Information Technology Project Outcomes:
An Exploratory Study of Project Managers' Viewpoints

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ABSTRACT

Enterprise IT projects can end up costing much more than initial estimations, taking much longer time than expected or delivering benefits below expectations. The success or failure of IT projects, however, depends on the project managers. Many reasons are attributed to the success or failure of an IT project. The major stakeholders who are involved in IT projects are the right people to provide these reasons. This study was conducted among IT project managers in the Washington-Baltimore Metropolitan area to find out the most important reasons that projects succeed or fail. Washington-Baltimore metropolitan is a major hub of IT activities because of the location of the U.S. Federal Government, several government agencies and the presence of many IT contactors in the area. The study provides metric for comparing reasons for success or failure of IT projects with those projects not located in the area.

Keywords: Failure, Information Technology Projects, Project Managers, Stakeholders, Success

INTRODUCTION

Studies continue to find that a high percentage of enterprise IT projects end up costing much more than initial estimations, taking much longer time than expected or delivering benefits below expectations. Many IT projects are never completed. While several studies had been undertaken to generalize the problems and solutions, this study intends to localize the situations by conducting a study among IT project managers in the Washington-Baltimore Metropolitan area. The study seeks to find out the most important reasons why project succeeds or fails. The study is a survey of IT project managers working in the Washington-Baltimore metropolitan area, which is a major hub of IT activities. Because of the proximity of the Federal Government, several government agencies and the presence of many IT contactors are based in the area. The study is to determine reasons that affect the outcomes of IT projects from the point of view of IT project managers.

Determining the outcomes of an IT Projects is the responsibility of the Project Leaders and or Stakeholders. This study is a survey of Project Managers to determine what the attributes of IT Project outcomes are. The purpose of the study

is to determine what the managers surveyed considered to be the reasons that can affect the outcome of an IT Project. The survey solicited their views as to why project fail or succeed, and attempts to determine how project managers attribute IT Project success and failure. IT personnel from organizations completed a survey which asked them to attribute causes that can let an IT project to succeed or fail

The purpose of this study is to investigate the situation of IS/IT project Successes or failures in organizational environments in Washington Metro Area. The study is conducted in terms of finding out the main protagonist factors causing successes and failures which are quite common place in IS/IT projects embedded in organizations.

LITERATURE REVIEW

Some 33% of respondents to a recent survey identified project management as the number one management challenge for the decade, indicating that the biggest project management challenges that IT will face in the coming years are global teams, vendor partners and project portfolios (Brandel, 2006). In a recent survey by KPMG International, 81% of companies reported increases in the number of new IT projects in the past 12 months, and 88% reported increase in the complexity of projects (Bednarz & Dubie, 2006). According to the Standish Group Report more than $250 billion is spent a year on about 175,000 IT projects in U. S., and the average cost of a project for a large company is $2,322,000. For a medium company it is $1,331,000 and for a small company, it is $434,000 (Standish, 2000). According to the same Standish Group Report, 31.1% of projects will be canceled before they even get completed, while 52.7% of the projects will cost 189% of their original estimates (Standish, 2000). Large IT projects that adopted formal project management practices were more probable to meet the project target dates. IT Projects with a high degree of complexity which involved outsourcing and adoption of formal project management practices were more likely to meet the project target dates (Gowan, 2005).

The outcome of a project can be measured in many ways. Assessing project success is not precise (O'Brochta, 2002). A project succeeds if the result is of sufficient quality and the expectations of the stakeholders are met. Reasons for some success in project management are significantly related to company/organization size, project size, organization type, and project managers' work experience (Hyvari, 2006). In examining reasons affecting the success of IT projects, data about the leadership capabilities of IT project managers of 57 projects were collected and analyzed. The assessments provided by supervisors and subordinates were found to be significant predictors of outcomes (Sumner et al., 2006). Two criteria are sufficient to determine the macro viewpoint of project success. These are completion and satisfaction (Lim, 1999).

Project successes as believed by different groups of stakeholders do not match. Stakeholders external to the project organization use target cost and time to determine project success while stakeholders internal to the project use the attainment of scope of the project to determine project success. It was found that the highest determinant of success is meeting the scope of software projects, which comprises the functionality and quality of the project outcome (Agarwal & Rathod, 2006). In an exploratory survey of Project Managers, Programmer/Developers and Customer Account managers, it was found that meeting the scope of IT projects is considered the highest determinant of success (Agarwal & Rathod, 2006). Verner (2007) and others conducted an exploratory statistical analysis from data collected from practitioners to identify determinants of project success. Anil and Thomasson (1991) found that areas that should be emphasized by project managers who are committed to the success of their projects are good planning, clear responsibility, clear accountability, and schedule control. These areas have the greatest impact on the performance of the project.

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