

## Case Study

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# Why Projects Fail

## A University Accounting System

**In this project the numbers didn't add up**

**But an honest appraisal of the issues has left us  
valuable pointers for future projects**

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### Of interest to:

Principals, Vice-Chancellors, Senior Management, IT Managers,  
Project Managers, Finance Managers

### Project Failure is an all too common phenomenon

We look at some of the reasons why.

### Projects are about People

The problems in this project had less to do with technology than with  
the approach to project management.

### Using the Lessons Learned

The fundamentals of project management apply to any scale of  
project and they are ignored at your peril. JISC infoNet resources  
can help you get the most out of your projects.

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## Why Projects Fail

### A University Accounting System

A large university developed a new accounting system that did not work for its first 6 weeks of operation. Several months later it was seen as 'failing to do what it was supposed to do', and as 'unreliable'. This failure led to a major investigation which concluded that basic project management procedures had not been followed and that it would take at least 2 years to put things right.

It was a series of smaller oversights and failures that led to a catastrophic failure of the system as a whole, because of the interdependent nature of the tasks and responsibilities in the project.

Recommendations from the investigation into the failure invited the University to restructure the IT services team, develop and implement an Information Systems Strategy for the university, introduce monitoring procedures for IT development projects, instigate formal procedures for employing external consultants and improve communication and build trust between the academic and administrative communities.

Below are some of the major problems identified. So what went wrong and what are the lessons we might learn to guard against failure in our own projects?

### Overspend

The purchase of a new computer system appears to have been planned without any serious attempt to calculate the cost, or to identify where the money to pay for it was to come from. This was part of a significant overrun of costs for the whole project.

#### Project Management Lessons

There was a failure of budgeting for the cost of these particular project deliverables. An initial costing should have been part of the business case made. By presenting a full business case before the project is started, a commitment to resources is obtained from stakeholders and senior management. The construction of a business case also ensures that time is allowed to fully assess costs and benefits of any proposed new system before the project gets underway.

Inadequate attention to tendering and drawing up contracts

Consultants seem to have been employed without proper tendering practices being followed, and when engaged were not given written briefs.

It appeared that a contract committing the University to an expenditure of millions of pounds was signed with the database software suppliers without the University having taken legal advice about its contents.

#### Project Management Lessons

Roles and responsibilities need to be clearly defined. This is especially true for staff being brought in from 'outside' who will have little awareness of other aspects of the project.

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A university or college is expected to demonstrate best value for money in the same way as a commercial organisation, and this can only be demonstrated if the organisation's procurement procedures are adhered to. The procurement process is itself a project to which basic project management principles should be applied.

### **Lack of planning of project infrastructure**

Preparation for the implementation of the accounting system was disrupted when the team working on it was moved into new office space which was not yet properly equipped, and which remained so for five months.

#### **Project Management Lessons**

This indicates a lack of planning of the basic tools that allow the project staff to conduct their day-to-day work. This problem also indicates of a lack of attention to 'people' issues including the infrastructure of the project.

### **Senior staff changes and lack of accountability and involvement**

The project manager changed more than once and no senior manager in the University took responsibility for the project.

#### **Project Management Lessons**

A major cause of project failure is the lack of a senior management advocate or sponsor. It is unclear how a project on this scale could start without such a sponsor but experience shows that a project will almost inevitably fail without senior management backing from the start.

The senior manager responsible has to maintain a sense of ownership throughout the project and needs to ensure that the allocation of major resources is followed through.

### **Unrealistic deadlines**

The original deadline for the project was strictly adhered to, despite the fact that it could have been delayed, several senior project staff had resigned, and influential voices had questioned the viability of the go-live date.

#### **Project Management Lessons**

Effective planning and monitoring includes being able to realise when changes are required and re-planning is necessary. Good risk management and contingency planning might have mitigated this problem but the unexpected can still occur. It seems here that no-one could see the wood for the trees – there was no particular reason for the particular deadline date and the end of the project could have been postponed. A constant awareness of the strategic aims and objectives of a project is required, particularly when plans start to go awry.

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### **Lack of contingency plans**

There were no alternative procedures for administrative staff to follow when the operational system was found to be not working properly. This put enormous strain on those staff.

#### **Project Management Lessons**

This indicates a major failure of risk management. If a more phased handover had been planned, or parallel running of old and new systems held in reserve, then staff could have continued with the old system while problems were fixed in a controlled way. One of the key risks for any project is overrunning – most projects to implement new information systems do overrun. Contingency plans for this eventuality are therefore vital for any project.

**Reference:** Information is drawn from the report on the project failure.

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