Gode offentlige it-projekter

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24. AUGUST 2017
Before we start, please go to www.menti.com for a short quiz about IT projects

1. Grab your phone
2. Go to www.menti.com
3. Use the code 91 08 69
Agenda

Previous research findings on IT Projects

Implement and University of Oxford – a joined research project

Some early findings of the joined research

Wrap-up: Where do we go from here
## A study of frequency and size of overrun in large (IT) projects

<table>
<thead>
<tr>
<th></th>
<th>Roads</th>
<th>Bridges/Tunnels</th>
<th>Energy</th>
<th>Rail</th>
<th>Dams</th>
<th>IT-enabled Change</th>
<th>Olympics</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cost overrun</strong></td>
<td>20%</td>
<td>34%</td>
<td>36%</td>
<td>45%</td>
<td>90%</td>
<td>107%</td>
<td>179%</td>
</tr>
<tr>
<td><strong>Frequency of overrun</strong></td>
<td>9/10</td>
<td>9/10</td>
<td>6/10</td>
<td>9/10</td>
<td>7/10</td>
<td>5/10</td>
<td>10/10</td>
</tr>
<tr>
<td><strong>Schedule overrun</strong></td>
<td>38%</td>
<td>23%</td>
<td>38%</td>
<td>45%</td>
<td>44%</td>
<td>39%</td>
<td>0%</td>
</tr>
<tr>
<td><strong>Benefits shortfall</strong></td>
<td>10%</td>
<td>N/A</td>
<td>N/A</td>
<td>-51%</td>
<td>-11%</td>
<td>-24%</td>
<td>N/A</td>
</tr>
<tr>
<td><strong>Cost Black Swans</strong></td>
<td>5%</td>
<td>9%</td>
<td>7%</td>
<td>6%</td>
<td>10%</td>
<td>18%</td>
<td>6%</td>
</tr>
<tr>
<td><strong>Duration (years)</strong></td>
<td>5.5</td>
<td>8.0</td>
<td>5.3</td>
<td>7.8</td>
<td>8.2</td>
<td>3.3</td>
<td>7.0</td>
</tr>
</tbody>
</table>

**About the study**

A study by Oxford university with data from over 4,300 projects with an average cost per project of more than DKK 100m is used.

**What to notice**

- Average cost overrun is **107%**
- Duration of IT projects is **3.3 year**
- Risk of black swans is **18%**

Source: Bent Flyvbjerg, YYYY
## What we know about the difference between Private-Public IT Projects in Denmark

<table>
<thead>
<tr>
<th></th>
<th>All IT</th>
<th>DK</th>
<th>DK Public Sector</th>
<th>DK Private Sector</th>
<th>YOU</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost overrun</td>
<td>107%</td>
<td>77%</td>
<td>64%</td>
<td>82%</td>
<td>??</td>
</tr>
<tr>
<td>Frequency of cost overrun</td>
<td>5 of 10</td>
<td>7 of 10</td>
<td>6 of 10</td>
<td>7 of 10</td>
<td>??</td>
</tr>
<tr>
<td>Schedule overrun</td>
<td>39%</td>
<td>44%</td>
<td>49%</td>
<td>40%</td>
<td>??</td>
</tr>
<tr>
<td>Benefits shortfall</td>
<td>-24%</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
<td>??</td>
</tr>
<tr>
<td>Cost Black Swans</td>
<td>18%</td>
<td>30%</td>
<td>25%</td>
<td>44%</td>
<td>??</td>
</tr>
<tr>
<td>Duration (years)</td>
<td>3.3</td>
<td>2.1</td>
<td>4.9</td>
<td>1.1</td>
<td>??</td>
</tr>
</tbody>
</table>

Source: Alexander Budzier, YYYY
What does data tell us about the cause of an increased schedule risk and what characterize longer projects?

- **Change Management** is a key risk for the schedule.
- **Resistance to the change** is a characteristic for long projects.

A lot of research and studies have been conducted on Change Management.

**However,** no previous study has looked into the true value of Change Management in IT Projects. Hence, the motives behind our co-study with University of Oxford.
Agenda

- Previous research findings on IT Projects
- Implement and University of Oxford – a joined research project
- Some early findings of the joined research
- Wrap-up: Where do we go from here
We want to deepen our knowledge and test our beliefs by conducting scientifically acknowledged research on IT Projects

A PARTNERSHIP BETWEEN IMPLEMENT AND UNIVERSITY OF OXFORD

ICG and University of Oxford have engaged in a joined research project. The collaboration consists of:

• Joint research about Change in IT transformations
• Study trips with workshops and case visits on Programme and Project management
• Benchmarks based on customer data on execution capacity in the organization & industry

PURPOSE OF THE STUDY

To create an empirical foundation to highlight the impact of change management in large transformations.

DATA DRIVEN RESEARCH

Collecting data from min. 200 IT Projects across geography and industries

TESTING THE KNOWN TRUTH

We are testing the validity and impact of "known truth" about change management and true impact from change activities on project success rate.

CONTRIBUTOR

• Bent Flyvbjerg, Oxford University
• Alexander Budzier, Oxford University
• Implement Consulting Group
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Some Early Findings

1. Structured change approach: yes, but what does that really mean?

2. Line management ownership, support and active promotion are important yet lacking

3. Communication is important – but projects tend to talk about themselves not their audience
Defined Change Approach

69% of projects followed a defined change approach.

However, when asked to explain, most projects were vague on what this actually means:

• “I had to define it myself”
• “I set out some milestones”
• “Plan then execute”
• “Scrum”
• “Waterfall”
• “Balanced Scorecard”
• “Minimum viable product”
## Support, Promote, and/or Own?

<table>
<thead>
<tr>
<th></th>
<th>Top Management</th>
<th>Middle Management</th>
<th>Front-line Management</th>
</tr>
</thead>
<tbody>
<tr>
<td>Support</td>
<td>8.3</td>
<td>7.3</td>
<td>7.3</td>
</tr>
<tr>
<td>Promote</td>
<td>7.3</td>
<td>6.5</td>
<td>6.6</td>
</tr>
<tr>
<td>Own</td>
<td>7.0</td>
<td>6.6</td>
<td>7.0</td>
</tr>
</tbody>
</table>

Measured on a scale from 1-10 (1 = not at all; 10 = to a very high degree)
Impact of Support/Promote/Own

To what degree...

- did the project have the intended impact?
- did each level support/promote/own the project?
Communication Approach

*92%* of projects had a plan for **continuous communication**

To what degree were the end users engaged in **actual dialogue** about the project and changes?

- Not at all: 2, 1
- To some degree: 4, 7
- To a high degree: 4, 4, 13
- To a very high degree: 7, 2, 4

46% | 54%
What Did The Project Communicate?

- Future system: 80%
- Project status: 80%
- The change: 71%
- Process: 71%
- Benefits for organization: 69%
- Future roles: 45%
- Other (risks, training): 22%
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Is the frame setting in public projects too rigid for a structured approach within these aforementioned areas?

I believe that …

<table>
<thead>
<tr>
<th>A structured change approach is needed</th>
<th>Line management ownership should be improved</th>
<th>Communication is important</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Public sector projects have difficulties in identifying all receivers of the project and that sponsors do not request a structured involvement plan and approach because it is difficult</td>
<td>• The structure with many governance layers work against the need for stronger management ownership</td>
<td>• Engage in dialogue about future roles and new organization from the beginning</td>
</tr>
<tr>
<td>• Public projects still are to focused on deliverables instead of impact and that the common project model support this approach</td>
<td>• Line managers should be given mandate that match the responsibilities when delivering projects</td>
<td>• Set minimum requirement in the project models about communication and give support from central places</td>
</tr>
<tr>
<td>• We should have a common structured change approach in public projects</td>
<td>• Front line managers should be involved in the decision process in the very early stages to improve engagement and support and not just told to deliver when decided</td>
<td>• Stop requesting project status as a communication effort and instead take management ownership of a professional communication effort</td>
</tr>
<tr>
<td>• The funding process of public projects do not allow for budget to a structured change approach in a sufficient way</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Change with Impact.
Thank you!