

## Additional slides for Lecture 3

## 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..

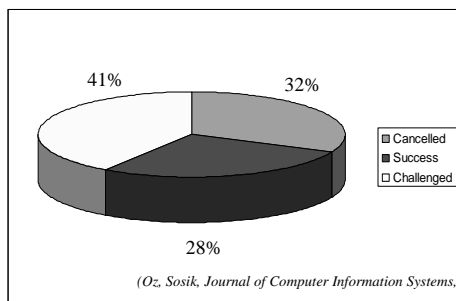
- 40-75% of projects perform below expected levels.
- 42% of corporate IT projects abandoned before implementation.
- 75% of ERP systems unsuccessful
- 50% of projects don't meet CEOs expectations.

*(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



## Risk profiling – IT development

- | System content  | Development process   |
|---|---|
| <ul style="list-style-type: none"><li>• User commitment</li><li>• User training and experience</li><li>• Project time</li><li>• Project team experience</li><li>• Staff stability</li><li>• Project management</li><li>• Management support size/complexity</li><li>• Definition or uncertainty/technical uncertainty</li><li>• Number of departments/units</li></ul> | <ul style="list-style-type: none"><li>• Size</li><li>• Complexity</li><li>• Definition or uncertainty</li><li>• Technical uncertainty</li><li>• Number of departments/units</li></ul> |