



Early Warning Signs of IT Project Failure: Have You Experienced Them?

An Independent Study

- Research reviews of failed IT projects reveal that significant symptoms of trouble were clear and knowable early in the project
- These symptoms can be thought of as Early Warning Signs (EWS) of IT Project Failure, which are defined as an event or indication that predicts, cautions, or alerts the project team of possible problems.
- Researchers investigated the most important risks that serve as EWS of IT Project Failure

Reference: Kappelman, L.A., McKeeman, R., and Zhang, L. (2006). "Early Warning Signs of IT Project Failure: The Dominant Dozen" Information Systems Management, Volume 23, Issue 4, pg. 31-36.

Categories of IT Project Failure

The researchers started by compiling 50+ Early Warning Signs, which were grouped into three general categories:



People-Related Risks

Risks linked to groups of people, such as top management, project management, project team members, subject matter experts (SMEs), and stakeholders in general.



Process-Related Risks

Centered on five project management processes and their deliverables, including requirements, change control, scheduling, communications, and resources.



Product (Technology) Risks

Technical ailments of the IT system itself, including inherent product risks tied to size & scalability, complexity, functionality, and novel technology.

The Dominant Dozen

After gathering ratings from IT Project Professionals, the "Dominant Dozen" most important EWS were identified:




People-Related Risks
Lack of top management support and commitment to the project, exposing the project to enterprise politics
Weak project manager(s) unable to effectively lead the team and communicate with clients
Limited stakeholder involvement with requirements gathering & engagement during implementation
Weak commitment from the project team, often due to sponsors who impose unrealistic budgets and schedules
Project team members do not have required knowledge/skills to navigate technological challenges
Subject matter experts are over-scheduled from participating business units & their knowledge is missed

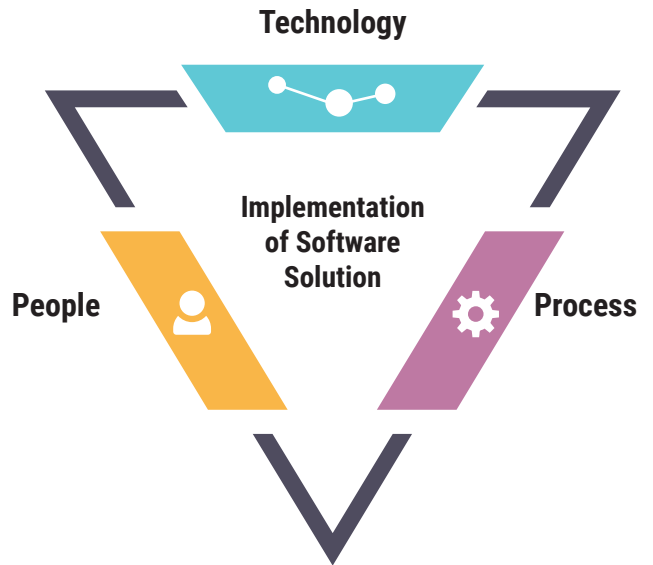
Process-Related Risks
Poor documentation of scope requirements and success criteria, leading to disorganization & misaligned goals
Insufficient change control process to document, account for, and manage changes to requirements
Ineffective schedule planning and management, often with unclear definition of milestones & deliverables
Communication breakdown among stakeholders with staff turnover and involvement of multiple business units
Project resources re-assigned to a higher priority project, yet "best-case" productivity may still be expected
Poor business case for the project, which manifests via difficulty in justifying resources and leadership attention





Important Take-Away: Both the People AND the Process are Essential to Success

-  The Dominant Dozen were ONLY related to People and Process – NOT the Technology itself.
-  For organizations who have experienced a software implementation that failed to live up to expectations, the instinct might be to blame the Technology.
-  Technology is not to blame, but poor performance is much more likely to be traced back to misaligned People operating in an ineffective Process.



Simplar's Expertise-Based Approach to IT Project

To achieve success, organizations must be confident in their People (project team resources and expertise) as well as their Process (approach, schedule, and execution methodologies).

Expertise-based Project Delivery (XPD):

✓ Solve People-Related Risks



Detailed scoping & requirements gathering templates to assist the project team capture the details.



Hyper-emphasis on evaluating the Software Vendor's actual implementation team individuals. Ultimately, the functionality of the software is directly related to the quality of implementation team who sets it up in your organization's environment.



Use of quantifiable past performance information on the Vendor's team and product prior to award.



Pre-Award Clarification process ensures the Vendor's best project team individuals are assigned – and retained – for the entire implementation phases (from sales to execution).

✓ Add Rigor to Mitigate Process-Related Risks



Training on scope development best practices coupled with a unique Request for Needs approach to ensure the Software Vendor Community can develop accurate proposals with minimal contingency.



RFP language & evaluation procedures to eliminating marketing information, including anonymous evaluations, two-envelope costing, and scripted software verifications rather than traditional demos.



Pre-Award Clarification process establishes a realistic schedule, defined milestones and deliverables, and more appropriately transfers risk to the vendor's team of experts.



Systematic project control system to create transparency and positive accountability.