach into seven figures or more.
- *Leverage the work and knowledge of the industry's best*: We didn't calculate a dollar return for this benefit, because it can vary so widely. For companies that work well with the other OMG members at meetings and over email, the savings

add up quickly. We know of one end-user company that estimated the value of this benefit in the six- or seven-figure range.

- *Plan, purchase, and implement in front of the curve*: Once again, we didn't put a dollar value on this benefit. Savings accrue from a smooth rollout of software planned for and purchased years in advance. Up-to-date infrastructure and software increases sales and profits. Knowing what will be the next true "hot technology", and what is just an illusory bubble, can keep your company from making an expensive investment in dead-end technology. And, since you know which companies write an OMG standard, you can negotiate your purchase from the source 'way in advance.
- *Don't let your competition jump ahead*: While some of the benefits in our list seem abstract, this one is immediate, and very real. You and your competitors fight head-to-head for the same dollars whether your market is growing, staying constant, or (we hope temporarily!) shrinking. Every advantage makes a difference when you're fighting in close quarters like this. OMG works hard to help *all* of our members equally. If your competitor is not a member, you'll have all of the advantages that we've covered in this white paper. If your competitor is a member (and you should keep in mind that OMG's goal is to establish pervasive industry standards), your technology will be well-designed and established at minimum cost because it's based on standards, leaving you more resource to develop the edge that differentiates your products and services in the marketplace. The worst case would be to have an OMG member as a competitor, when you're not.
- *Position your company, and your department, as a leader*: We didn't put a dollar value on this one either, but you can estimate the potential benefit: According to Low's book, the maximum benefit is about 35% of your company's market valuation if you max out all twelve of his criteria. Figure that OMG membership can help you with parts of five criteria, amounting to about 20% of this total. That's between 5% and 10% of your market valuation, a sum worth going after.
- *Cover your costs with savings and discounts*: We won't calculate a specific dollar value for the discounts, but estimate these discounts could save several thousand dollars in hard cash. This may be small compared to the multiple millions or more in play in the previous bullet items, but that's not the point. The real message of this benefit is that conferences, analyst reports, and training are all ways to build and maintain the awareness that keeps a great IT department great, or starts to turn a not-yet-great one around and build it up, and the OMG marketing benefits are an incentive to get started.

How much will it cost your company to join OMG, participate in our process, and accrue these benefits? It's a lot less than you think, even taking into account total cost of participation and not just the membership fees. In the next section of this paper, and Appendix A, we'll do the math and give you specific numbers.

Costs of OMG Membership and Participation

Managers know that time costs money, and that OMG membership costs a company more than the membership fee alone. At some companies, the decision about OMG membership languishes until someone comes up with cost figures. To help streamline your company's decision process, we've performed the calculations for you and summarize the results in this section. Full details appear in Appendix A.

Total cost of membership divides neatly into three parts:

- The OMG membership fee;
- Staff time spent on participation and reporting; and
- Travel costs, if you choose to attend meetings.

Participation levels vary widely among our member companies: Some participate mainly through email and vote by proxy when items important to them come up in a meeting. Other companies send a delegation of delegates to every meeting. (This doesn't get them any more votes in a meeting – it's still one-company, one-vote. But it does let them send their specialists to meetings on different subjects, and cover simultaneous sessions.) Some companies cover only meetings on their continent; others cover only meetings that plan presentations or votes on technology in their core business.

To cover a range typical for new member companies (which rarely send more than one delegate to a meeting), we calculated for three attendance scenarios: a "no travel" scenario where the company representative studies the documents up for evaluation and vote, comments by email, and votes by proxy (so this scenario does, in fact, allow for influence on the OMG process); a "minimum-travel" scenario where the representative travels to two meetings per year and stays for one day each; and an "every meeting" scenario of very active participation where the representative travels to all four meetings during the year and stays for three days at each one. There is nothing rigid about these scenarios; each member company participates at a level that fits its budget and goals and many vary their attendance from one meeting to the next. Still, many of our end-user members settle into a participation pattern that resembles one or the other of these scenarios. Even if your company doesn't, you can use them as a basis for interpolation.

We believe that our cost figures are realistic. They include meeting preparation and reporting time, time spent reading and responding to email, and time for both travel and attendance for meetings. For details, read through the Appendix.

Here are a few sample total cost figures. First, we'll consider a company with gross revenue of under $100M. If this company decides to join at the influencing level and participate without attending meetings, **their *total* cost of OMG membership – including fees *and* staff time – will be only $9,400/year**. If they would rather attend two meetings per year for one day each (our minimum-travel scenario), their costs go up but remain a modest **$20,400/year**.

Or, consider a larger company, but still under $500M gross revenue, which chooses to join at Domain level so it can vote in the DTC and, after they've maintained their

membership for a year or so and "learned the ropes", run a candidate for OMG's Board of Directors. If this company attended under the minimum-travel scenario **their cost would be less than $33,000/year** but we think that their commitment would lead them to attend most meetings and stay a little longer; if they attended as listed in the every-meeting scenario **their total costs would still be less than $45,000/year**. (This figure does not include the additional cost of sending a second delegate to the OMG Board meetings during their second and later years of membership.)

To calculate total costs for your company's membership, see Appendix A. To skip the details and get a cost figure right away, go right to the end of the appendix.

Conclusions

OMG exists to benefit its members. Perhaps it shouldn't be surprising that, after sixteen successful years, the organization provides such substantial benefit for such a small investment. Still, to see the rationale set out in this paper makes the point in an unmistakable way.

One last topic, before we bow out and leave you to decide when to start your company's OMG membership: Where in your company should the funding for membership and participation come from? Even though the cost is low compared to the benefits, the benefits extend company-wide but costs are usually allocated to a particular department where they can seem distortedly large. OMG suggests that an executive with responsibility for the entire company take ownership of the membership. This person can ensure that funding comes from a similarly high level, even if it is funneled down to a department for disbursement. If this is not done, there's a risk that the strategic OMG membership with all of its company-wide benefits could be given up some year for a tactical purchase for a single department.

We hope that this paper has led you to think about OMG membership in a new light. There are a number of things you can do to follow up, some with OMG and others within your own company:

- Follow the links in the References section below to learn more about the MDA, other OMG specifications, the OMG process, and membership.
- If your company has an established architecture, meet with those responsible for it and discuss how OMG membership would fit in. If you don't, it's probably time to start working on one and OMG membership is a good place to start (but you'll have a lot more work to do!).
- OMG's account representatives can answer questions about membership and logistics. OMG senior staff are available to speak to a gathering of your decision-makers, to describe the organization's technology, process, membership, and benefits. To arrange for such a session, contact your account representative at OMG – see "Contacting the OMG" in the References section.

- Your company may send a delegate (you, perhaps!) to an OMG meeting as a non-voting guest/observer, to gather information helpful to your membership decision. To set this up, contact your company's account representative.

Thank you for your interest in OMG. We hope to see you at a meeting soon!

Appendix A: Calculation of Membership Costs

Total cost divides neatly into three parts:

- The OMG membership fee;
- Staff time; and
- Travel costs, if you choose to attend meetings.

Because many of our member companies restrict travel, OMG uses electronic communication to allow delegates to monitor and even participate in Task Force work without attending meetings. (The classic example is a CORBA ORB expert from Australia who was so active for years that virtually every active member "knew" him, even though none of them had ever seen him. When he finally came to a meeting in person, attendees treated the occasion like a reunion!)

We'll treat these three parts separately, membership fees first:

OMG Membership Privileges and Fees

Figure 1 diagrams OMG membership privileges for the four participatory levels of membership open to companies and corporations. (Not shown is an non-participatory trial level, and special categories for universities and government agencies with privileges identical to the companies' and corporations' Influencing level.) Every level includes all of the privileges of the levels below it. For details about the OMG technology adoption process and the roles of the various subgroups, see www.omg.org/gettingstarted/processintro.htm.
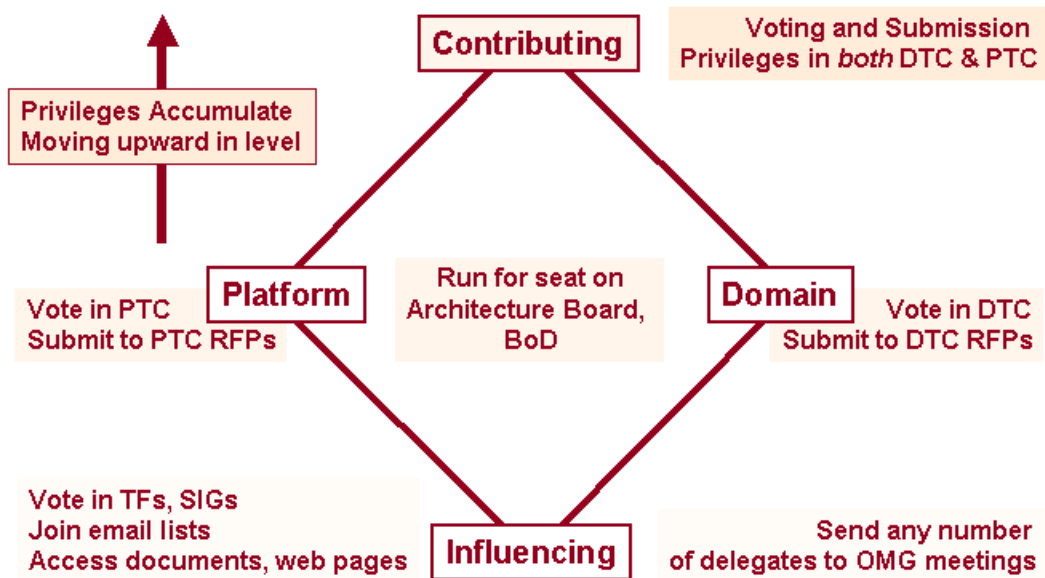
Figure A-1: OMG Membership Privileges by category

OMG varies membership fees with company gross revenue, in keeping with the organization's policy of fair and open membership. Table 1 shows the fees for each level, for every revenue step:

Gross Revenue	Influencing	Platform/Domain	Contributing
< $10M	$3,000	$5,500	$11,000
$10M - $100M	$5,500	$11,000	$21.500
$100M - $500M	$11,000	$21,500	$37,500
> $500M	$21,500	$37,500	$75,000

Table A-1: OMG Yearly Membership Fees

Calculating Staff Time

We'll calculate staff time requirements as a percentage of a "Full-Time Equivalent" (FTE), as most enterprises do when they plan projects. There are 40 hours in a typical (American) work week, and 50 weeks in a typical (American) work year, totaling 2,000 hours/year. Month-long European-style vacations, or varying workday lengths, will differ from these values by only a few percent in most cases so we'll let you adjust the numbers yourself if our assumptions don't fit your circumstances.

To calculate staff time, we started by listing the tasks that your delegate to OMG will probably do. Our list starts with tasks that your delegate will perform in his office, between meetings:

- Before every meeting, review draft and final documents for the adoption processes that affect your company. Our estimate: Preparation for a meeting will take 1 workday equivalent total, although it's likely that this time will be spread out over a week or two. This number, like all of the other numbers we'll present in this section, is just an example, to let us calculate a cost figure. Your actual costs will be lower or higher, depending on how much time and effort your staff put into OMG activity.
- Your entire company will benefit from participation in OMG, but only if they find out what's going on. This means your delegate will have to report back, either by giving a short seminar or sending an email. In either case, we estimated post-meeting reporting time at ½ workday equivalent.
- Email contact: We estimated time spent reading and responding to OMG email at about 10 minutes/day or just under an hour per week (33 hours/year). This is an average; the actual time will vary widely from week to week for the same person, and also vary from person to person depending on the technology adoptions they follow.

This "homework" takes the same amount of time whether your delegate attends a meeting in person or participates over email and votes by proxy. 40 hrs preparation + 20 hrs reporting + 33 hrs email adds up to about 93 hours/year; because these are only estimates, we'll round up to 100 hours/year. Remember, your company's delegate will surely vary the amount of time he spends on these tasks depending on how important the active technology areas are to your company; these numbers represent only an average value for a "typical" company.

Now we'll add time devoted to meeting attendance: The amount of time that OMG's member companies devote to this varies widely. Some companies participate fairly actively without attending meetings at all, or attending only sporadically. Some companies attend only the meetings held on their continent (which may be either North America, Europe, and Asia; more than half of OMG's member companies are based outside of the USA) although travelers who shop for discount fares tell us that distance doesn't affect travel cost very much. And a number of companies, enthusiastic supporters of OMG and users of our technologies, send a delegation to every meeting.

We'll calculate staff time for three scenarios: a "no travel" scenario where the delegate studies the documents up for adoption, comments by email, and votes by proxy (so this scenario does, in fact, allow for influence on the OMG process); a "minimum-travel" scenario where the delegate travels to two meetings per year and stays for one day each; and an "every meeting" scenario of very active participation where the delegate travels to all four meetings during the year and stays for three days at each one. There is nothing rigid about these scenarios; each member company participates at a level that fits its budget and goals. Still, many of our end-user members settle into a participation pattern

that resembles one or the other of these scenarios. Even if your company doesn't, you can use them as a basis for interpolation.

For meeting time, we assumed that travel to and from each meeting consumed a day each, so that one-day attendance actually consumes three days, and three-day attendance consumes five days. If your delegate works on the plane (and it's typical for attendees to review meeting documents on the way over, and do other associated work on the way back), your costs will be somewhat less.

- **The no-travel scenario** consumes no staff time beyond preparation already calculated.
- **The minimum-travel scenario** consumes 3 days (two travel days plus one meeting day) each for two meetings, or 6 workday-equivalents (48 hours) in all.
- **The every-meeting scenario** consumes 5 days (two travel days plus three meeting days) each for four meetings, or 20 workday-equivalents (160 hours) in all.

These are all of the tasks that consume time in our scenario. To convert time to money (US Dollars, which were nearly equivalent to Euros when we originally wrote this in mid-2002), we need to pick a salary level. We've settled on an engineer earning $75,000/yr, and added 40% overhead, so costs are based on $105,000/yr.

- **The no-travel scenario** consumes 100 hours of preparation time and no travel time, which is 5% of an FTE (Full-Time Equivalent) and, for our engineer, costs a little over $5,000.
- **Minimum-travel scenario** consumes 100 hours of preparation time plus 48 hours of travel time, totaling less than 7.5% of an FTE, costing a little less than $8,000 for our engineer.
- **Every-meeting scenario** consumes 100 hours of preparation time plus 160 hours of travel time, totaling 13% of an FTE, costing just under $14,000 for our engineer.

Calculating Travel Costs

To calculate travel costs, we allowed $800 for round-trip airfare and $200/night for hotel. We figured on two hotel nights for one-day meeting attendance (i.e. arriving the evening before and staying over to leave the next morning), and four nights for three-day attendance. We added in the $500 OMG-members early-bird discounted meeting fee which includes lunches and snacks, and added $20/day for breakfast and $50/day for a typical business dinner.

Summing these costs, we calculated that

- **The minimum-travel scenario** incurs total travel costs of about $3,700, or $1,850 per meeting; and

- **The Every-meeting scenario** incurs total travel costs around $9,600, about $2,400 per meeting.

Of course there is no travel cost associated with the no-travel scenario. The extra two days per meeting in the every-meeting scenario add less than $600 to the travel costs for each trip; it's the extra two trips that contribute most of the cost difference.

Here's a table of Staff Time Costs plus Travel Costs. You can use these numbers to calculate your company's total membership cost in a single step, as we'll show next:

Scenario	Time Costs	Travel Costs	Total
No-travel scenario	$5,200	$0	$5,200
Minimum-travel scenario	$8,000	$3,700	$11,700
Every-meeting scenario	$14,000	$9,600	$23,600

Table A-2: Time plus Travel Costs

Calculating Your Company's Total Participation Cost

To calculate your company's total participation cost, add your membership fee to the total time + travel cost figure for the scenario that comes closest to your expected participation level:

1. Membership Fee, from Table A-1	
2. Total Costs, from Table A-2	
3. Total (Add 1 + 2):	

Keep in mind that our dollar figures are based on an engineer earning $75,000/yr, with a 40% overhead. If your delegate's cost is widely different from this, you may want to adjust the time costs in Table A-2 to compensate, and then adjust the totals to fit. With a little more effort, you could take the intermediate numbers that we've presented in the text and calculate costs for the exact attendance pattern and staff hourly and overhead cost that you expect to use.

References:

OMG Specifications:

Download our specifications, all free:
> http://www.omg.org/specifications

Tutorial:
> http://www.omg.org/gettingstarted/overview.htm

MDA:
> http://www.omg.org/mda

UML:
> http://www.omg.org/uml

CWM and MOF:
> http://www.omg.org/cwm

OMG Process:

Tutorial:
> http://www.omg.org/gettingstarted/processintro.htm

Policies and Procedures:
> http://www.omg.org/cgi-bin/doc?pp

Membership:

Membership basics:
> http://www.omg.org/membership

Membership benefits:
> http://www.omg.org/membership/membershipbenefits.htm

Membership privilege matrix (more detail than Figure A-1):
> http://www.omg.org/membership/membershipmatrix.htm

Electronic copy of this paper:
> http://www.omg.org/membership/end_user_roi_analysis_wp.htm

On-line membership application:
> https://www.omg.org/becomeamember.htm

Contact an account representative:

http://www.omg.org/membership/accountreps.htm

Contacting the OMG (in general):
 Send email to info@omg.org, or call 781-444-0404.

The META Group Architecture Benefits study:
 Originally posted at http://www.metagroup.com/metabits/mbDl0525.html;
 no longer available.