

# Software Cost Models: When Less is More

Zhihao Chen<sup>†</sup>, Tim Menzies<sup>\*</sup>, Dan Port<sup>‡</sup>, Barry Boehm<sup>†</sup>

<sup>†</sup>Center for Software Engineering, University of Southern California, USA

<sup>\*</sup>Computer Science, Portland State University

<sup>‡</sup>Computer Science, University of Hawaii

zhihaoch@cse.usc.edu;tim@timmenzies.net;dport@hawaii.edu;boehm@cse.usc.edu

## Abstract

If experience tells us when to *add* variables to a cost model, it should also be able to tell us when to *throw away* variables. Data mining methods can intelligently select variables to discard and so generate reduced models which are much better at estimating efforts.

Word count: using *detex thisfile.tex* — *wc -w*, this file has 3171 words. This, plus five figures at 200 words each, means this file is 4171 words long.

## 1 Introduction

Good software cost models can significantly help the managers of software projects. With such good models, project stake holders can make informed decisions about (e.g.) “buy-or-make”, how to manage resources, how to control and plan the project, and how to deliver the project on time, on schedule and on budget.

As we learn more about software, it is natural that we add in new variables to our software cost models. Recently, the COCOMO team updated their model [1] and added in more variables to explain how software engineering practice has changed in the period 1981-2000 [2]. For example, a *reuse* variable was added since it has become common to reuse and modify existing code rather than rebuild from scratch. Also, a *pmat* (process maturity) variable was added since we now know that software is built in organizations with a wide range of process maturity.

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%estimates within  
30% of actuals

	data set	#projects	%estimates within 30% of actuals		$\frac{\text{after}}{\text{before}}$
			before	after	
1.	nasa60	60	68%	82%	120%
2.	coc81	63	44%	51%	116%
3.	cii04	119	68%	72%	106%
4.	cii00	161	75%	76%	101%
	mean		64%	70%	110%

	data set	#projects	%estimates within 30% of actuals		$\frac{\text{after}}{\text{before}}$
			before	after	
5.	t03	10	28%	62%	221%
6.	p03	12	8%	52%	650%
7.	c02	12	11%	48%	436%
8.	c01	13	20%	58%	290%
9.	t02	14	19%	81%	426%
10.	p04	14	25%	63%	252%
11.	p02	22	15%	97%	646%
12.	c03	31	88%	95%	108%
	mean		27%	70%	379%

Figure 1: Cost estimation effectiveness before and after removing some variables on the ten data sets.

But if experience can tell us when to *add* variables, it should also be able to tell us when to *remove* variables. If not, then our models may grow forever and become needlessly complex. In this paper we explore methods for throwing away attributes. Ignoring variables can be a surprisingly powerful strategy. Figure 1 shows the percentage improvement in estimation effectiveness *before* and *after* certain variables were thrown away from the model. For data sets containing many projects, variable removal made little difference (around 110%). But for data sets containing just a few dozen projects (or less), the improvement was dramatic (on average, a 379% im-

provement). This increased improvement in the smaller data sets is an important result since, typically, organizations only have data on a small number of projects.

## 2 When Less is NOT More

The observed improvements estimation effectiveness shown in Figure 1 are quite large. The rest of this paper discusses data mining methods for intelligently selecting which variables to remove. Before that, we first describe situations in which variables should not be discarded, *even it removing them improves estimation effectiveness*.

If a cost model ignores certain effects that business users believe are important, then those users may not trust that model. In that case, even if a variable has no noticeable impact on predictions, it should be left in the model.

By leaving such variables in a model we are acknowledging that, in many domains, expert business users hold in their head more knowledge that what may be available in historical databases. For example, suppose that there is some rarely occurring combination of factors which leads to a major productivity improvement. Even if there is little data on some situation, it still should be included in the model<sup>1</sup>.

Another reason not to discard variables is that you still might need them. For example, the experiments shown below often discard over half of the attributes in a COCOMO-I model. As shown in Figure 1, this can dramatically improve the effort estimation. However, suppose that a business decision has to be made using some of the *discarded variables*. The reduced model has no information on those discarded variables so a business user would have to resort to other information for making their decisions.

For these reasons, we propose the *decision ladder* of Figure 2. The ladder has three parts: general COCOMO, followed by local calibration, followed by variable reduction. The ladder represents how much variable removal is suitable for different business situations.

At the base of the ladder is *general public domain knowledge*. The 1981 regression co-efficients of COCOMO-I or the updated co-efficients of COCOMO-II [2] are the best general-purpose indicators we can

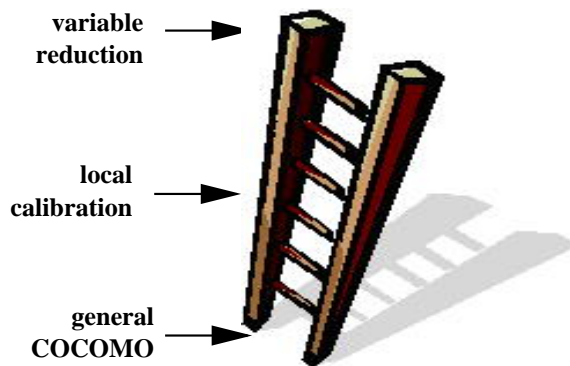


Figure 2: A ladder of decisions in cost modeling.

currently offer for cost estimation. If there is *no* historical database storing information about past projects at a certain site, then our variable removal techniques won't work. In this case, management decisions can use that public knowledge to make software process decisions. For example, according to the coefficients on the COCOMO-II *p<sub>mat</sub>* variable, the increase in cost between a CMM3 and CMM4 project is  $LOC^{3.13} / LOC^{1.56}$ . With this estimate in hand, a business user could then make their own assessment about the cost of increased software process maturity vs the benefits of that increase.

If historical data from the local site is available, then effort estimation can rise to the next rung in the estimation ladder. COCOMO-I and COCOMO-II contain with several *local calibration* variables that can quickly tune a model to local project data. Our experience has been that 10 to 20 projects are adequate to achieve such tunings [8].

Local calibration is a simple tuning method that is supported by many tools<sup>2</sup>. Currently, our *variable reduction* methods requires more effort (i.e. some UNIX scripting) than local calibration. Figure 1 suggests that the extra effort may well be worthwhile, particularly when building models from a handful of projects. Also, when we compare the variable reduction results of Figure 1 with our prior work on local calibration [9], it is clear that variable reduction leads to better predictive accuracies than local calibration (at least for our data sets). However, variable reduction is *not* appropriate when there are business rea-

<sup>1</sup>barry: got an example of this?

<sup>2</sup>e.g. [http://sunset.usc.edu/available\\_tools/index.html](http://sunset.usc.edu/available_tools/index.html)

sons to use all available variables (e.g. the situations described above).

### 3 Why Remove Variables?

Having made the case for *keeping* variables, we now explore the other side of the coin. There are many reasons why *removing* variables is useful:

**Noise:** Data collection was somehow flawed for a particular variable with the result that one or more variables are *noisy* (i.e. contains spurious signals not associated with variations to projects). Learning a cost estimation model is easier when the learner does not have to struggle with fitting the model to confusing noisy data.

**Correlated variables:** The reverse problem of noise is associated variables. If multiple variables are tightly correlated, then using all of them will diminish the likelihood that either variable attains significance. A repeated result in data mining is that removing some of the correlated variables increases the effectiveness of the learned model (the reasons for this are subtle and vary according to which particular learner is being used [4]).

**Under-sampling:** The number of possible influences on a project is quite large and, usually, historical data sets on projects for a particular company are quite small. This motivates the removal of variables, even if those variables are theoretically useful.

To understand the under-sampling problem, consider two models for project *p02* (from Figure 1) that use two variables or four variables. Suppose that each variable takes one of five values (e.g. they are COCOMO variables with values *very high*, *high*, *nominal*, *low*, *very low*). The smaller model with two variables has an internal state space of  $5^2 = 25$  and the larger model with four variables has an internal state space of  $5^4 = 625$ . Figure 1 records that project *p02* comprises 22 projects. These 22 projects could sample a large part of the two-variable model (up to  $\frac{22}{35} = 63\%$ ). However, those same 22 projects can only ever sample a *very small fraction* ( $\frac{22}{635} = 4\%$ ) of the four-variable model.

Figure 3 shows that under-sampling is not just a theoretical concern. In the *nasa60* data set, most projects

cluster were rated as having a *high* complexity. Therefore, this data set would not support conclusions about the interaction of extra high complex projects with other variables. A learner would be wise to remove this variable (and a cost modeling analyst would be wise to suggest to their NASA clients that they refine the local definition of “complexity”).

Whatever the reason (noise, correlation, under-sampling), a repeated result in the data mining community is that simpler models with equivalent or higher performance can be built by *feature subset selection* (FSS) algorithms that intelligently remove of useless variables. For example, Kohavi and John’s WRAPPER [7] builds models using an increasing number of variables; i.e.  $N = 1, 2, 3, 4, \dots$ . For each  $N$ , there is a current *selected* set (initially, the empty set) and a set of remaining variables (those that have not been selected). For each remaining variable, a new bigger set is tried containing the current set, plus one of the remaining variables. The set that yields the best learned model becomes the current set,  $N$  becomes  $N + 1$  and the process continues. WRAPPER stops when either the remaining set is empty or there has been no significant improvement in the learned model for the last five additions (in which case, those last five additions are deleted).

WRAPPER is thorough and, according to Hall and Holmes, often yields the best results [4]. However, it can be too slow to run. It is simple to see why: there are a large number of possible subsets to explore. A naive search through all possible subsets of the 15 COCOMO-I variables would have to explore 32768 subsets. Happily, our study did not too long. The data sets of Figure 1 are quite small and our experiments only required only the 6 hours.

The Hall and Holmes results were also negative about another widely used FSS technique: principle component analysis (PCA). FSS methods can be grouped ac-

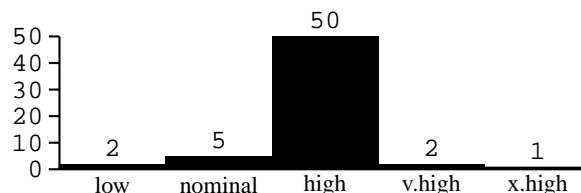


Figure 3: Distribution of software complexity *cplx* within the *nasa60* data set.

ording to:

- Whether or not they make special use of the target attribute in the data set such as “development cost”;
- Whether or not they use the target learner as part of their FSS analysis.

PCA is unique since, unlike other FSS methods, it *does not* make special use of the target attribute. WRAPPER is also unique, but for different reasons: unlike other FSS methods, it *does* use the target learner as part of the FSS analysis. Hall and Holmes found that PCA was one of the worst performing FSS methods (perhaps because it ignored the target attribute) while WRAPPER was the best (since it can exploit its special knowledge of the target learner).

## 4 Case Study

To test the effectiveness of removing variables, we WRAPPER to select removable variables from the Figure 1 projects. Those projects were described in terms of the COCOMO set of variables.

COCOMO [1,2] is used for estimating software cost, effort and schedule. COCOMO helps software developers reason about the cost and schedule implications of their software decisions such as software investment decisions; setting project budgets and schedules; negotiating cost, schedule, and performance tradeoffs; making software risk management decisions, and making software improvement decisions.

COCOMO measures effort in calendar months where one month is 152 hours (and includes development and management hours). The core intuition behind COCOMO-based estimation is that as systems grow in size, the effort required to create them grows exponentially; i.e.

$$months = a * (KSLOC^b) * \left( \prod_i EM_i \right) \quad (1)$$

Here,  $EM_i$  is one of 16 *effort multipliers* such as *cplx* (complexity) or *pcap* (programmer capability). In the COCOMO-I model,  $a$  and  $b$  are domain-specific parameters and  $KSLOC$  is estimated directly or computed from a function point analysis. In COCOMO II,  $b$  was expanded to include *scale factors*:

$$b = 0.91 + \sum_j SF_j$$

where  $SF_j$  is one of five *scale factors* that exponentially influence effort. Examples of scale factors include *pmat* (process maturity) or *reuse* (reusing code).

Various learning methods have been applied to COCOMO. Elsewhere [9], we have seen that best results come from transforming the COCOMO-I equation of Equation 1 into the *linearized model* of Equation 2:

$$LN(effort) = b * LN(Size) + LN(EM_1) + LN(EM_2) + \dots \quad (2)$$

For COCOMO-II, the linearized model is:

$$LN(effort) = SF_1 * LN(Size) + SF_2 * LN(Size) + \dots + LN(EM_1) + LN(EM_2) + \dots \quad (3)$$

At each step in the WRAPPER, some learner built a model from the current set of variables. Elsewhere we have tried various methods for such learning. In those experiments, simple linear regression on over the linearized COCOMO models did as well as any other method [9].

### 4.1 Data

This study used two data sets described using COCOMO I variables and two using COCOMO-II variables:

- *Coc81* comes from the COCOMO-I text [1] and includes data from a variety of domains including engineering, science, financial, etc.
- The *cii00* data set is the COCOMO-II data.
- The *cii04* data set is *cii00* without the projects found in *coc81*.
- *Nasa60* comes from 20 years of NASA projects and is recorded using the COCOMO-I variables. This data comes from multiple *projects* developed at NASA centers at different geographical *locations*; performing different *tasks* such as ground data receiving, flight guidance, etc.

Figure 1 shows results from the above four data sets as well as several subsets of *nasa60*. Those subsets come from three NASA centers *c01, c02, c03*; three NASA

coc81			p02		
FSx	variable	# times selected	FSx	variable	# times selected
8	loc	10	7	loc	10
7	sced	10	6	turn	7
7	pcap	10	6	lexp	7
7	time	10	5	time	4
6	virt	9	4	modp	3
5	cplx	6	3	data	2
5	modp	5	3	tool	2
5	acap	5	3	sced	2
5	rely	5	2	rely	1
5	vexp	4	2	vexp	1
4	tool	3	2	cplx	1
4	data	3	1	aexp	0
3	aexp	2	1	pcap	0
3	stor	2	1	virt	0
2	lexp	1	1	acap	0
1	turn	0	1	stor	0

Figure 4: Some of the generated features sets.

projects *p02,p03,p04*; and two NASA tasks *t02,t03*. For reasons of confidentiality, the exact details of those centers, tasks, and projects cannot be disclosed. The other centers, projects, and tasks from *nasa60* were not included for a variety of pragmatic reasons (e.g. suspicious repeated entries suggesting data entry errors, too few examples for generalization, etc).

Of these data sets, *coc81* describes projects from before 1982; *ci04* contain data from the most recent projects; and the NASA data sets (*nasa60*, *pX,cX,tX*) described projects newer than *coc81* and before *ci04*.

## 4.2 Using the Data

Our experiments called WRAPPER 30 times, randomizing the order each time. Many algorithms have an *order effect* such that their performance changes dramatically if the inputs are re-ordered. Kermer reported order effects in his analysis data from 15 projects: if training was restricted to 9 particular projects, the learning was far more successful [5]. Randomization avoids such order effects.

For each random order, we used WRAPPER to find what the smallest set of variables that most improved PRED(30); i.e. the percentage of estimates in the test set that are within 30% of the actual values. We use PRED(30) for two reasons. Firstly, we have found PRED(30) easier to explain to business than alternate measures. Also, landmark high-water marks in

software cost estimation report their results in terms of PRED(30) [3].

For each of the 30 trials, the WRAPPER was run 10 times. Variable were then grouped together according to how often they were *selected*. All the variables that were selected with the same frequency were placed together into the same *feature set* FSx. The feature sets are then ordered by their frequency counts and then numbered. For example the table of Figure 4 shows the feature sets found in *coc81* and *p02*. Note that different data sets generate different feature sets (we will comment on this, below). To these feature sets, two extra sets are added: “All” (holding all the variables) and FS(last+1) (holding just lines of code).

The last step in the each of the 30 trials is to learn models using smaller and smaller sets of variables. To “top” and “tail” our results, “All” and FS(last+1) were the first and last sets of variables. In between, we removed FS1 (the variables that were selected the least number of times), then FS2, etc. As shown in the top plot of Figure 5, in the usual case, most of the variables are removed. Usually, the data sets were pruned back to less than five variables. Three data sets (*p03*, *p04*, *t02*) got pruned back to just one variable (lines of code). The larger data sets (*cii04,cii00,coc81,nasa60*) were pruned back the least. This is hardly surprising: the more data the more interesting the inter-relationships and the least the win in removing variables.

The bottom plot of Figure 5 shows results from *hold-out* experiments conducted for each features set. In those hold-outs, we divided the project data described using some FSx set into a  $\frac{2}{3} : \frac{1}{3}$  subsets, trained on the  $\frac{2}{3}rd$  subset and tested on the  $\frac{1}{3}rd$  test subset. The whole point of cost models is that they can be used to estimate the cost of *new* projects. Such hold-out experiments ensure that we are assessing the learned model on the *new data* in the test subset.

The test PRED(30) results were monitored using t-tests. Each pair of results from using FSx/FSy were compared. The mean and standard deviation of the different PRED(30)s seen in FSx and FSy were computed. FSx and FSy were said to “tie” if there was no statistical difference (at the  $\alpha = 0.05$  level) detectable. If the comparison did not “tie”, then the means were numerically compared to compute “win”s and “loss”es. The “best” FSx set was selected as the one with the highest “total wins- total losses”

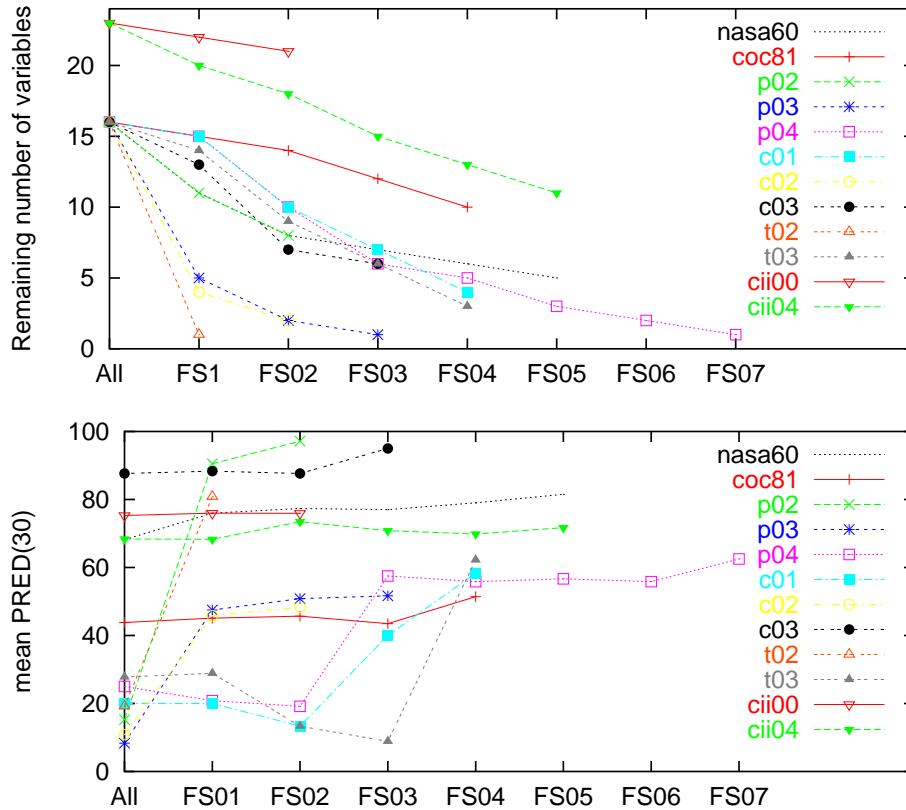


Figure 5: Feature sets. The results from each data set stop at the point of greatest “total wins - total losses”.

score. All the plots in Figure 5 start at “All” and stop at the feature subset with the maximum “total wins - total losses” (and if two sets score the same “total wins - total losses”, then the one with highest mean was selected as the winner). Figure 1 was generated by comparing the “All” mean PRED(30) to the “best” mean PRED(30).

One interesting feature of Figure 5 was that “best” PRED never results from using “All” variables. This result endorses the merits of variable removal: in terms of generating models with high PRED, we have no evidence here that there is any down side to always conducting feature removal (but recall our previous remarks- sometimes there are business reasons for *not* removing features).

## 5 Related Work

Variable reduction (a.k.a. feature subset selection) has been widely studied in the data mining literature (e.g. [4, 7]). Mostly those studies have focused on discrete classes. To the best of our knowledge, the only other work on variable reduction and for continuous class cost estimation data is Kirsopp & Shepperd’s (K&S) case base reasoning (CBR) work [6].

In CBR, decisions about the current case are then made by studying similar historical cases. A common technique is to use some form of distance metric to extract the k-th nearest neighbors from the current case within a case library. Some extrapolation mechanism is then applied to analyze the nearest neighbors and make some de-

cision about expected properties of the current case.

K&S explores CBR for cost estimation using feature subset selection using two small and large data sets containing 10 attributes and 77 (small) and 456 (large) projects<sup>3</sup>. Like us, they found that FSS significantly improves effort estimation. However, and contrary to Figure 1, they found that FSS improved effort estimation more in large data sets than in smaller data sets. There are several possible explanations of why our results are so different to those of K&S. Firstly, the K&S definition of “small” is much larger than our definition. For example, our “small” data sets contain 10 to 22 projects while K&S’s “small” data set contains 77 projects. It is possible that if K&S ran their toolkit over our very small data sets, they might find a different effect. Secondly, the studied algorithms are different: K&S use CBR while we use regression over a parametric COCOMO models. It is possible that CBR is confused by smaller data sets. Thirdly, we are using different data sets and to really compare K&S with our results, we need to run COCOMO data through their toolkit.

## 6 Discussion

We have documented different reasons to remove and retain variables in cost models:

- Cost models should contain all available variables when business knowledge argues for retention.
- Cost models should reject some variables (selected by WRAPPER) when the goal is to improve effort estimation. As seen in Figure 1, for small data sets (30 projects or less), the improved effort estimation can be quite dramatic.

The benefits of variable removal should be carefully weighed against the business implications of removing seemingly irrelevant variables.

Figure 4 showed that different data sets reject different variables. Hence it would be a mistake to interpret our results as “variable X is not relevant in all domains”. Rather, the best variables in different domains should be found by separate runs of the WRAPPER.

When discussing these results, we are often asked why we have not run these experiments on more data sets.

<sup>3</sup>scott: is this right?

Accessing such further data sets is a non-trivial task. It is hard enough getting *any* data from *any* organization, let alone data in the COCOMO format. There is a good reason for this. Software projects are notoriously difficult to control. Recall the 1995 report of the Standish group that described a \$250 billion dollar American software industry where 31% of projects were canceled and 53% of projects incurred costs exceeding 189% of the original estimate [11]. Corporations are therefore reluctant to expose their own software development record to public scrutiny.

Nevertheless, our goal is to apply our methods to more data from more projects. For example, we plan to run our data sets through the K&S toolkit. Also we are teaming with the University of Ottawa to extend the PROMISE repository of public-domain data sets relating to software engineering [10]. For example, if the reader want us to try our techniques on their data, they just need to submit it to that repository<sup>4</sup> (perhaps with some anonymization of any business-critical information).

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