

IT Security, Privacy and Risk Management

Group 47

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Agenda

1. Introduction IFSO
2. Is IFSO's IT Project Management Practices following Nelson's Best Practices
3. Best Practices not covered by IFSO and possible improvements
4. Nelson's best Practices and OBRiM
5. Which Practices are not implemented in OBRiM
6. How could those be implemented

IFSO - Quick Introduction

Irish financial services organization (IFSO)

- more than 10,000 employees
- revenues in excess of 1 billion Euros
- chosen for studies due to its sophisticated IT risk management practices
- has critical mass of large IT projects

Nelson's best practices

1. Avoiding Poor Estimating and/or Scheduling
2. Avoiding ineffective stakeholder management
3. Avoiding insufficient Risk Management
4. Avoiding insufficient planning
5. Avoiding Shortchanging Quality Assurance
6. Avoiding weak personnel and/or team issues
7. Avoiding insufficient project sponsorship

Is IFSO following Nelson's Best Practices? (1/3)

- **Dedicated** project investment department (PID) that evaluates every proposed IT investment and **thoroughly document** its practices
 - ◆ #1 Avoiding poor estimating and/or Scheduling --> By having a dedicated team, experience and knowledge can benefit estimation and scheduling
- PID **oversaw** every project from **end-to-end**; when it was initially proposed, through all revisions the sponsor may have been asked to make to the business case, until it was eventually approved or rejected
 - ◆ #2 Avoiding Ineffective Stakeholder Management --> Good relationship with stakeholders, standardized communication plans
 - ◆ #4 Avoiding Insufficient Planning à Responsibility to ensure planning is done properly so that project goes smoothly

Is IFSO following Nelson's Best Practices? (2/3)

- Once **projects** went live, the PID managers maintained an **oversight role**
 - ◆ #3 Avoiding Insufficient Risk Management --> Encourages proactive risk management before go-live
- PID does not reject projects due to cost concerns, but due to whether **investments bring enough value**
 - ◆ #1 Avoiding poor estimating and/or Scheduling → Ensures project scope, effort and time estimation are justified

Is IFSO following Nelson's Best Practices? (3/3)

- Uses **Standard development methodology** across all IT Projects
 - ◆ #5 Avoiding Shortchanging Quality Assurance --> Ensures no cutting short of testing and training

- PID ensures business cases include **an adequate risk management plan**
 - ◆ #3 Avoiding Insufficient Risk Management --> Ensures process of risk management is being followed

Best Practices not covered by IFSO and possible improvements (1/2)

- Project execution not part of business case evaluation, thus PID managers do not account for (insufficient risk management):
 - ◆ Lack of frozen requirements
 - Poor requirements determination
 - ◆ Team size
 - Weak personnel and/or team issues
 - ◆ Team turnover
 - Weak personnel and/or team issues
 - ◆ Lack of clarity of role definition
 - Weak personnel and/or team issues

Best Practices not covered by IFSO and possible improvements (2/2)

→ Other group of risk items overlooked by PID managers:

- ◆ Failure to manage end-user expectations
 - Lack of user involvement
- ◆ Number of users
 - Poor estimation and/or scheduling
- ◆ Conflicts between departments
 - Inefficient stakeholder management
- ◆ Linkages to other organizations
 - Inefficient stakeholder management
- ◆ Threat of competitive duplication
- ◆ Ineffective (or new) development methodology
 - Overestimated saving from new tools or methods

→ IT managers do not rely on real options model or framework

Nelson's best Practices and OBRiM (1/5)

Nelson:

- Classic mistake: poor estimating and/or scheduling

avoid it through →

- **Best Practices:** Agile Development, Estimate-Convergence Graph, Comprehensive Project Charter, Project Management Office, Retrospectives, Staged Delivery, Work Breakdown Structure

OBRiM:

- Same idea in:
 - Project Execution Flexibility & Risk Management (**EXECFLEX**)
 - Size & Complexity (**SIZECPLX**)
 - Architectural Stability (**ARCHSTAB**)
 - Clarity of Scope (**CLRSOPE**)

Nelson's best Practices and OBRiM (2/5)

Nelson:

- Classic mistake: weak personnel and/or team issues

avoid it through →

- **Best practices:** Agile Development, Communication Plan, Project Management Office, Retrospectives, Staged Delivery

OBRiM:

- same idea in:
 - Skills & Experience (**SKILLEXP**)
 - Size & Complexity (**SIZECPLX**)

Nelson's best Practices and OBRiM (3/5)

Nelson:

- Classic mistake: insufficient project sponsorship

avoid it through →

- **Best practices:** Communication Plan, Joint Application Development (JAD), Comprehensive Project Charter, Project Management Office, Stakeholder Assessment

OBRiM:

- same idea in:
 - Benefits (**BENEFITS**)
 - Organizational Support (**ORGSUPRT**)

Nelson's best Practices and OBRiM (4/5)

Nelson:

- Classic mistake: insufficient planning

avoid it through →

- Best practices: Comprehensive project charter, Clearly defined project governance, Portfolio management

OBRiM:

- same idea in:

→ Clarity of Scope (**CLRSOPE**)

The ability to provide the functionality expected/needed by the target users.

Nelson's best Practices and OBRiM (5/5)

Nelson:

- Classic mistake: insufficient risk management

avoid it through →

Best practices: Use a prioritized risk assessment table, Actively manage a top-10 risks list

OBRiM:

- same idea in:
 - Performance (**PERFORMA**)
 - Architectural Stability (**ARCHSTAB**)
 - Change Impact (**CHNGIMPC**)
 - Business Environment (**BIZENVER**)
 - Technology Novelty (**TECHNOVL**)

Practices not implemented in OBRiM (1/2)

Not implemented:

- Avoiding ineffective stakeholder management

Could be implemented by →

- Use of a stakeholder worksheet and assessment graph
- Use of communication plans
- Creation of a project management office
- Portfolio management

Practices not implemented in OBRiM (2/2)

Not implemented:

- Avoiding shortchanging quality assurance

Could be implemented by →

- Identify problem areas
- Identify quality indicators and set guidelines
- Prepare criteria
- Compare results



Thank you for your attention!

Questions?

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References

- [1] Benaroch, M., Y. Lichtenstein and Karl Robinson. "Real Options in Information Technology Risk Management: An Empirical Validation of Risk-Option Relationships." *MIS Q.* 30 (2006): 827-864.
- [2] Nelson, R. Ryan (2008) "IT Project Management: Infamous Failures, Classic Mistakes, and Best Practices," *MIS Quarterly Executive*: Vol. 6 : Iss. 2 , Article 4.