

## Why IT Projects Fail

### Causes of Failure

#### Design and Definition Failures

- Required outputs not described with sufficient clarity – no scope definition prior to authorisation
- Over-ambition – sweeping into a single project all "good ideas – all deliverables in one chunk".
- Project seen as an IT project, not as part of wider process to deliver business objectives
- End-goal too distant with too few review points to confirm business case

#### Decision Making Failures

- Prime responsibility rests with committees
- Consensus must be achieved on all issues
- No single individual in authority – project manager makes decisions in absence of sponsor

#### Project Discipline Failures

- Project documentation replaces project management
- Milestones are too distant – slippage is not managed
- Weak arrangements to identify and evaluate risks and allocate them to managers with authority
- Requirements changes not reflected in "immutable" deadlines
- Contingency planning is weak or unrealistic
- Project beyond the experience and capability of the Project Manager

#### Supplier Management Failures

- Project has little understanding of supplier commercial imperatives (e.g. in fixed price contracts)
- Supplier not selected on basis of VFM
- Projects are launched without an agreed contractual completion date, acceptance criteria and cost limit
- Insufficient transparency of management information between client and supplier
- Suppliers managed to limit cost rather than risk – no validation of suppliers assumptions

#### People Failure

- Disconnect between project and those who own the need
- Culture in project teams to explain away real risks, and to hide not address problems
- Needs of users not understood due to secrecy or haste during definition and design phase
- Too few senior people with real authority

### Impact on Project

Projects have little understanding of what they have to do to "succeed" and far too many stakeholders to satisfy. Without clear definition of interim success or assessment of what is achievable, projects drift into long term activities which become uncontrolled and uncontrollable.

**Ultimately, failure is designed in**

Key issues are logged but remain unresolved as all people with an interest are consulted. Outcomes of consultation will be blurred in order not to trigger opposition and veto. Projects are not given clear direction – key actions are not taken or are inconsistent.

**Ultimately, a failed project evolves**

Plans are constructed based on deadlines which are pre-determined; few people actually believe they reflect reality so slippage or the impact of change is not taken seriously. Prospect of failure is not allowed to be acknowledged so few preparations are made for problems which do arise.

**Ultimately, the project moves, unacknowledged, into failure, costs escalate**

The key early part of the project is confused by contractual debate and positioning – often leaving both sides disappointed. This mistrust is then exacerbated by misunderstanding of supplier and project motivations creating further disputes and resort to contract – leading to a culture of secrecy and "sides"

**Ultimately, the project focuses its energies on blame for failure**

Project staff develop what they believe to be "developable" and avoid asking for guidance – given the risk of veto and delay. Requirement "owners" fail to understand what is feasible and therefore request deliverables and change which are impracticable in the given timescales or budget.

**Ultimately, the project delivers failure**

Responsible Leadership

Experience

BEST PRACTICE

Why IT Projects Fail

Accountability

Managing Risk

Business Case



Office of Government Commerce

## Key questions you should ask before you approve a project

### Item One: The Department

"Does the Department and other key stakeholders understand how this project will affect the business and how much and how little can be changed once it is launched?"

- 1.1 Is the basic design for this project fixed, cleared and visible with all key people (including Ministers) – do these people understand that the basic design is now "frozen"?
- 1.2 Do the Departments know what it can change as the project progresses and how much changes will cost in terms of money, performance reduction and timescales?
- 1.3 Explain the Business Case to me so that I understand why each of the components of the project are necessary to achieve our business objectives. Does each component deliver benefit?
- 1.4 Are the future users of the technology properly represented on the project, are they sufficiently engaged, knowledgeable and senior to take decisions quickly and authoritatively?
- 1.5 Explain to me how our business processes and environment will change, internally and externally, as a result of the project.
- 1.6 What are the benefits that we have to deliver after the project is handed over? Do we have a benefit delivery plan? Do we have a transition plan to new systems?

### Item Two: The Project

"Is the project properly staffed to enable effective leadership, decision-making and risk management to begin from day one and continue consistently to the end?"

- 2.1 Who is the senior manager with real understanding of the business requirement and responsible for delivery of the benefits?
- 2.2 Is there someone with a full time commitment and appropriate experience to manage the project?
- 2.3 Who is the very senior individual personally accountable for the delivery of this project - is he or she committed from now until it is completed and signed-off and does he or she have the authority to make key decisions (affecting this Department and others)?
- 2.4 Do I understand the business requirement and the expected results of the project, and am I convinced that they are realistic?
- 2.5 Will there be sufficient experienced project and "user" staff on this project from day one?
- 2.6 What are the top ten risks for this project - have we plans in place to manage these risks and contingency plans to respond if, despite our best efforts, the risk actually happens.
- 2.7 Do the project structures, roles and responsibilities recognise the distinction between the in-house business change project and the contributing supplier led development project, where these are different?
- 2.8 At what points will I be able to tell if the project is failing – and how quickly will I be able (contractually and politically) to implement remedial actions or stop the project if it fails?

### Item Three: The Supplier

"How will the way we work with our Supplier help this project to succeed?"

- 3.1 Does the supplier understand our business needs?
- 3.2 Do we understand the business and commercial interests of the supplier – do they complement ours?
- 3.3 Are there any outstanding contractual issues or unsigned agreements in respect of this project?
- 3.4 Have we detailed the responsibilities of the Department in respect of this project – are we certain we can discharge them?
- 3.5 Is the development project staffed with people whose seniority is compatible with those from the supplier?
- 3.6 Who is the key supplier senior manager that I can contact if and when things go wrong?
- 3.7 Has the supplier actually delivered this technology before? Or is it novel?
- 3.8 Is the price fixed? If not how are we planning to control cost?

**If any of the answers above are unsatisfactory, the project should not be approved**

## Let us know what you think

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