The **Digital Media Initiative** (DMI) was a British [broadcast engineering](https://en.wikipedia.org/wiki/Broadcast_engineering) project launched by the [BBC](https://en.wikipedia.org/wiki/BBC) in 2008. It aimed to modernise the Corporation's production and archiving methods by using connected digital production and [media asset management](https://en.wikipedia.org/wiki/Digital_asset_management) systems. After a protracted [development process](https://en.wikipedia.org/wiki/Software_development_process) lasting five years with a spend of £98 million between 2010 and 2012, the project was finally abandoned in May 2013.[[2]](https://en.wikipedia.org/wiki/Digital_Media_Initiative#cite_note-bbc_abandons-2)[[3]](https://en.wikipedia.org/wiki/Digital_Media_Initiative#cite_note-bbcpr-close-3)



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Initial impetus and relaunch[[edit](https://en.wikipedia.org/w/index.php?title=Digital_Media_Initiative&action=edit&section=1)]

The technology programme was initiated by the director of BBC Technology [Ashley Highfield](https://en.wikipedia.org/wiki/Ashley_Highfield) in 2008.[[1]](https://en.wikipedia.org/wiki/Digital_Media_Initiative#cite_note-beta-bust-1) It aimed to streamline broadcast operations by moving to a fully digital, [tapeless](https://en.wikipedia.org/wiki/Tapeless) production workflow at a cost of £81.7 million. Forecast to deliver cost savings to the BBC of around £18 million, DMI was [contracted out](https://en.wikipedia.org/wiki/Outsourcing) to the technology services provider [Siemens](https://en.wikipedia.org/wiki/Siemens_IT_Solutions_and_Services) with consulting by [Deloitte](https://en.wikipedia.org/wiki/Deloitte). Among the production features to be provided by DMI were a media ingest system; a [media asset management](https://en.wikipedia.org/wiki/Digital_asset_management) system, unifying audio, video and stills archival; an online [storyboarding](https://en.wikipedia.org/wiki/Storyboard) system; and [metadata](https://en.wikipedia.org/wiki/Metadata) storage and sharing. A core part of the system was formed by using Cinegy, a production suite originally developed prior to the DMI project by the BBC and selected by Siemens in 2008.[[4]](https://en.wikipedia.org/wiki/Digital_Media_Initiative#cite_note-cinegy-4)[[5]](https://en.wikipedia.org/wiki/Digital_Media_Initiative#cite_note-Austerberry-5) The DMI Programme Director was television producer and entrepreneur [Raymond P. Le Gué](https://en.wikipedia.org/w/index.php?title=Raymond_P._Le_Gu%C3%A9&action=edit&redlink=1).

Costs of the project rose after a number of technical problems and delays, and in 2009 the BBC terminated its contract with Siemens.[[6]](https://en.wikipedia.org/wiki/Digital_Media_Initiative#cite_note-broadcast-dmi-6) BBC losses were estimated to be £38.2m,[[7]](https://en.wikipedia.org/wiki/Digital_Media_Initiative#cite_note-ITProPortal-dmi-7) partially offset by a £27.5m settlement paid by Siemens, leaving a loss of £10.7m to the BBC. The BBC was criticised by the UK [National Audit Office](https://en.wikipedia.org/wiki/National_Audit_Office_(United_Kingdom)) (NAO) in 2011 for its handling of the project.[[8]](https://en.wikipedia.org/wiki/Digital_Media_Initiative#cite_note-guardian-dmi-8) In evidence given to the NAO, the Director of the BBC's Future Media and Technology division, [Erik Huggers](https://en.wikipedia.org/wiki/Erik_Huggers), stated that Siemens had been selected to run the project without a [tendering](https://en.wikipedia.org/wiki/Tendering) process because the BBC already had a 10-year support contract with the company. He also remarked that transfer of [risk](https://en.wikipedia.org/wiki/Risk_management) on the project to Siemens had resulted in a distant relationship with Siemens which made it hard to monitor project [milestones](https://en.wikipedia.org/wiki/Milestone_(project_management)) and the completion of [deliverables](https://en.wikipedia.org/wiki/Deliverable).[[9]](https://en.wikipedia.org/wiki/Digital_Media_Initiative#cite_note-nao-evidence-9)

When we checked in with Siemens to look at, "Okay, where are these deliverables? Where is the software?" it turned out that the project was not going according to plan at all.[…] So, basically, the relationship with Siemens with regards to DMI was […] rather distant.

— *Erik Huggers, Evidence to the Public Accounts Committee, 15 February 2011*

After the termination of the Siemens contract, the DMI project was [brought in-house](https://en.wikipedia.org/wiki/Backsourcing) by the BBC in 2009 and rebranded as *Fabric*.[[10]](https://en.wikipedia.org/wiki/Digital_Media_Initiative#cite_note-bbc-dmi-10)[[11]](https://en.wikipedia.org/wiki/Digital_Media_Initiative#cite_note-annualreport2010-11)

In 2012, it was reported that BBC staff who worked on a number of projects including DMI had suffered from severe [stress](https://en.wikipedia.org/wiki/Stress_(psychological)) and had been treated at [The Priory](https://en.wikipedia.org/wiki/Priory_Group).[[12]](https://en.wikipedia.org/wiki/Digital_Media_Initiative#cite_note-telegraph-dmi-12)

Developments in 2013-14[[edit](https://en.wikipedia.org/w/index.php?title=Digital_Media_Initiative&action=edit&section=2)]

According to a report in *The Guardian*, problems emerged in April 2013 during the coverage by [BBC News](https://en.wikipedia.org/wiki/BBC_News) of the [death and funeral of Margaret Thatcher](https://en.wikipedia.org/wiki/Death_and_funeral_of_Margaret_Thatcher). News staff, attempting to source material on [analog](https://en.wikipedia.org/wiki/Analog_recording) [videotape](https://en.wikipedia.org/wiki/Videotape) from the [BBC Archives](https://en.wikipedia.org/wiki/BBC_Archives), were unable to [transfer footage to digital format](https://en.wikipedia.org/wiki/Digital_reformatting) due to the huge demand for limited transfer facilities at the newly refurbished [New Broadcasting House](https://en.wikipedia.org/wiki/Broadcasting_House#Second_phase) in central London. Requested tapes were reportedly transported around London by taxi and via the [Tube](https://en.wikipedia.org/wiki/London_Underground), and video transfer work was carried out by external production companies.[[13]](https://en.wikipedia.org/wiki/Digital_Media_Initiative#cite_note-13) A few weeks later it emerged that tape editing equipment might have to be installed at Broadcasting House in specially cooled areas.[[14]](https://en.wikipedia.org/wiki/Digital_Media_Initiative#cite_note-14)

In late May 2013 the [Director-General of the BBC](https://en.wikipedia.org/wiki/Director-General_of_the_BBC), [Lord Hall](https://en.wikipedia.org/wiki/Tony_Hall,_Baron_Hall_of_Birkenhead), announced that the project was to be abandoned and that the BBC's [chief technology officer](https://en.wikipedia.org/wiki/Chief_technology_officer), [John Linwood](https://en.wikipedia.org/w/index.php?title=John_Linwood_(BBC)&action=edit&redlink=1), was to be suspended pending an external investigation into the management of the DMI project.[[2]](https://en.wikipedia.org/wiki/Digital_Media_Initiative#cite_note-bbc_abandons-2)[[3]](https://en.wikipedia.org/wiki/Digital_Media_Initiative#cite_note-bbcpr-close-3)[[15]](https://en.wikipedia.org/wiki/Digital_Media_Initiative#cite_note-guardian_axe-15) It was subsequently revealed that a senior BBC manager had expressed grave doubts about DMI to the BBC Chairman [Lord Patten](https://en.wikipedia.org/wiki/Chris_Patten) one year before the project was cancelled. He had also claimed that there was a "very significant risk" that the National Audit Office had been misled about the actual progress of DMI in 2011. Other BBC executives had also voiced similar concerns for about two years before DMI was abandoned.[[16]](https://en.wikipedia.org/wiki/Digital_Media_Initiative#cite_note-guardian-patten-16)

The NAO commenced an inquiry into the failure of the project and commissioned accountancy firm [PricewaterhouseCoopers](https://en.wikipedia.org/wiki/PricewaterhouseCoopers) to carry out an investigation. At a hearing held on 10 June 2013 at the BBC's [MediaCityUK](https://en.wikipedia.org/wiki/MediaCityUK) site in [Salford](https://en.wikipedia.org/wiki/Salford,_Greater_Manchester), MPs [Margaret Hodge](https://en.wikipedia.org/wiki/Margaret_Hodge) and [Stewart Jackson](https://en.wikipedia.org/wiki/Stewart_Jackson) commented on evidence given by the then Director General [Mark Thompson](https://en.wikipedia.org/wiki/Mark_Thompson_(television_executive)) to the NAO in 2011 and to the BBC Trust, and took the view that he had misled the enquiry. BBC Trust member [Anthony Fry](https://en.wikipedia.org/wiki/Anthony_Fry_(business_executive)) remarked that the DMI had been a "complete catastrophe" and said that the project was "probably the most serious, embarrassing thing I have ever seen."[[17]](https://en.wikipedia.org/wiki/Digital_Media_Initiative#cite_note-17)

On 24 January 2014, the BBC confirmed that the contract of former technology chief John Linwood had been terminated the previous July due to the failure of the Digital Media Initiative.[[18]](https://en.wikipedia.org/wiki/Digital_Media_Initiative#cite_note-18)

On 10 April 2014, the House of Commons Committee of Public Accounts presented the "BBC Digital Media Initiative, Fifty-second Report of Session 2013–14" in which it defines the project as a "complete failure" [[19]](https://en.wikipedia.org/wiki/Digital_Media_Initiative#cite_note-19)

<https://en.wikipedia.org/wiki/Digital_Media_Initiative>

# Tech Fails: BBC’s £100M Digital Media Blunder

**Two out of three** software development projects**end with partial or total failure**, and the most substantial projects fail most often. This effectively wastes billions of dollars and thousands of person-hours in value every single year ([1](https://www.standishgroup.com/sample_research_files/CHAOSReport2015-Final.pdf)). In this series, we look at preeminent failures in big tech projects, try to uncover the factors that led to the disaster, and figure out the lessons to be learned.

Today, we’re investigating the demise of British Broadcasting Corporation’s **Digital Media Initiative (DMI)** project of 2008. Envisioned as an ultramodern digital media catalog, the DMI would allow staff to quickly produce high-quality audio and video content directly from their computers. Five years later, the BBC finally terminates this taxpayer-funded project with almost nothing to show for it, after spending nearly **£100m**.

A person with the mouth open

Description automatically generated with medium confidence

# The Project

The DMI was a complex project, aimed at transforming how BBC leveraged digital media to produce content for its audiences. The vision was to pave the way for “a new creative environment in which **production would take place in a digital file format** from the moment of filming to the moment of consumption by the audience. ([2](http://downloads.bbc.co.uk/aboutthebbc/insidethebbc/howwework/reports/pdf/bbcreport_dmi_technicalreview_hypotheses_and_findings.pdf))”

In February **2008**, the [BBC Trust](https://en.wikipedia.org/wiki/BBC_Trust) approved the DMI scheme, as well as **£81m in funding**. Technology company Siemens was contracted to develop the project, and completion was expected within the following year. Multiple components of the new media pipeline were under development:

* An Online Archive of BBC’s programs, in both digital and physical media format, allowing search and metadata.
* A Core Database scoped and architected like an enterprise-wide system for data management across the BBC and a technical platform not just for DMI but for other programs.
* A new set of Production Tools, allowing BBC staff and partners to develop, edit, share, and manage content from their desktops.
* A Media Infrastructure component, designed and built with a focus on Production Tools, enabling users to ingest, organize, edit and send content to craft or archive using through a single interface.

Text

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The original concept for how the DMI system would work (3)

*Fabric will benefit everyone involved in the development, creation, sharing, and management of BBC’s content by bringing together the production and enterprise processes and tools through a web-based user interface and universal media storage for archive and production needs. (*[*2*](http://downloads.bbc.co.uk/aboutthebbc/insidethebbc/howwework/reports/pdf/bbcreport_dmi_technicalreview_hypotheses_and_findings.pdf)*)*

# The Demise

By February **2009**, Siemens still had nothing to deliver. In September 2009, after months of criticizing and finger-pointing between Siemens and the BBC, the DMI contract to Siemens was canceled by mutual agreement, in a £27.5m settlement — with **BBC losses already amounting to £10.7m and 21 months of project delay**.

By September **2010**, one year after bringing the project in-house, the National Audit Office estimated that the expected **project costs now exceeded benefits by over £38 million.** The new completion date was now delayed to around Q4 2017. Still, their official 2011 report was not all negative towards BBC’s stewardship, with the head of the NAO stating that “since taking the program back in-house, delivery of the system has progressed well, and users have responded positively. ([5](https://www.nao.org.uk/report/the-bbcs-management-of-its-digital-media-initiative/))”

In **2011**, delivering the infrastructure for DMI is **outsourced to a consortium** of three third-party companies. Interviews with the BBC team revealed that before this transition, “the original implementation using open source [Drools](https://www.drools.org/) rules engine faced memory leak instability and was eventually deemed too difficult to resolve. ([2](http://downloads.bbc.co.uk/aboutthebbc/insidethebbc/howwework/reports/pdf/bbcreport_dmi_technicalreview_hypotheses_and_findings.pdf))” A BBC spokesperson said: “The consortium is primarily responsible for delivering the infrastructure for DMI as this was the most cost-effective way to deliver this part of the project. They are on schedule for delivery by the end of the summer. ([8](https://www.broadcastnow.co.uk/bbc-outsources-design-of-infrastructure-for-dmi/5028576.article))” They were not.

Chart, line chart

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People working on DMI, January 2010 to September 2013 (3)

In May **2013**, the BBC decided to keep the archive database component but shut down the rest of the DMI program. The new BBC Director General at that time, Lord Tony Hall, admitted that “the DMI project has wasted a huge amount of license fee payers’ money and I saw no reason to allow that to continue which is why **I have closed it**.” BBC’s technology chief, John Linwood, was fired in July 2013 over the project’s demise. Linwood had been appointed in 2009 from Yahoo and had formerly worked at Microsoft.

A Public Accounts Committee report underlines the scale of the failure: **only a single show was ever actually produced** using the DMI platform:

*The BBC also told us that it was using the DMI to make many programs and was on track to complete the system in 2011 with no further delays. This turned out not to be the case. In reality, the BBC only ever used the DMI to make one program, called Bang Goes the Theory. (*[*6*](https://publications.parliament.uk/pa/cm201314/cmselect/cmpubacc/985/98502.htm)*)*

Being unable to benefit from the platform developed by their own parent company, some units took things into their own hands. BBC Sport decided, at the time, to contract outside suppliers to design its own digital video archive system at the cost of just £500,000 — a fraction of the millions spent on the DMI ([7](https://www.theguardian.com/media/2013/may/03/bbc-digital-video-archiv)).

**Where did all those millions go?** Here’s the official breakdown: ([4](https://www.bbc.com/news/entertainment-arts-26963723))

* Contractors — £46.7m
* IT — £37.2m
* Siemens costs — £24.9m
* Consultancy — £8.4m
* BBC staff — £6.4m
* Other — £2.3m

# What Happened

Multiple expert reports have been published to cast some light on the motives behind the DMI project downfall, including one from the National Audit Office in 2014 ([3](http://downloads.bbc.co.uk/bbctrust/assets/files/pdf/review_report_research/vfm/dmi/dmi_nao.pdf)), and two by PricewaterhouseCoopers and Accenture in 2013 ([9](http://downloads.bbc.co.uk/bbctrust/assets/files/pdf/review_report_research/vfm/dmi/pwc_dmi.pdf))([2](http://downloads.bbc.co.uk/aboutthebbc/insidethebbc/howwework/reports/pdf/bbcreport_dmi_technicalreview_hypotheses_and_findings.pdf)). Here are the main determinants that were identified:

**Bad Requirements**

* Requirements for the DMI project did not live in a single, central repository, but were instead fragmented across a multitude of services, including Confluence and JIRA projects.
* Even worse, many of the specs lived within transient Excel or Word documents.
* Less than a third of the identified defects were directly linked to business requirements. This problem made it hard to know which issues had been fixed, within which area, and how the overall solution would be affected.
* Also, 80% of end-to-end tests for new functionality did not link directly to a business requirement.

Diagram

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Sample Links between Sources of Requirements (2)

**Missing Design Oversight**

* In the final DMI architecture, multiple vendor products exist that perform similar purposes (e.g., Tomcat and WebSphere).
* The inconsistency is a result of misalignment of technology guidelines among teams, resulting in some groups using open source software while others using proprietary software for similar purposes.
* The affected products were already live in production at the time, going through a full development cycle without any member identifying and addressing design issues.
* The Technical Quality Group could have implemented stronger design governance principles and been responsible for the mitigation of technical risks.

**Bad Testing**

* Some components had not been included in a software release process to be formally tested. Therefore, they were not officially progressed through the project lifecycle to production systems.
* Most components had no set of comprehensive, repeatable tests, including data and media file validation, stress, or stability.
* Many components were not integration tested.

**Bad Outsourcing Management**

* The BBC did not have an up-to-date assessment of its contractor’s capacity and capability to deliver the program. The project was initially outsourced to Siemens based on a strategic partnership agreement signed in 2004.
* When taking technology development in-house, the BBC did not test whether that was the best option.
* No independent technical assurance reports on system design were commissioned.
* No minimum technical and management requirements for effective oversight of contracts were established.
* No procedure was set in place to intervene and secure the delivery of outsourced contracts rather than waiting for either contract non-delivery or termination.

**Faulty Governance**

* By having sponsors and business stakeholders on the DMI Steering Group, there was insufficient separation from the day-to-day management to enable them to provide adequate oversight and challenge of the project.
* The financial benefits of the program were initially overstated and unchallenged.
* DMI did not provide clear and transparent reporting on progress against plan, the cost to complete, or delivery of benefits to enable effective decision-making within the governance structure.
* There was a considerable change in the personnel fulfilling several critical roles in the governance structure over the life of the program:

Chart, bar chart

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Duration of individuals in key DMI roles (9)

The DMI is an excellent reminder of how, in most cases, failure has nothing to do with the software, but everything to do with management and people. In written testimony to the House of Commons, Bill Garrett (former Head of Technology, BBC Vision Productions) notes:

*Too many staff members and contractors jobs depended on DMI continuing; many of them recognized the project had little chance of success; however, speaking up would impact their careers and livelihood. Many senior figures had reputations invested in DMI. (…) In some cases, I believe certain individuals acted willfully to subvert governance processes and falsify value propositions to deceive the various governance panels. (*[*10*](https://publications.parliament.uk/pa/cm201314/cmselect/cmpubacc/writev/bbc.pdf)*)*

The Digital Media Initiative was not the only BBC project to be scrapped after years of expensive funding, tough. The Socrates program saw £8.3million spent on a computer system to monitor foreign news, which has never worked. But that’s a story for another time!

<https://medium.com/north-code/tech-fails-bbcs-100m-digital-media-blunder-ca397bb99ecd>

## BBC's Digital Media Initiative a complete failure

**The Public Accounts Committee publish its 52nd Report on the BBC's Digital Media Initiative.**

* [Report: BBC Digital Media Initiative](http://www.publications.parliament.uk/pa/cm201314/cmselect/cmpubacc/985/98502.htm)
* [Report: BBC Digital Media Initiative (PDF)](http://www.publications.parliament.uk/pa/cm201314/cmselect/cmpubacc/985/985.pdf)
* [Inquiry: BBC Digital Media Initiative](http://www.parliament.uk/business/committees/committees-a-z/commons-select/public-accounts-committee/inquiries/parliament-2010/bbc-digital-media-initiative/)
* [Public Accounts Committee](http://www.parliament.uk/business/committees/committees-a-z/commons-select/public-accounts-committee/)

The Rt Hon Margaret Hodge MP, Chair of the Committee of Public Accounts, today said:

"The BBC’s Digital Media Initiative was a complete failure. Licence fee payers paid nearly £100 million for this supposedly essential system but got virtually nothing in return.

The main output from the DMI is an archive catalogue and ordering system that is slower and more cumbersome than the 40 year-old system it was designed to replace. It has only 163 regular users and a running cost of £3 million a year, compared to £780,000 a year for the old system.

When my Committee examined the DMI’s progress in February 2011, the BBC told us that the DMI was “an absolutely essential have to have” and that a lot of the BBC’s future was tied up in the successful delivery of the DMI.

The BBC also told us that it was using the DMI to make many programmes and was on track to complete the system in 2011 with no further delays. This turned out not to be the case. In reality the BBC only ever used the DMI to make one programme, called ‘Bang Goes the Theory’.

 The BBC was far too complacent about the high risks involved in taking it in-house. No single individual had overall responsibility or accountability for delivering the DMI and achieving the benefits, or took ownership of problems when they arose.

Lack of clearly defined responsibility and accountability meant the Corporation failed to respond to warning signals that the programme was in trouble.

The BBC Trust demonstrated similar complacency in its poor oversight of the Executive’s implementation of the DMI.

Both the BBC Executive and the Trust need to overhaul their approach to managing and implementing major projects so that they properly safeguard licence fee payers’ money.

It is not clear why the BBC failed to share important evidence, a 2010 report from Accenture about the DMI, with my Committee or the National Audit Office when it reported on the DMI’s progress in January 2011, which contributed to our false impression of the progress by DMI. My Committee expects the BBC to be completely transparent in its dealings with us and the NAO and tell us of any potentially significant evidence or facts in a timely way."

Margaret Hodge was speaking as the Committee published its 52nd Report of this Session which, on the basis of evidence from the BBC and the BBC Trust, examined the BBC’s Digital Media Initiative.

## Conclusions and recommendations

The Digital Media Initiative was a transformation programme that involved developing new technology for BBC staff to create, share and manage video and audio content and programmes from their desktops. The BBC initially contracted Siemens to build the DMI system. However, the contract was terminated by mutual agreement with effect from July 2009 and the BBC brought the DMI in-house in September 2009.

In February 2011, based on a National Audit Office report, we took evidence from the BBC on its progress with the in-house development of the Programme. Our April 2011 report reflected the assurances the BBC had given us about it being on track to complete the system in 2011 with no further delays. However, the BBC then failed to complete the DMI Programme and in May 2013 cancelled it at a cost to licence fee payers of £98.4 million.

The BBC was far too complacent about the DMI’s troubled history and the very high risks involved in taking it in-house. The DMI was 18 months behind schedule when the BBC took it in-house from Siemens. The BBC did not obtain independent technical assurance for the system design or ensure that the intended users were sufficiently engaged with the Programme. Poor governance meant that these important weaknesses went unchallenged, even when things started to go badly wrong.

Given the gaps in the BBC’s in-house capability, it is in retrospect unclear to us why the BBC ever thought it could complete what Siemens had been unable to deliver.

### Recommendations

**Recommendation:**& nbsp;The BBC should ensure that governance and assurance arrangements match the scale, strategic importance and risk profile of its major programmes and projects.

No single individual had overall responsibility or accountability for delivering the DMI and achieving the benefits, or took ownership of problems when they arose. The BBC did not appoint a senior responsible owner with overall responsibility for the DMI. The BBC’s Chief Technology Officer was responsible for the DMI system but not for achieving the projected benefits across BBC divisions. There were different views amongst those responsible for developing the system and the intended users about the effectiveness of the technology and how engaged business areas were in the Programme. The absence of a senior responsible owner to take responsibility for resolving these different views led to a situation where the DMI Programme team spent years working on a system that did not meet users’ needs.

**Recommendation:**& nbsp;Projects like the DMI need to be led by an experienced senior responsible owner who has the skills, authority and determination to achieve transformational change, and who sees the project through to successful implementation.

Neither the Executive Board nor the Trust knew enough about the DMI’s progress, which led to Parliament being misinformed. In February 2011, the then Director General told us that the DMI was 'out in the business' and that 'There are many programmes that are already being made with DMI'. In reality, the DMI had been used to make only one programme, called 'Bang Goes the Theory'. While the then Director General assures us that he gave a faithful and accurate account of his understanding of the project at that point in early 2011, he was mistaken and there was confusion within the BBC about what had actually been deployed and used.

**Recommendation:**& nbsp;In its reporting on major projects, the BBC needs to use clear milestones that give the Executive and the Trust an unambiguous and accurate account of progress and any problems.

Despite the DMI’s importance, the BBC Executive applied insufficient scrutiny and reacted far too slowly to clear signals that the DMI was in trouble. When we examined the DMI’s progress in February 2011, the BBC planned to complete the system in July 2011 and told us that there would be no further delays. This assurance proved to be unfounded as the BBC missed the July deadline. Despite the repeated delays and the DMI’s worsening risk status during 2011, the Executive Board did not discuss the Programme’s future until May 2012. Some individual Executives were aware before then that there were problems but thought that they could resolve them and so did not escalate problems to the Board. The BBC’s project management office increased the DMI’s risk rating to red for the quarter ending December 2011 but this was not reported to the Executive Board until June 2012 or to the Trust until July 2012. The Executive Board then took a year to reach its decision to cancel the DMI, in May 2013.

**Recommendation:**& nbsp;The BBC Executive should apply more rigorous and timely scrutiny to its major projects to limit potential losses that will ultimately fall on licence fee payers.

The BBC Trust failed to exercise sufficient oversight of the Executive Board’s delivery of the DMI, despite assuring us that it would. The BBC Trust told us in February 2011 that it would continue “worrying the heck” about the DMI until it was delivered but was satisfied that it had the capability to oversee and challenge the Executive. However, the Trust told us that in retrospect it had insufficient technical knowledge to interpret the information that it received about the DMI. The Trust was also slow to react. The Executive told the Trust in September 2011 that the DMI’s risk rating had increased to amber-red. The BBC’s project management office subsequently increased it to red for the period October to December 2011. However, in the seven months from January to July 2012 the BBC Trust neither received nor required a progress update from the BBC on the DMI’s status.

**Recommendation:**& nbsp;The BBC Trust should set out in response to this report what changes it will make to be more proactive in chasing and challenging the BBC Executive’s performance in delivering major projects, so that it can properly protect the licence fee payers’ interest.

Licence fee payers paid nearly £100 million for a supposedly essential system but got virtually nothing in return. The BBC told us in February 2011 that the DMI was essential to the future of the BBC. However, the main output from the DMI is an archive catalogue and ordering system that is slower and more cumbersome than the 40 year-old system it was designed to replace. It has only 163 regular users and a running cost of £3 million a year, compared to £780,000 a year for the old system. The BBC is already developing plans to replace it. The BBC told us that it still intends to digitalise its production process and, through its ‘end-to-end’ project, is considering how it will create an alternative to the DMI.

**Recommendation:**& nbsp;The BBC Executive should report back to us on which of its original requirements for the DMI are still essential, how and when it will meet them, and at what cost.

The BBC failed to share important evidence about the DMI with us and the National Audit Office, which contributed to our false impression of the DMI’s progress. The National Audit Office (NAO) recommended in its January 2011 report that the BBC complete an independent technical assessment of the DMI. The BBC told the NAO that it had already commissioned such an assessment. The assessment was carried out by Accenture and was in fact submitted in draft to the BBC in December 2010. The Accenture assessment stated that the elements of the DMI examined were not robust enough for programme-making and that significant remedial work was required. The BBC did not share the draft findings with the NAO prior to publication of the NAO report or inform us of its findings during our hearing in February 2011.

**Recommendation:**& nbsp;We expect the BBC to be completely transparent in its dealings with us and the NAO and inform us of any potentially significant evidence or facts in a timely way.

<https://www.wired-gov.net/wg/news.nsf/articles/BBCs+Digital+Media+Initiative+a+complete+failure+10042014150500?open>

# BBC Digital Initiative Failed Due to ‘Serious’ Management, Reporting Issues

A PricewaterhouseCoopers report finds that the U.K. public broadcaster was too slow to realize the Digital Media Initiative, which cost $149 million before being axed, was "in serious trouble."

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DECEMBER 18, 2013 4:31AM



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LONDON – “Serious weaknesses in project management and reporting, a lack of focus on business change, together with piecemeal assurance arrangements” kept the [BBC](https://www.hollywoodreporter.com/t/bbc/) from realizing the problems of a now-shuttered technology project, which was meant to make all production and archive operations fully digital, a report said Wednesday.

The BBC had said in May that it was axing the $149 million (£98.4 million) project, dubbed the Digital Media Initiative.

An independent report from PricewaterhouseCoopers on Wednesday said that various weaknesses meant that it took the BBC too long to realized that the project was “in serious trouble and unlikely to deliver its objectives.”

A review launched in October found that the DMI wasn’t going well enough. As a result, BBC director general **Tony Hall**in May decided to close it with the agreement of the BBC Trust, the broadcaster’s governing body.

[**PHOTOS: ‘Doctor Who’ at 50: Peter Capaldi and the 12 Men Who’ve Played the Doctor**](http://www.hollywoodreporter.com/gallery/doctor-who-at-50-peter-599613)

“The DMI project has wasted a huge amount of license fee payers’ money, and I saw no reason to allow that to continue,” Hall said at the time. “I have serious concerns about how we managed this project and the review that has been set up is designed to find out what went wrong and what lessons can be learned.”

Started in 2008, the DMI was supposed to transition the BBC to a fully digital way of working. The PwC review was ordered by the BBC Trust to find out what went wrong with the management and reporting of the project.

“PwC found that no single event or issue caused DMI to fail,” the Trust said. It asked the BBC executive team to implement the consulting firm’s recommendations on project management. It will review progress as part of its annual review in 2014-2015.

[**PHOTOS: ‘Sherlock’: 10 Stills From Season 3**](http://www.hollywoodreporter.com/gallery/sherlock-10-stills-season-3-662598)

The DMI failure caused public criticism because British households pay an annual license fee to help fund the BBC.

“The failure of the DMI project came at an unacceptable cost to license fee payers, and PwC found serious weaknesses in the governance of the project,” **Diane Coyle**, vice chairman of the BBC Trust, said Wednesday. “We announced last week that we were strengthening project reporting arrangements within a clearer governance system. That will enable the BBC executive to ensure any serious problems are spotted and addressed more swiftly. In turn, the Trust will have the up-to-date information it needs to investigate if things continue to go wrong.”

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