NOTI HAIM
SYSTEM ENGINEERING AND PROJECT MANAGEMENT

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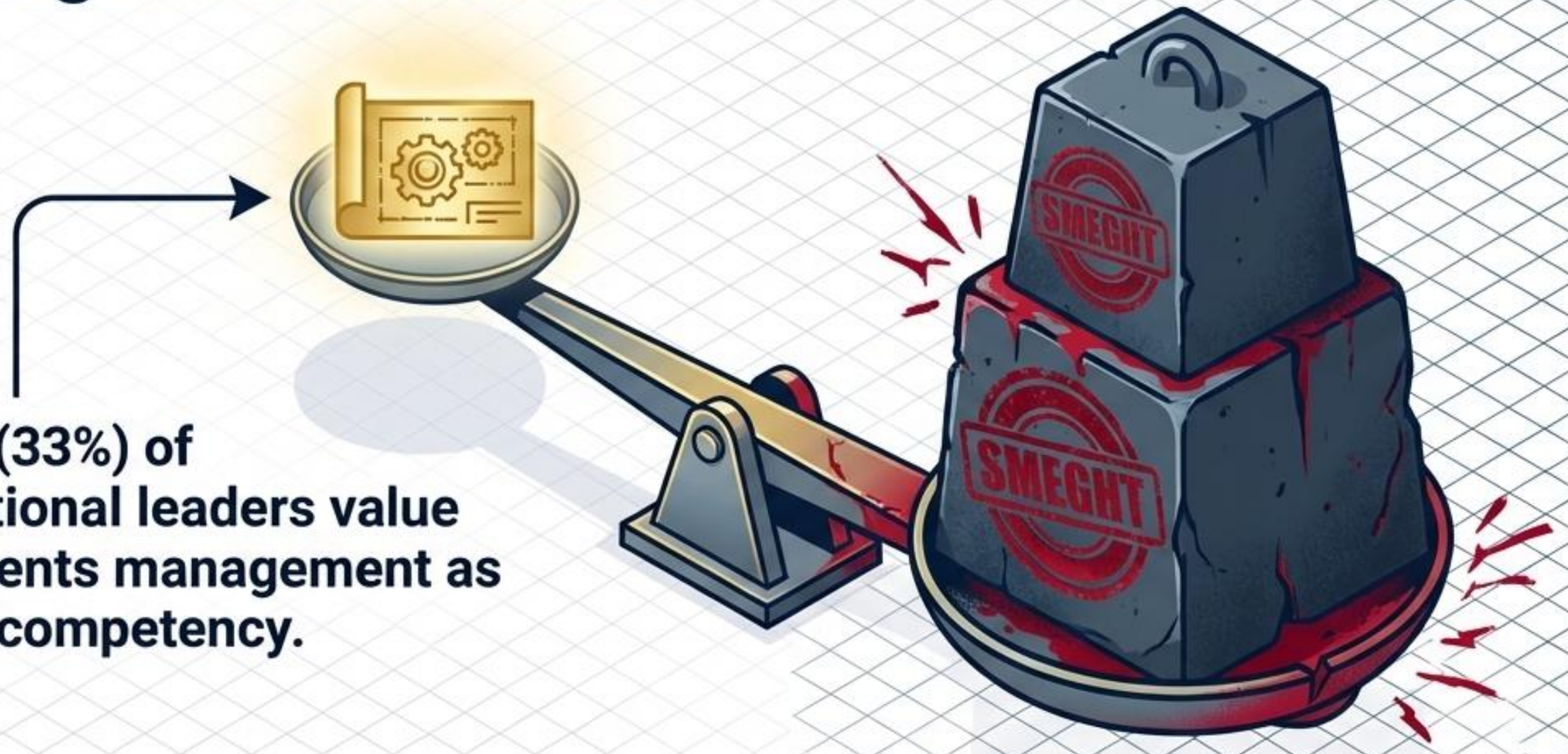
Requirements Management: The Financial Perspective

Transforming engineering rigor into bottom-line profitability.

Poor requirements management destroys 51% of project budgets. This briefing outlines the financial mechanisms to recover lost capital, eliminate scope creep, and maximize ROI.

The Executive Blind Spot: The Management Paradox



Only 1/3 (33%) of organizational leaders value requirements management as a critical competency.

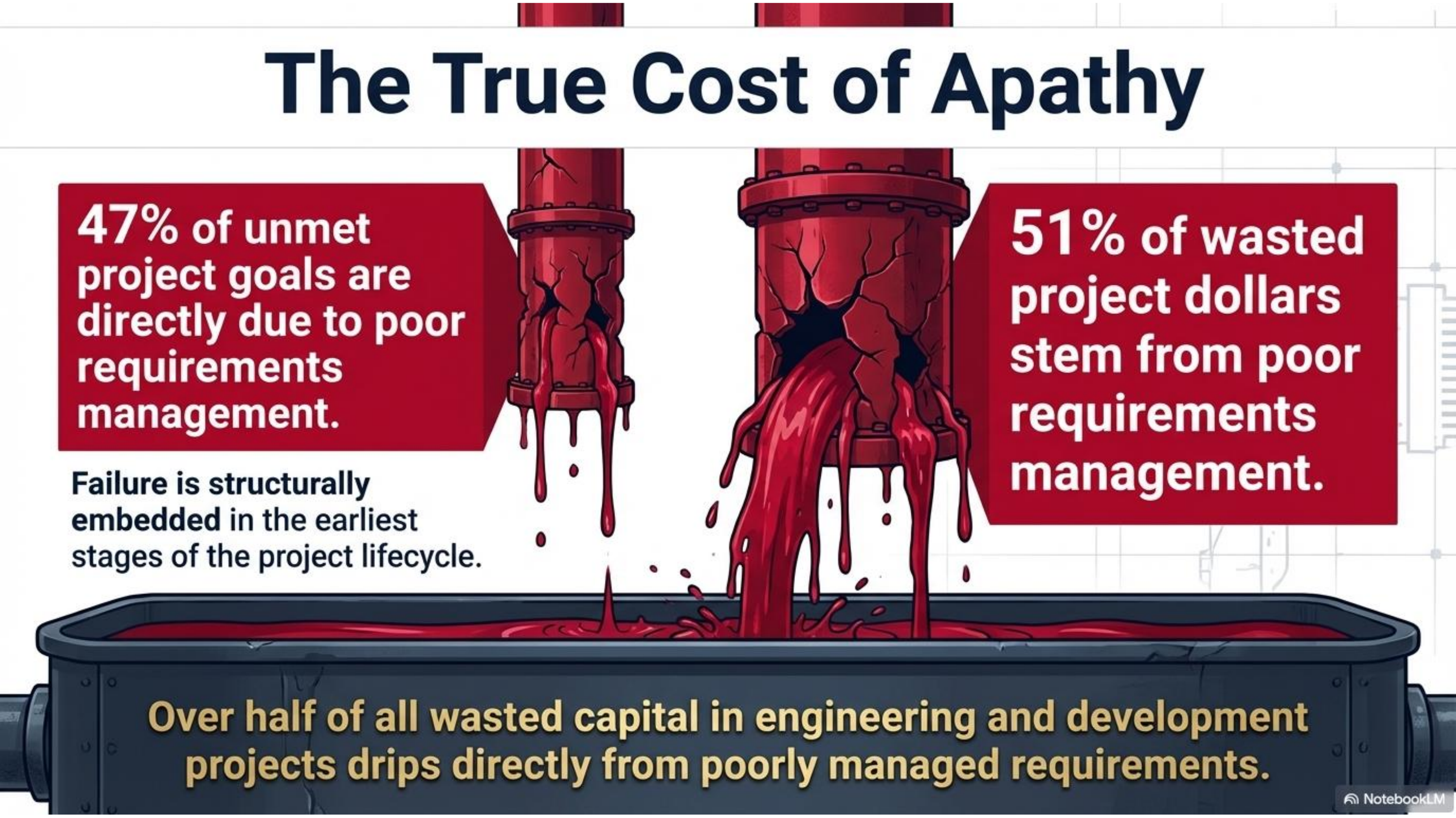
The Paradox: The primary driver of massive budget hemorrhaging is viewed by leadership as a mundane administrative chore. This is not a knowledge gap; it is a financial blind spot.

The True Cost of Apathy

47% of unmet project goals are directly due to poor requirements management.

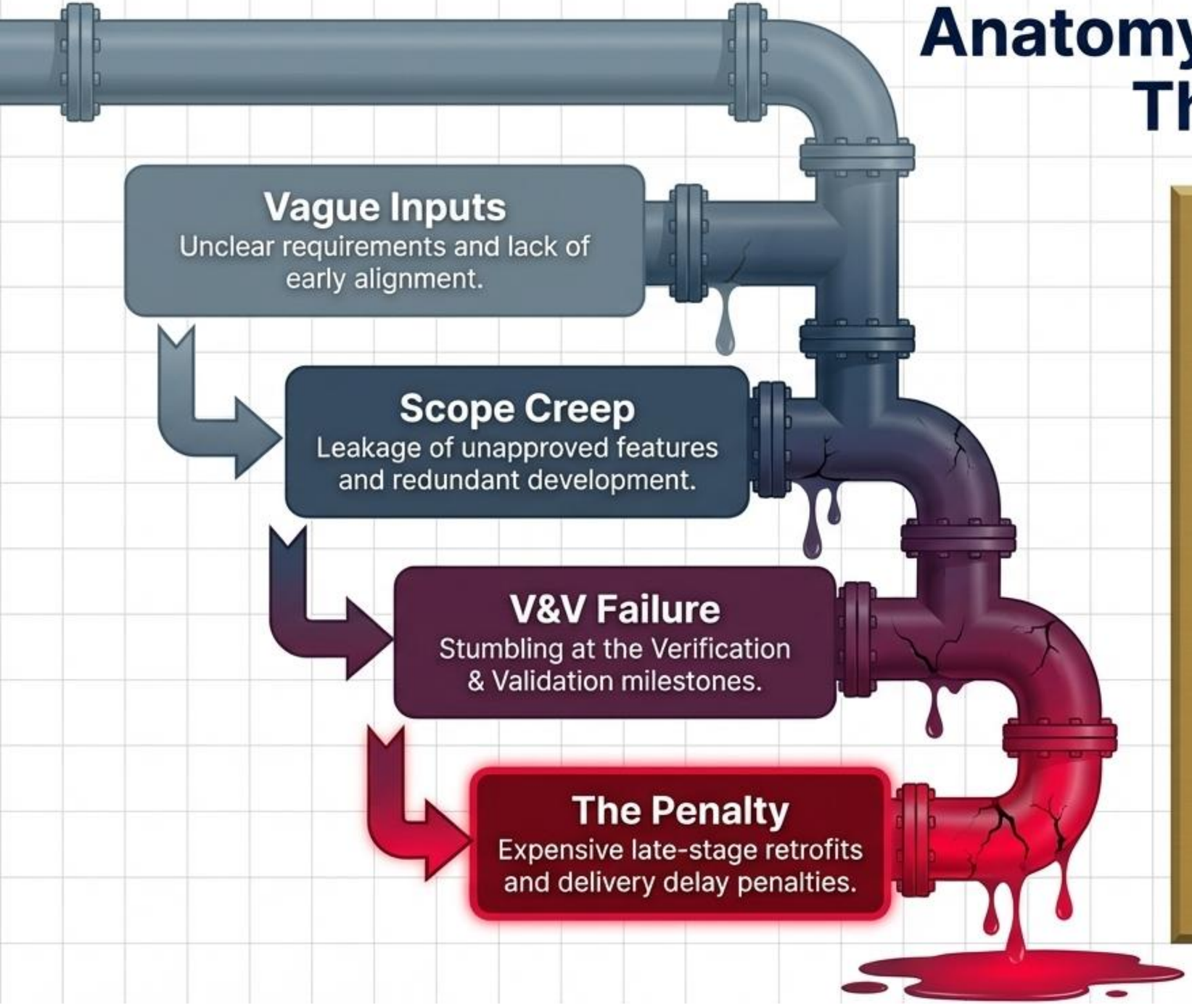
Failure is structurally embedded in the earliest stages of the project lifecycle.

51% of wasted project dollars stem from poor requirements management.



Over half of all wasted capital in engineering and development projects drips directly from poorly managed requirements.

Anatomy of a Budget Leak: The Failure Cascade

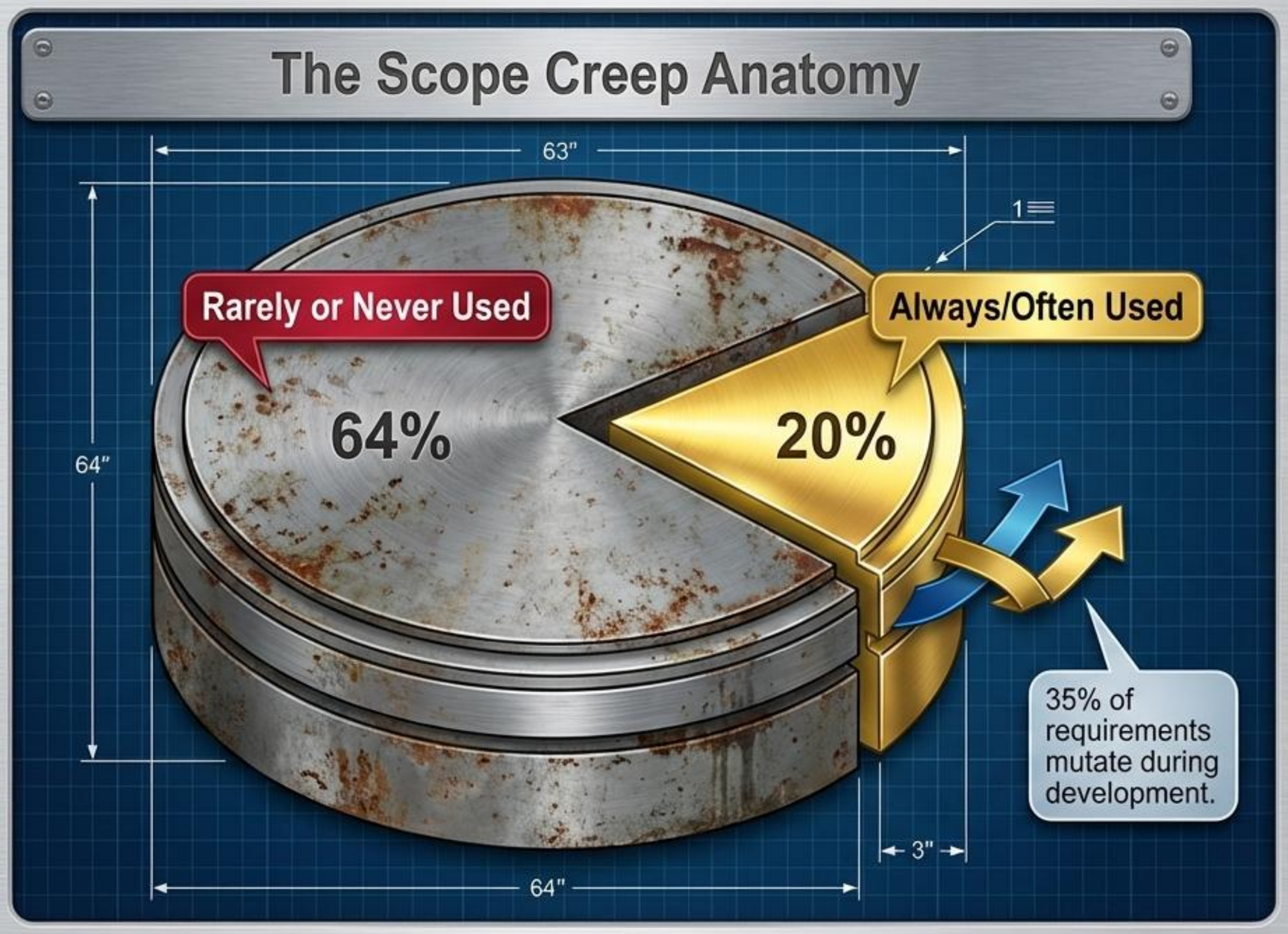


What begins as a **'minor ambiguity'** at the top of the cascade **gains devastating financial momentum, culminating** in the **51% total budget waste.**

51%

Total Budget Waste due to Poor Requirements Management (PMI)

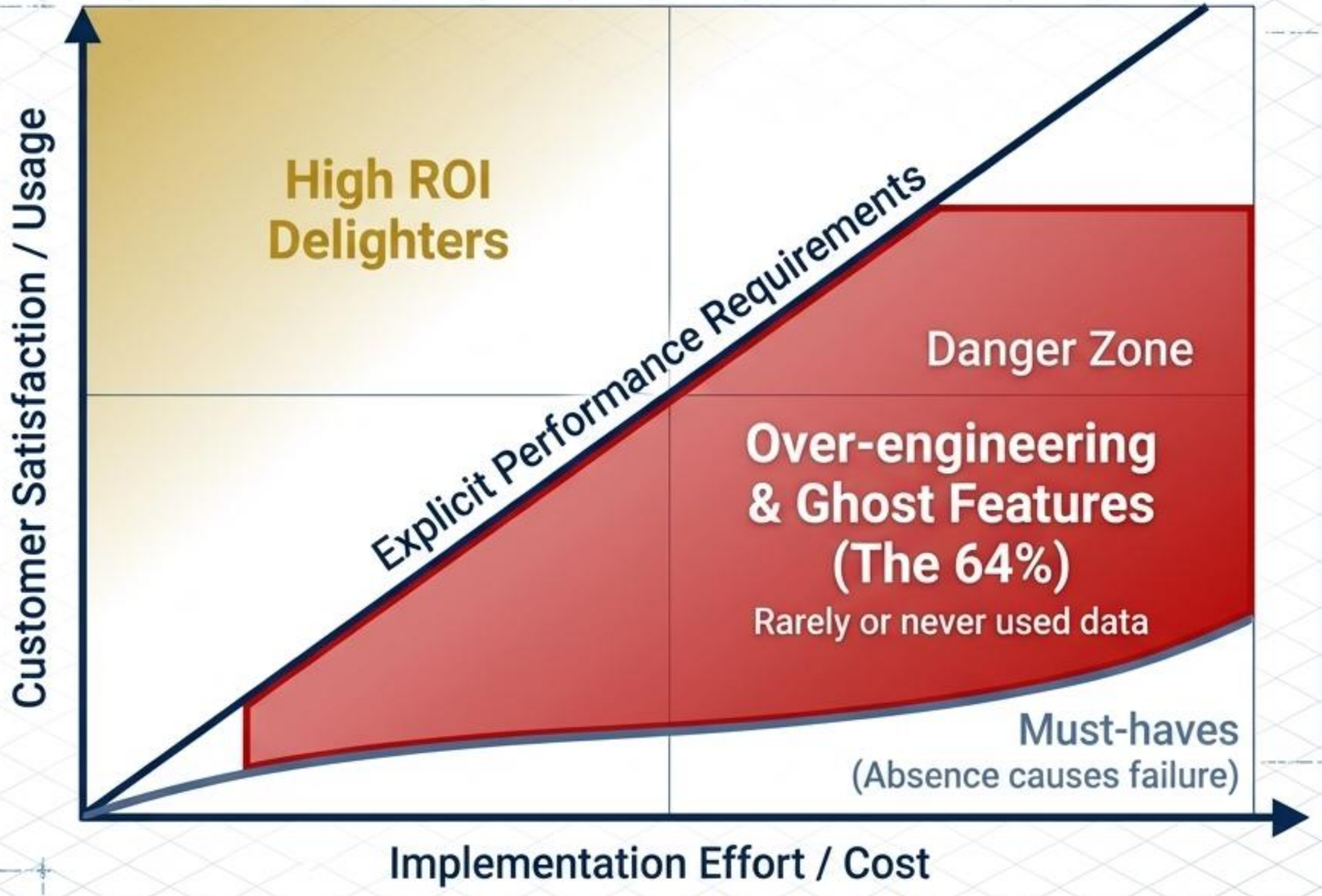
The 64% Illusion: Funding Ghost Features



The common enemy is Scope Creep: delivering functionality that the customer rarely or never uses.

Economic Reality:
Every unnecessary function carries a heavy payload of redundant development, manufacturing, and testing costs that aggressively erode project profitability.

Over-Engineering Destroys ROI



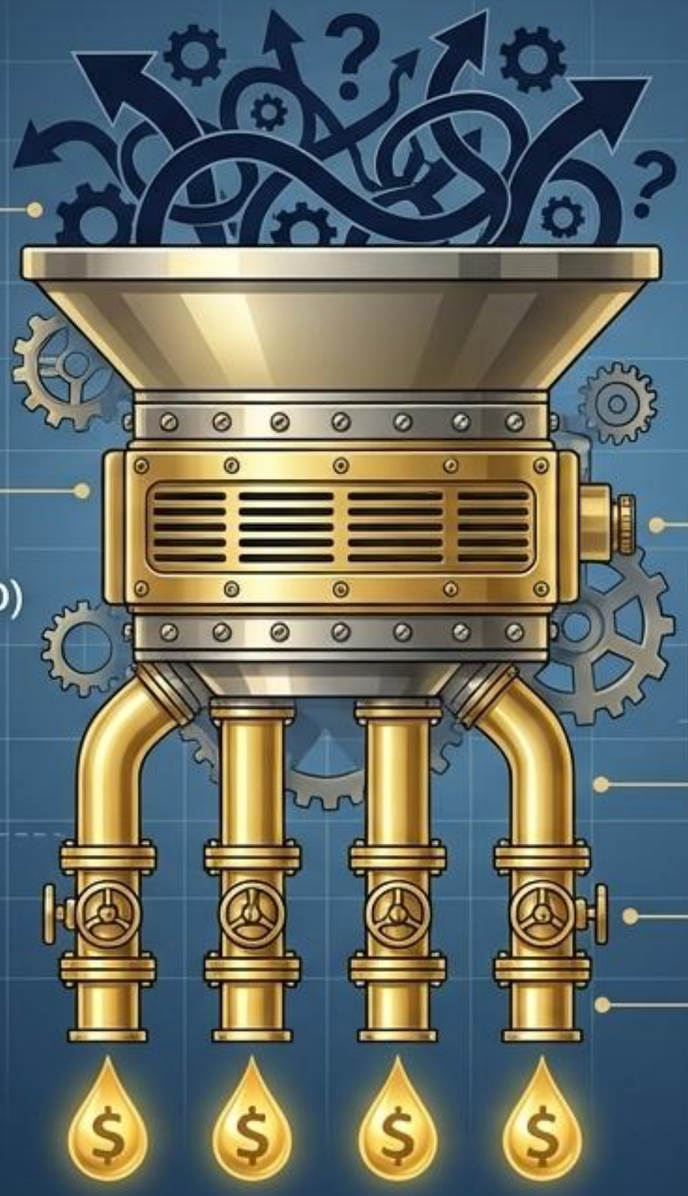
The role of Systems Engineering (via QFD) is not to build more features; it is a rigid financial discipline to prevent unrequested "enhancements" from entering the high-cost danger zone.

Redefining the Function: A Paradigm Shift

	Traditional View	The Financial Blueprint
Perceived Nature	An administrative engineering chore.	A primary executive profitability lever.
Core Objective	Building things right.	Preventing teams from building the wrong things.
Success Metric	Volume of features delivered.	Capital protected from NRE waste and retrofits.
Management Style	Handled loosely; requirements shift 35% of the time.	Handled rigidly; treated as a binding financial contract.

Strict requirements management equals NRE minimization and profit maximization.

The Value Extraction Machine



NRE Reduction

Focuses teams and prevents investment in the "why are we building this" features.

Retrofit Prevention

Massive savings by eliminating future failure costs and rework.

Penalty Mitigation

Drastically reduces the potential for missing critical deliverables.

LCC Optimization

Adapts the product for efficient manufacturing and lifecycle maintenance.

Two Sides of the Same Financial Coin

Failure Prevention:
Mitigating risk of non-compliance and avoiding catastrophic, expensive retrofits.

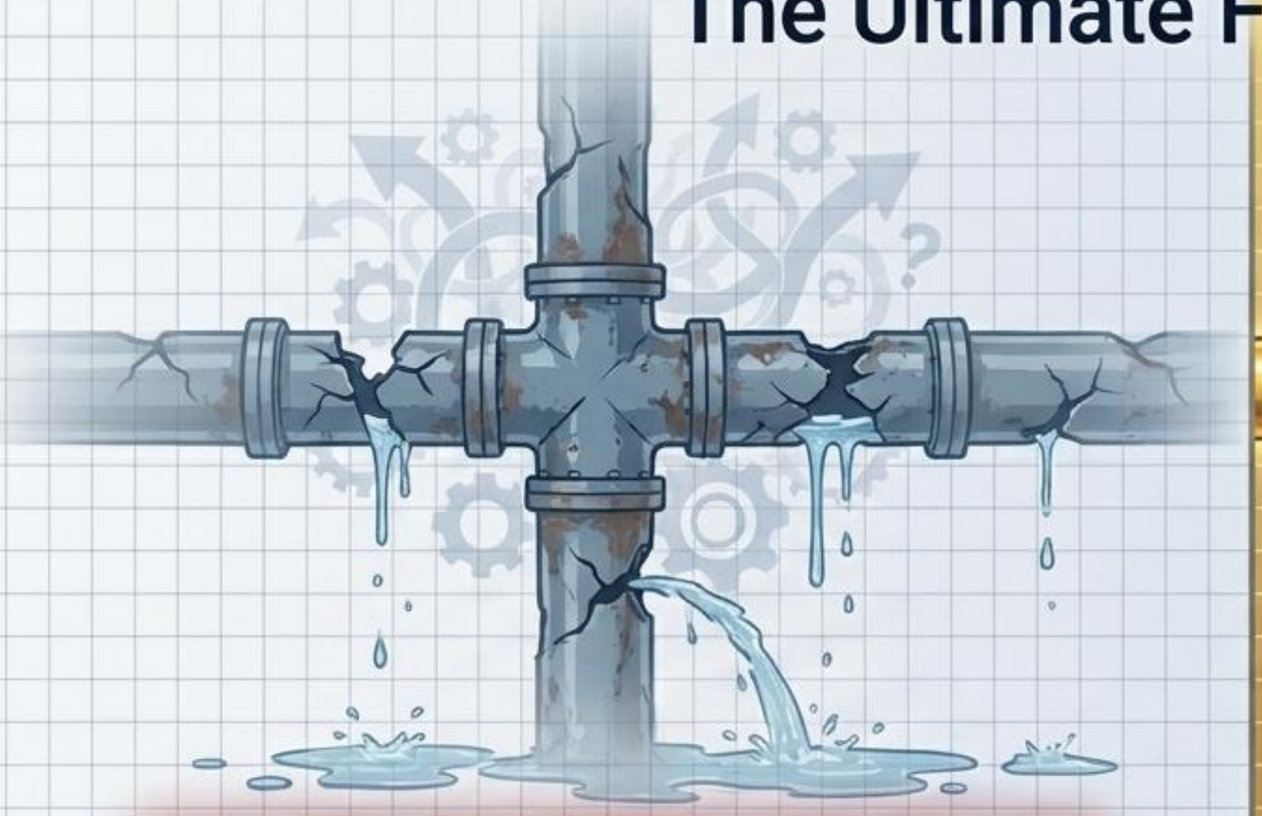
Operational Fit:
Proactively designing for streamlined manufacturing and optimized Life Cycle Costs (LCC).

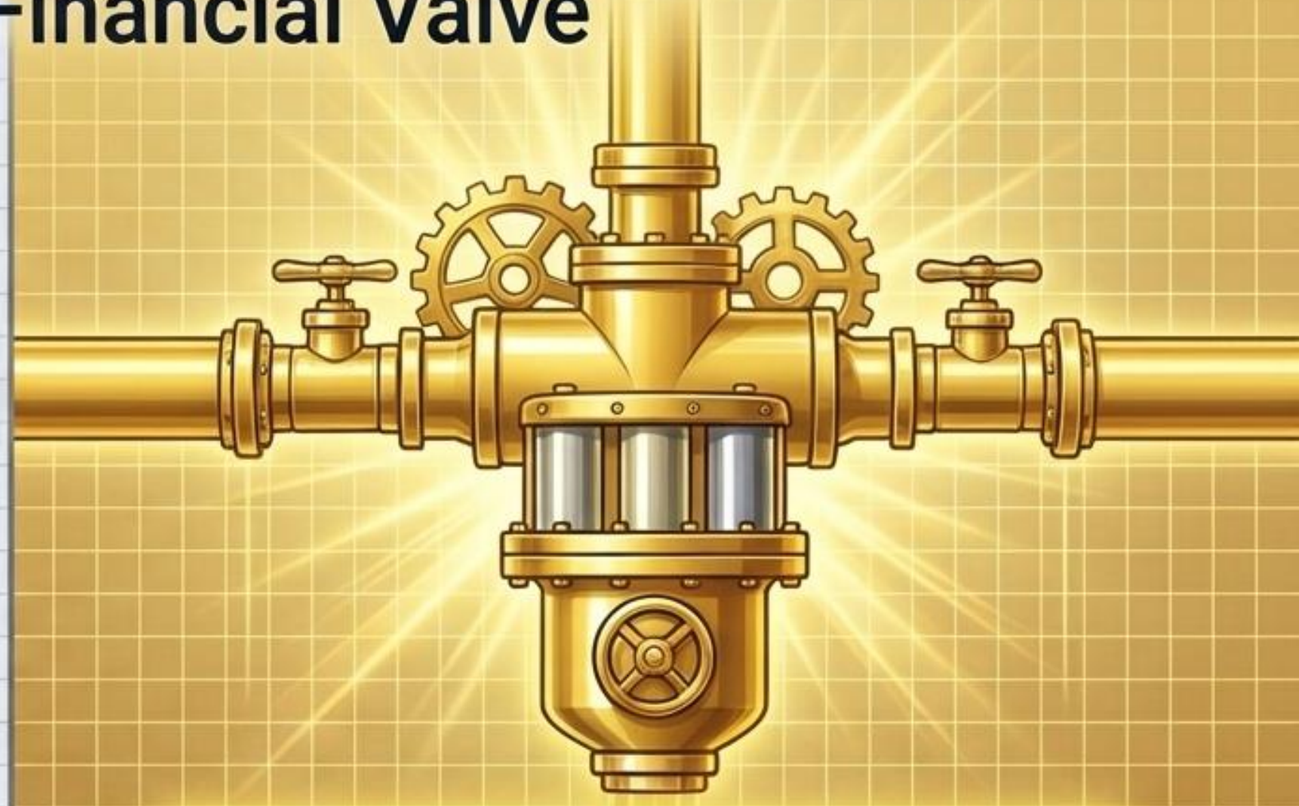
Profitability Growth:
Increasing sales through targeted, data-backed customer satisfaction (delivering what actually matters).

NRE Minimization:
Preventing costly detours and focusing capital strictly on verified value drivers.

A rigid requirements framework bridges the gap between technical execution and business strategy.

The Ultimate Financial Valve





The Problem Neutralized

Implementing a strict Requirements Management framework directly attacks the 64% of unused "ghost features."

The Capital Recovered

By filtering out over-engineering and stopping scope creep, organizations systematically recover the 51% of budget dollars traditionally lost to poor RM.

Requirements Management is not a technical prerequisite; it is the most powerful financial filter an executive can deploy to defend project ROI.