Why Do Information Technology Projects Fail?

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Content

1. Introduction
2. Research methodology
3. Case studies
4. Findings
5. Conclusion

Introduction

- According to a 2009 IDC (International Data Corporation) report on Improving IT project outcomes, 25% of IT projects experience outright failure
- Based on the same report, up to 50% of the projects require material rework, and 20% to 25% do not provide Return On Investment (ROI)
- Project management is documented to be a major cause of IT project failure
- Smaller projects are less prone to failure than larger ones (2012 Garner study)

Introduction

- The definition of success in a project comes from the Standish Group. **Successfully** completed IT projects must be completed at a cost equal to the allocated budget, within the deadline, and with complete delivery of the required functionalities.
- The present paper proposes that success—or its absence—can be measured by using the following key parameters: the initial investment made by the sponsoring organization and whether the requirements defined in the beginning have been attained as forecasted.
- Following this proposal, failure occurs when at least a part of the investment must be forfeited (financial loss) and/or the agreed-upon deliverables have not been achieved.

Research methodology

- Data collection

  Two recent, publicly known cases of IT project failure were selected to be the subject of this research study:

  - ✓ The e-Borders project
  - ✓ The Los Angeles Unified School District (LAUSD) Instructional Technology Initiative

- Data Analysis

Case studies

Case I: The e-Borders Project

- Location UK, Start in 2007 with £750 millions, terminated at 2010,
- The program's goal was the creation of a technological border control system, which allowed for addressing various legal issues that stopped inter-agency information sharing
- Another important aspect was to create a better base for the use of the existing resources, allocated at the time in disproportionate numbers to arrivals control. This would have resulted in increased capacity of airports.

Case studies

Case II: LAUSD Instructional Technology Initiative

- Location: US, Start 2013 with $1.3 billion, terminated in 2014
- The expected results of the ITI project were to provide tools/devices to educators so as to advance the learning of the students and create a learning space designed and formulated to increase engagement of the learners
- LAUSD entered into a contract with Apple to provide iPad devices to 650,000 students in the district as part of a digital transformation in education through a bundled digital curriculum by Pearson Education

Findings

- The failure of the e-Borders case was due to suboptimal management, adverse ecosystem conditions combined with poor risk management, and multiple failures in execution.
- LAUSD failed to deliver its mandate. The project was a victim of its simplistic view on execution. It had a genuine idea but lacked the know-how of project execution.

Conclusion

- **The e-Borders project** failed when its ecosystem became unbalanced; hence survival became difficult.
- Projects' ecosystems are a reflection of the real world and are characterized by volatility, uncertainty, complexity, and unknowns.
- We can safely assume that when a project fails to manage one or more of these characteristics, its ecosystem becomes unbalanced.
- However, projects lack self-awareness of their ecosystem and its troubles.

Conclusion

- **LAUSD** did not perform well in the areas of research and development, where the stakeholders focused on involving two companies to provide a one-size-fits-all solution.
- The school district failed to understand that technology does not work in this miraculous and simplified way.
- Instead, the project should have been about implementing a transformation, which requires thorough planning and good project management practice.

Conclusion

- Failures are opportunities to learn and improve.
- Each failure should be investigated and lessons drawn for future projects' executions.
- Knowledge about failure will strengthen an organization's project management execution and practice.