

IT Projects: Getting Beyond CHAOS

Over-achieving IT projects? It sounds too good to be true. But new research by Dr. Andrew Gemino of Simon Fraser University completely contradicts those gloomy Standish Group 2006 CHAOS report statistics indicating that two-thirds of IT projects perform poorly or fail and only one-third succeed.

Gemino has just compiled results from a 2003 research survey in which two-thirds of IT projects succeeded and just one-third failed, with several projects actually over-achieving their targets.

The research comprised two independent studies in the U.S. and U.K., in which the researchers examined survey responses from a total of 741 project managers with 15 years or more experience in the IT industry and eight or more years managing projects.

Gemino then used a data-driven clustering method that identified five types of project groups reported in the surveys: abandoned, budget-challenged, schedule-challenged, good performers and star performers.

"The most interesting group we found was the star performers," says Gemino. "These projects over-performed on budget and scope and were present in both studies. We were the first to report this finding."

A new benchmark for success

This new research, says Gemino, suggests that we need a new benchmark for what is reasonably achievable in IT projects. Based on his research, experienced project managers should be able to come within small margins (plus or minus seven percent) of their budget, schedule and scope targets on at least two out of every three projects.

"IT projects are as likely to over-perform as they are to fail, but we don't seem to hear about over-performing projects" says Gemino. "Failures gather more attention, but our economy's continued investment in IT suggests organizations must be getting good value. The star performers we found provide some justification for this "

Perhaps more importantly, Gemino suggests that some of the attention placed on budget and schedule targets is misplaced. "The Standish Group has focused on hitting scope, schedule and budget targets," explains Gemino. "But how much does this tell us about a project's real performance? We need to place more focus on a project's benefits and business value when we're considering performance. Senior managers need to recognize this and organizations need to focus on creating value through projects.

"Simply hitting budget and target schedules does not mean the project adds value."

PMPerspectives.org is a website which connects project managers and sponsors with project management researchers. Our mission is to understand and improve project management practices. The research team comprises Dr. Blaize Horner Reich and Dr. Andrew Gemino from Simon Fraser University, Canada and Dr. Chris Sauer from Oxford University, UK.

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