

Chapter 14

Managing Projects

Section 14.1, "What are the objectives of project management and why is it so essential in developing information systems?"

Why do so many information system projects fail to deliver on their promises? Is it because the system wasn't built correctly or was it really how the project was managed or mismanaged that caused the failure? Is it because the hardware, software, and data are flawed? Is it because user interfaces don't allow people to perform their jobs correctly? Is it because the processes aren't designed correctly? Those are all possibilities.

One of the biggest problems with IT projects is it takes too long to build systems and they often do not work as intended. Of course, this is not always true, but building systems is difficult and labor intensive.

In this section we'll introduce the five project management objectives: scope, time, cost, quality, and risk. What's most important is that information technology projects should be treated the same as any other business project—installing a new production line or designing and building a major advertising and sales campaign.

Runaway Projects and System Failure

The statistics provided in the text are startling:

- One-half of private sector projects are underestimated in terms of budget and time required to deliver.
- A large number of projects are delivered with missing functionalities.
- Only 32 percent of all technology investments are completed on time, on budget, and with all the promises met.
- Between 30 and 40 percent of software projects far exceed their original schedules and budget projections.

What is the leading cause of these dismal statistics? In two words—project management. Figure 14.1 lists the consequences of poor project management.

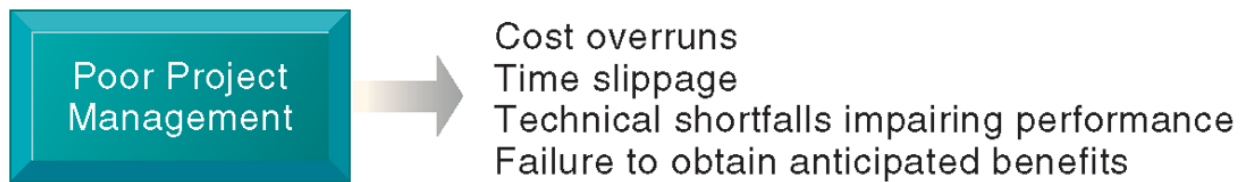


Figure 14.1 Consequences of Poor Project Management - Without proper management, a systems development project takes longer to complete and most often exceeds the allocated budget. The resulting information system most likely is technically inferior and may not be able to demonstrate any benefits to the organization.

Project Management Objectives

Information system projects range from very small, end-user development projects to major implementations of enterprise systems. Regardless of size, they all have some common characteristics.

First, they require the effective use of project management tools and technologies that help keep the project on time, within budget, and meet objectives. Every project includes the same five variables:

- **Scope:** What work is or is not included in a project?
- **Time:** Establish timeframes for each component of a project.
- **Cost:** The amount of time multiplied by the cost of human resources required of a project.
- **Quality:** Does the project improve organizational performance and decision making?
- **Risk:** Potential problems that may threaten the project's success.

Summary

The statistics for successful implementation of information systems are dismal. The leading cause of so many project failures is the lack of proper project management.

Every project includes five variables that must be adequately managed to help ensure success: Scope, Time, Cost, Quality and Risk.