IT Development Risks

- IT introduction is high risk often with hidden costs in process.
- Projects over $1.5 million 90% over budget, 98% change specification, 60% over time, 20% percent inappropriate.
- Research suggests between 30 and 40% of IT projects realise no major benefits.
- 26% of all projects have disappointing results.

(Wilcocks and Sauer, 2000)

Risks cont..

- 40-75% of projects perform below expected levels.
- 42% of corporate IT projects abandoned before implementation.
- 75% of ERP systems unsuccessful
- 50% of projects don’t meet CEOs expectations.

(Griffith, Zammuto, Smith, Industrial Management 1999)

S&P - Failure

- Some estimates of failure suggest as much as 60% of systems fail.

"Much of this problem can be traced a poor communication between developers and their business clients or between developers and the users." (118)

Project risks/failures

- User commitment
- User training and experience
- Project time
- Project team experience
- Staff stability
- Project management
- Management support size/complexity
- Definition or uncertainty/technical uncertainty
- Number of departments/units

Risk profiling – IT development

(Oz, Sosik, Journal of Computer Information Systems, 2000)