

***Reuse and Quality Enhancement  
via Computation and Distribution  
of Component Derivative Rewards***

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# Motivation

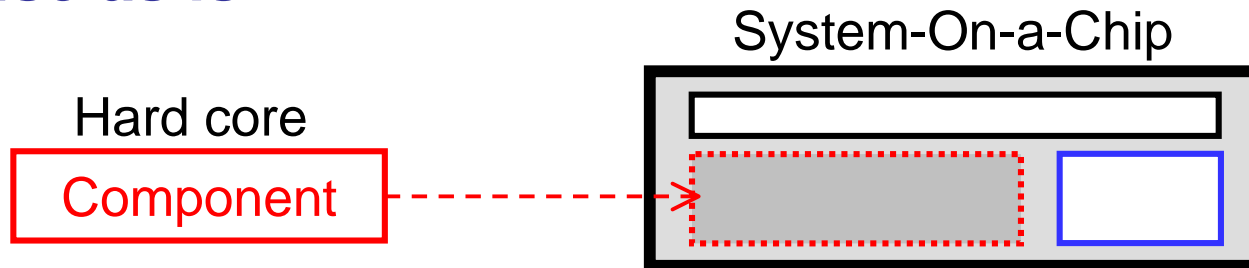
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- ◆ **Tight cost, time-to-market, performance constraints**
  - **Must evaluate potential for components to be implemented with existing components**
  - **Must incorporate reusability in own components**
- ◆ **Component reuse solution difficult to apply**
  - **Must satisfy schedule development commitments**
  - **All parties in reuse transaction must benefit**
  - **Corporate entity as a whole must profit**
- ◆ ***Is it possible to reconcile these requirements?***

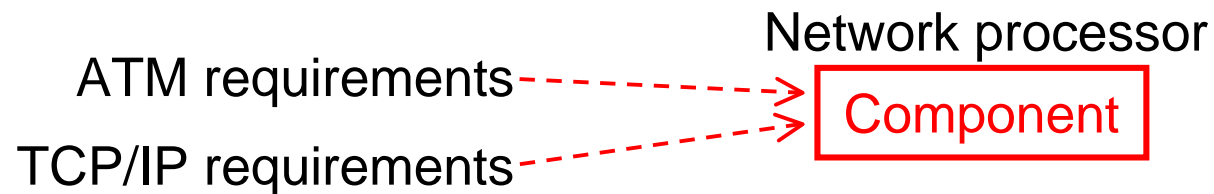
# Types of Component Reuse

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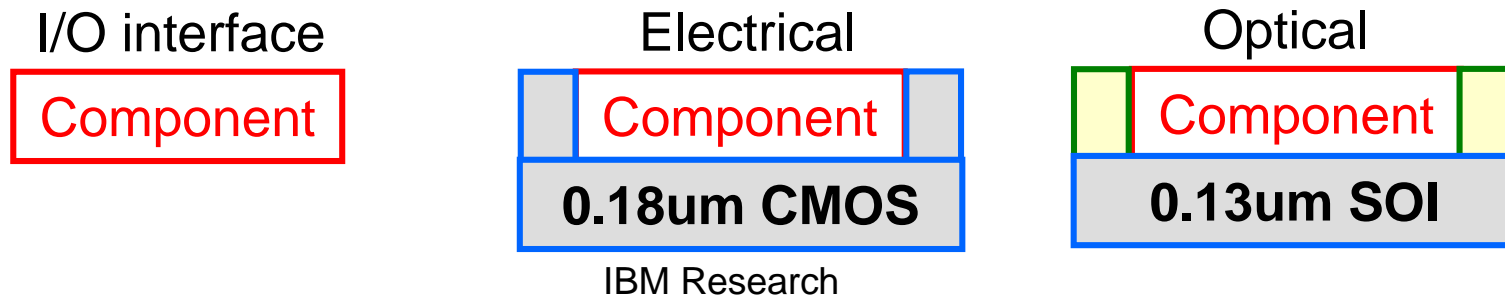
## ■ Reuse as is



## ■ Amalgamate requirements

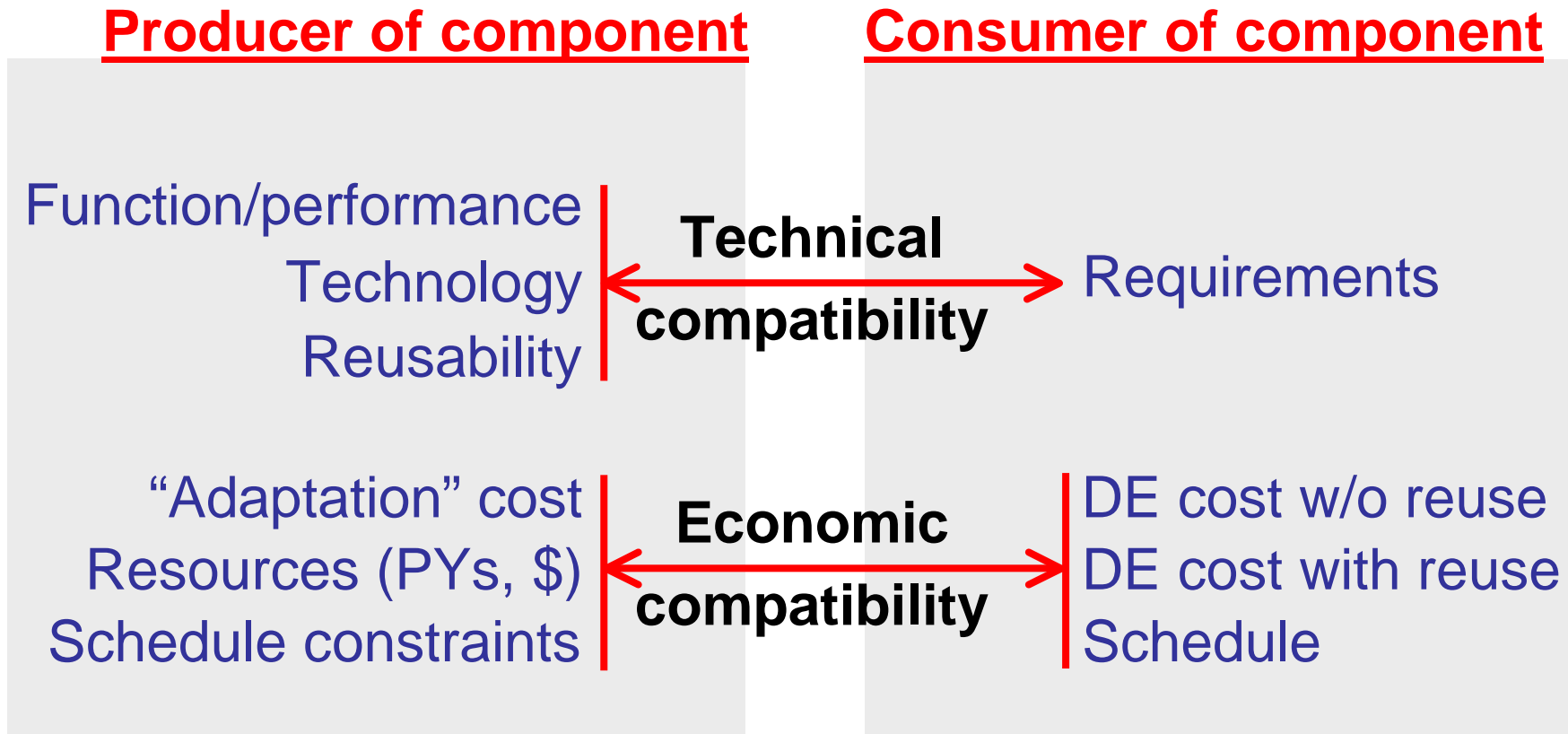


## ■ Adapt to application (our focus)



# The Component Reuse Problem

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**"Supply"** ← → **"Demand"**

# Prior Work

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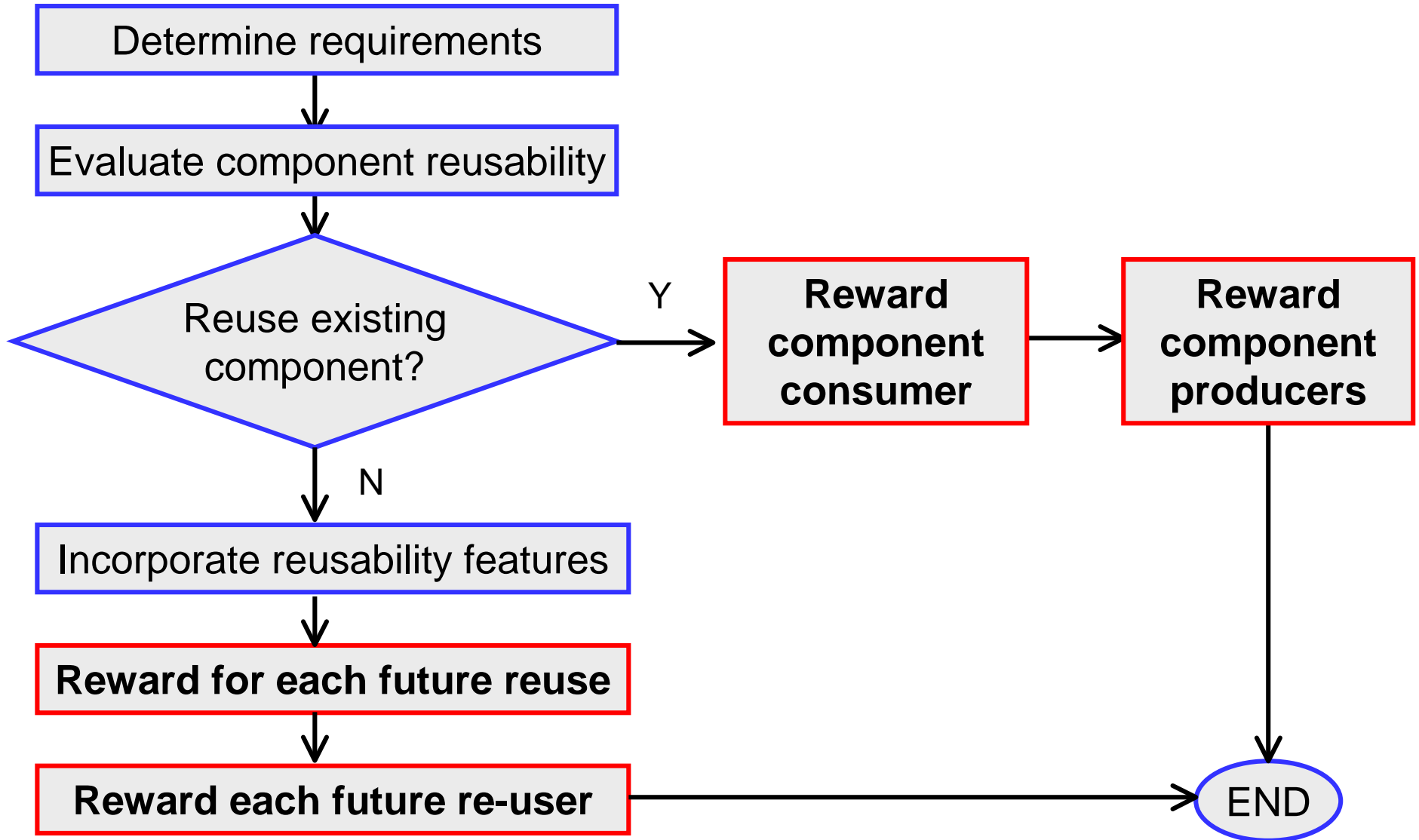
- ◆ **Hardware reuse approaches**
  - Design support and protection aspects
- ◆ **Software reuse techniques and economics**
  - Technical and measurement aspects
- ◆ **Massive taskforces/management actions**
  - Cannot avoid proliferation of designs
- ◆ **Stock options and variable pay**
  - Too diluted in quantity
- ◆ **Innovation management techniques**
  - Information and process management, costing
- ◆ ***Must address incentives to produce reusable designs***

# Overview of Approach

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- ◆ **Methodology and system for encouraging reuse**
  - **Multiple reward or compensation structure**
- ◆ **Encourages team to use existing components**
  - **Rewards team that reuses a component**
- ◆ **Encourages team to incorporate reusability in own component**
  - **Rewards individual members of team**
  - **Rewards corporate entity that “sponsors” team**
- ◆ **Administrator may adjust the relative rewards**
  - **Modulate preference for innovation in selected areas**

# Process Flow Description



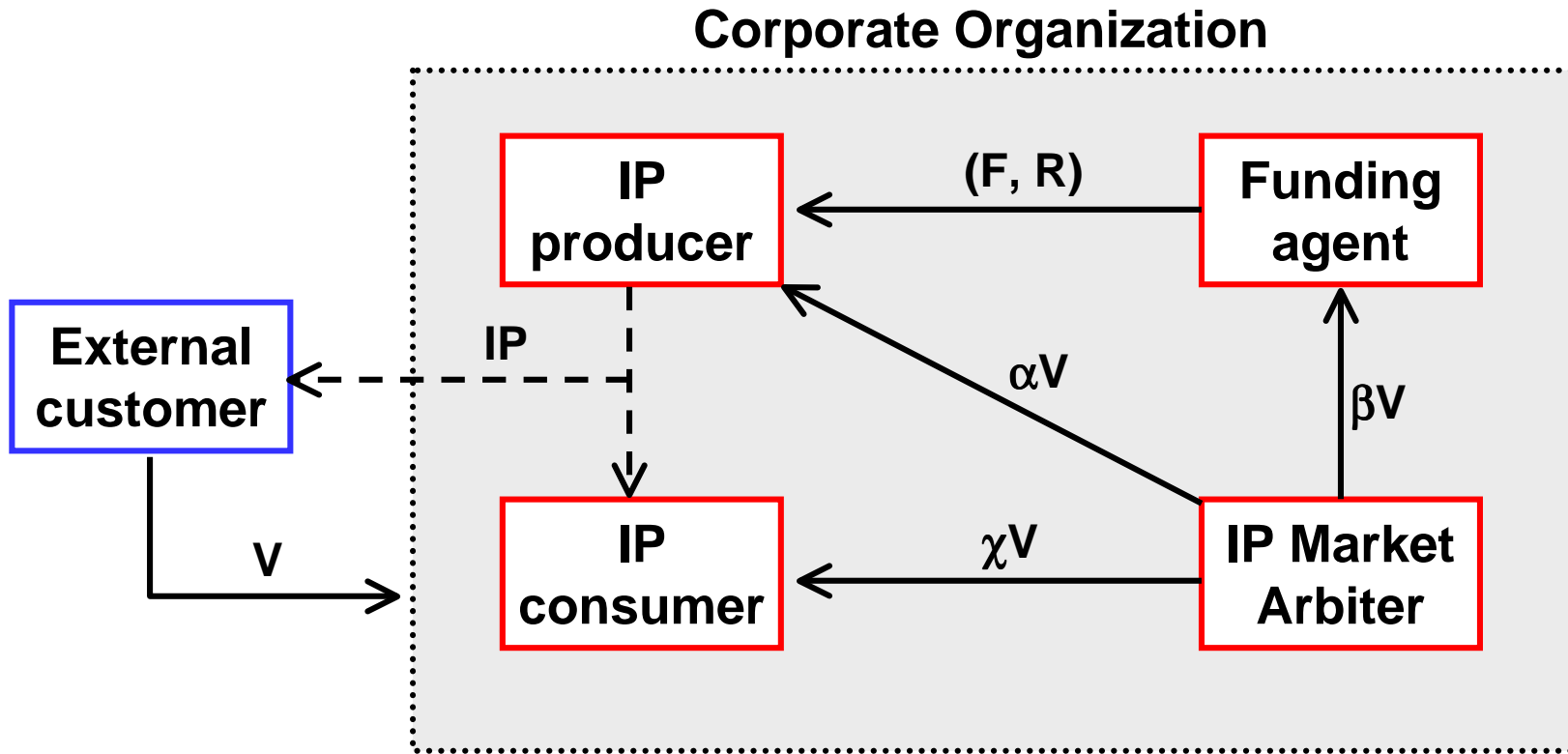
# Benefits

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- ◆ **Increase in reuse**
  - Due to expectation of payments
- ◆ **Increase in quality**
  - In terms of reusability (e.g., documentation)
  - Improves return on investment (ROI)
- ◆ **Improved cross-functional cooperation**
  - To produce reusable intellectual property (IP)
  - Common interest to maximize rewards
- ◆ **Improved engineer retention**
  - Expectation of payments
  - Satisfaction of multiple uses for innovations



# Funding Model (Linear Version)

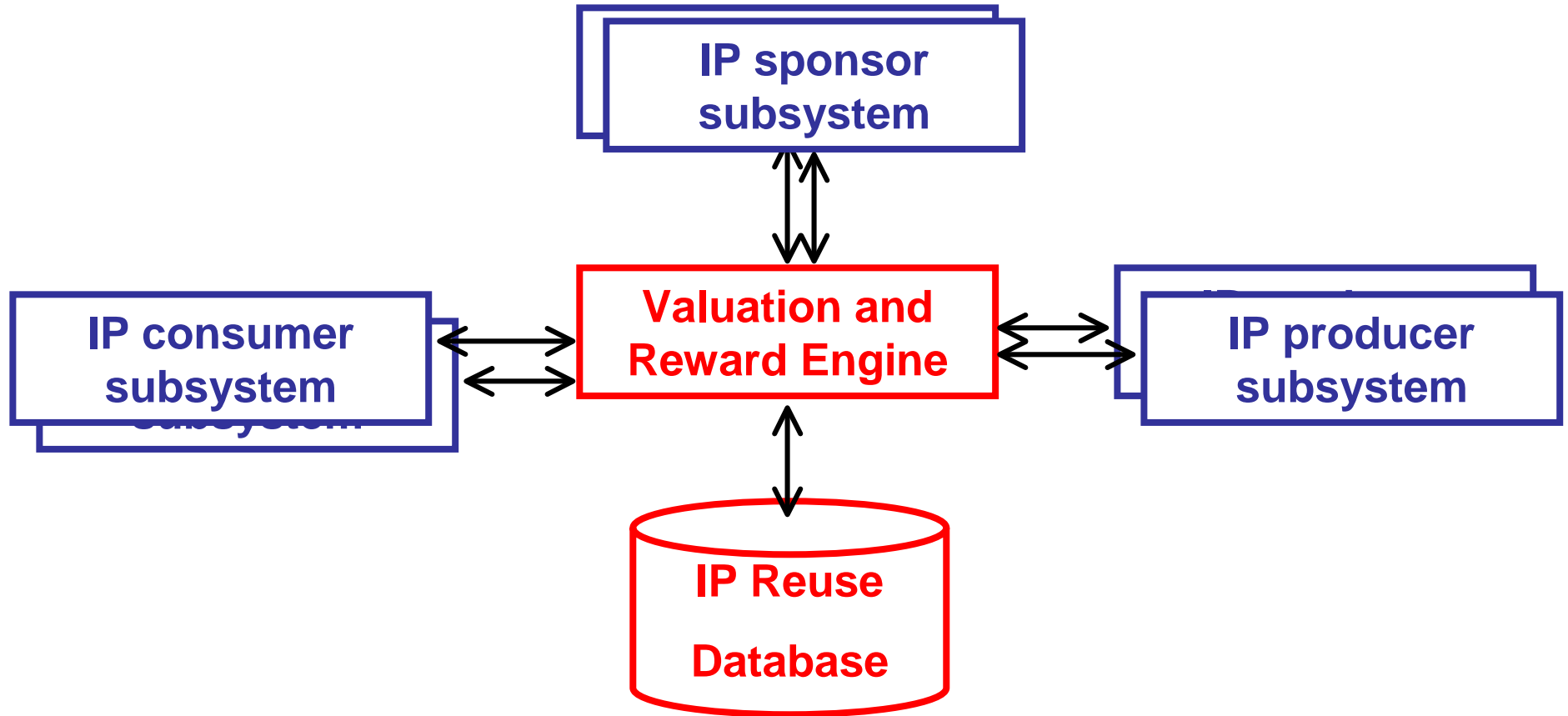


## LEGEND

$V$ = market value	$\alpha$ = producer reward coeff.	$\chi$ = consumer reward coeff.
$IP$ = component	$\beta$ = sponsor reward coeff.	$(F, R)$ = funding & resources

# System Architecture

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# Example Description

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## ◆ Serial I/O circuit

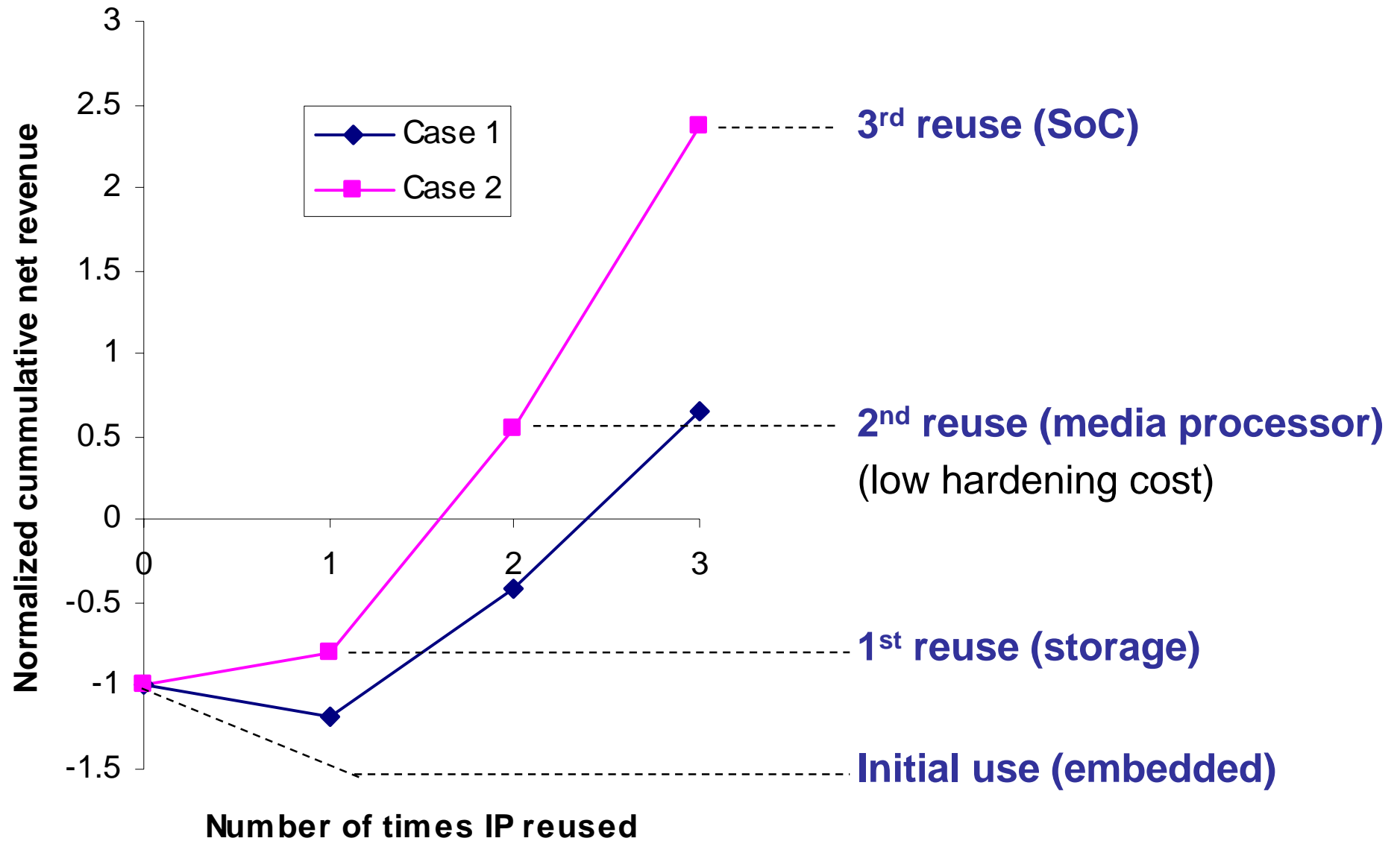
- Initially intended for embedded application

## ◆ Assumptions

- Linear reward model
- Two cases considered, using different reward parameters for the IP producer.

Parameter	Case 1	Case 2
$\alpha$ (producer reward)	10%	15%
$\beta$ (sponsor reward)	10%	10%
$\chi$ (consumer reward)	5%	5%

# Results for Component Producer



# Observations

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- ◆ **“Break-even” point achieved due to**
  - Income derived from direct reward
  - Higher component value due to faster design
- ◆ **Enables *independence effect***
  - Reduced need for sponsor resources and funding
  - Can mitigate by controlling reward
- ◆ **Can effect innovation**
  - Creativity discouraged by higher reward rate
  - Decreasing reward function may be needed

# Conclusions

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- ◆ **Method and system encourages reuse by**
  - Evaluating and responding to opportunity to use previous designs
  - Developing components with regard to future reuse
  - Rewarding the component innovator, and
  - Rewarding the component consumer
- ◆ **Further work**
  - Development of support infrastructure
  - Valuation and reward management engine
  - Techniques to optimally determine reward rates.

# Outstanding Questions

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## ◆ Rewards

- How to compute optimal reward functions?
- What is the global objective function to maximize?
- Can strategic aspects be accounted for?

## ◆ Valuation

- What valuation methodology provides best result?
- How to value a component only for internal use?
- How to value a component bundled in a product?