

Managing successful IT projects

It is 8pm on a Tuesday evening and our technology consulting team has just completed Day 1 of an IT workshop for a client undergoing an organisational change. Some black coffee and live jazz music in the hotel lobby seem like an appropriate end to the day.

Listening to the jazz singer, who so easily engages us with her voice, I wonder how we, as consultants, could deal with our clients with the same ease. The singer and her ensemble bank on their talent and well-rehearsed repertoire of songs to keep their audience entertained.

For us IT consultants, it is not so straightforward. We are expected to deliver projects with a precise blend of people, culture, technology and industry best practices. Managing the expectations of our clients on all these dimensions is no song and dance.

Traditionally, investments in IT projects are substantial, requiring a multitude of technical competencies in hardware, software and services. Failure to deliver in these core areas generally results in significant additional outlay of funds, unexpected disruption of service, reduced staff morale, loss of opportunity and a dent in management's credibility.

We often need to ask ourselves these difficult questions: When was the last time we heard of an IT project delivered on time and within budget? Are the business benefits of IT implementation always realised?

A global survey of the current state of project management by PwC found that 97.5% of 1,524 respondents did not successfully complete their IT projects and that one of the most overlooked components was the people.

An IBM survey shows that people-related factors were the biggest barrier to successful IT projects with only 40% of them meeting their schedule, budget and quality goals. Software development company Geneca shows in a study that because of "fuzzy" business objectives, out-of-sync stakeholders and excessive rework, 75% of project participants lack confidence that their projects will succeed.

There are typically five groups of stakeholders who are equally responsible for ensuring the successful delivery of an IT project, regardless of its size:

1. Governing body (steering and working committee members), which ensures adherence to governance and makes decisions.
2. Drivers (CEO, CFO, CIO), who set the project's overarching strategic direction.
3. Project team (project managers, SMEs, delivery office), which is directly involved in delivering the project.
4. Solution providers — IT vendors, system integrators, product principals.
5. Users — the recipients of the IT solution.

As a veteran of IT system implementation, I fully support the statistics that show that success is dependent on bridging the gaps among the stakeholders. On one side, we have business users who do not understand the complexities of IT infrastructure and on the other, the IT team or vendors who lack knowledge of the intricacies of the business operations and needs. Closing this gap can most definitely increase the IT project's chances of success.

Once, a frustrated finance manager asked me why the functions of a new system looked so different from what he had expected. Ironically, he had worked closely with the vendor to define the system's key functions in the development stage. There was a clear gap between the IT team's understanding of his requirements and what he had expected the system to deliver.

A successful IT project requires the detailed management of people (or stakeholders) and their expectations. Each stakeholder may have his own expectations of what the system should deliver. While there are books and articles on managing people and their expectations, I am guided by my experience and feeling that we cannot discount the importance of these three points:

1. Teaching them what they don't know about IT

It is critical for all stakeholders to take an interest in IT projects so that they are aware of the



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scope, limitations and ultimate capabilities of the system being delivered at the end of the project's term. This understanding helps them contribute more constructively to the realisation of the final product. It wouldn't hurt if they picked up IT jargon like URS, UAT and SIT either.

IT folks will need to be able to explain terminology and concepts that may confuse the non-technical project members, like the difference between portals and websites, data centre and cloud computing, enterprise resource planning (ERP) and non-ERP solutions.

I strongly believe that the more stakeholders understand and are involved in the IT project, the more likely the final product will be relevant to their needs.

2. Getting the right buy-in at the right time

At a steering committee meeting that I attended recently, the CIO presented to her senior management the importance of the IT project that the company was about to embark on. She gave a strong and clear message that failure was not an option and that everyone would have to recognise his responsibility. This is a good example of engaging the senior management team at the start of the project to ensure their active commitment to setting a clear direction for the project.

Getting your stakeholders invested and interested is not restricted to senior management, of course. In reality, IT projects involve a number of both internal and external stakeholders. To get

their buy-in, awareness programmes at the right time and place are critical.

3. Knowing when to engage and disengage

For a typical IT implementation, there are different levels of intervention and engagement by the various stakeholders at each stage. Project team members need to grab the chance to engage stakeholders on decision-making at the right time. If you miss these rare opportunities, you may be throwing the entire project off track.

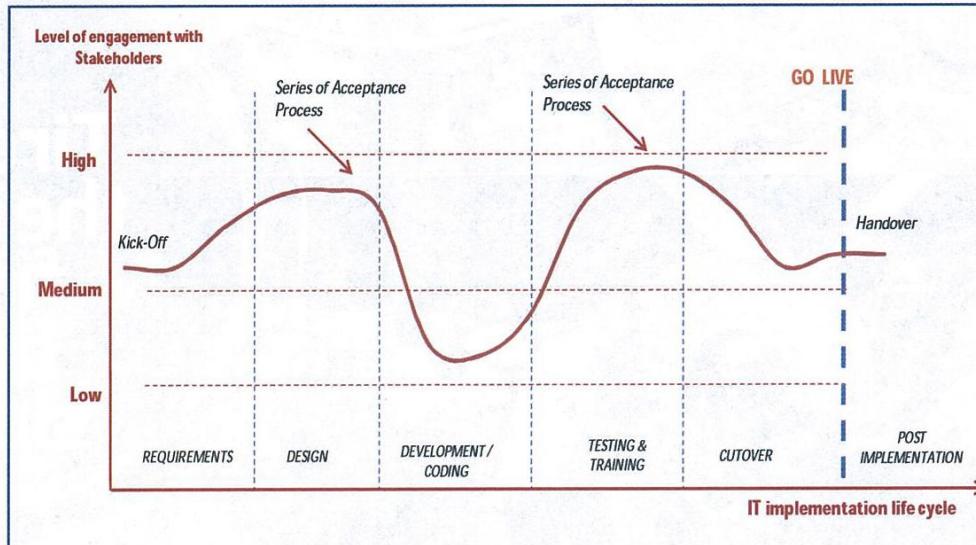
The chart below depicts when stakeholders need to be engaged in the life cycle of an IT project. As it shows, the engagement of key stakeholders is high at the start of the project and at the testing stage. However, at the development stage, stakeholder engagement is expected to be low so that solution providers can focus on development work based on the agreed design. While the system is being coded and customised, it is absolutely painful and difficult to revisit the design; doing so would likely cause delay and additional cost to the project.

The significance of the "people" aspect in the success of any IT project cannot be stressed enough. With continuous advancements in technology, people must be ready to accept change and acquire the necessary capabilities and knowledge to deliver IT projects promptly, within budget and, most importantly, with clear benefits to the business.

The stakeholders of IT projects must tackle the human aspect of things from all possible angles

— resistance and risks, commitment and participation, involvement and interaction. Managing people and their expectations is something almost everyone in business has to deal with. I am sure even the jazz singer has her days.

Shahrin Ismail is an executive director in PwC's technology consulting team. This is the fourth of six fortnightly articles by PwC Malaysia's advisory practice. The penultimate article will discuss how corporate simplification is necessary for growing businesses to remain agile and successful.



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