

# Stop Blaming the Software

Corporate Profiling for IT  
Project Success

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*“A man can fail many times, but he isn’t a failure until he begins  
to blame somebody else”*

Author and Naturalist John Burroughs (1837-1921).

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# PREFACE

*“Public relations people seem better than ever at helping to hide massively screwed-up corporate and governmental programming projects from stockholders and citizens.”*

Stephen Manes, commenting on the changes he has observed over the past 25 years. Full Disclosure, Stephen Manes, PCWorld, December 2008.

## Preface

**W**hy do we expect IT projects to go according to plan, while we simultaneously harbor expectations of failure? This is a paradox we mentally juggle, albeit only fleetingly, when we start an IT project. If we have communicated widely, decided collaboratively, and planned extensively, then why do our concerns and nagging doubts persist as the project progresses? With the absence of any rational answers to our concerns, and with failed IT projects typically dominated by biased opinions, scapegoats, finger pointing and refutations, there has been a crucial need for research to uncover the root causes of failed IT projects.

My approach to the research behind this book comes from the perspective of pre-implementation planning analysis rather than the technical aspects of IT project implementation. It identifies what needs to be done within the organization pre-implementation to increase a project's probability of success. The formulation of these understandings has been derived from investigations into the outcomes of IT projects and through analysis of many levels of implementation feedback to determine the root causes. Although these findings overlap to

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some degree, I have categorized them under the pre-investment decision-making and pre-implementation planning processes.

Both processes are interlinked by decisions that are made pre-investment, underpinning and driving the pre-implementation process that then cascades into how the project progresses through its life cycle. Because planning follows decision making, the actual decision-making process requires rigorous dissection and analysis. This is at the heart of corporate profiling. Profiling the organization pre-implementation and the disciplines involved in such profiling, is the conceptual idea of this book. The critical answers to why, how, and who are accountable will be analyzed thoroughly.

To fully discuss the technical and project management aspects of an IT project, the rebuttals from victims and liable parties, and the volumes of commentary that a failed IT project generates would create a substantial hole in the rain forest. I have therefore attempted to create a handbook and guide rather than yet another project management reference manual. With a strong background in IT and my research thesis in business, I will focus on the business level at which IT projects commence and also become unhinged.

# CHAPTER

# 1

## The Global Landscape of Failed IT Projects

*"I don't know the key to success, but the key to failure is trying to  
please everybody"*

Bill Cosby

## The Global Landscape of Failed IT Projects

Ongoing worldwide publicity surrounding major IT project failures highlights the considerable burden they cause to our economy and the financial and opportunity costs they incur for affected organizations. With businesses operating in an increasingly global, turbulent, competitive, and customer-driven environment, constant changes are required to adapt to this ever-morphing business milieu, which is driven by competition, profitability, costs, and customer demands.

With the latest global estimates putting the total direct and indirect costs of IT project failures at a staggering US\$6.2 trillion (Ref: Roger Sessions). And with only one in three IT projects likely to be successfully delivered, one in four either failing or being cancelled, and the rest being “challenged” with massive budget overruns, it's high time for a call to action by business leaders.

Major strategic IT investment decisions are fraught with risk and unknown outcomes. More importantly, such major changes have a cascading impact on an organization's processes, internal and external communications, and relationships, requiring each component also to adapt to these changes. Organizations that

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are unable or unwilling to match their changing environment and adapt their IT change programs accordingly will inevitably increase the probability of their IT project implementations failing to achieve their intended objectives. It follows, therefore, that to mitigate against the risk of systems becoming mismatched investment decisions, all aspects of proposed changes need to be rigorously managed with extreme precision before making any IT investment decisions.

During my many conversations and interviews with organizations that (for obvious reasons) demanded anonymity, one theme always emerged. Small, medium, and large organizations alike lamented their “shortfalls” that, with hindsight, became glaringly obvious. They all concurred that foresight into these areas could have been achieved if they had commissioned corporate profiling, as I described it to them, before they spent their hard-earned money. Specifically, I discussed with them the organizational decisions and processes they could have identified, analyzed, defined, and executed before making their investment decisions. In hindsight, they would have identified and consulted with their departments, staff, and end-users in the initiation process, well ahead of the project startup phase.

They unanimously concluded that their project failures were not due primarily to shortcomings in technology or to their organization’s lack of technical knowledge, but rather because of inadequately shared and communicated strategies, a lack of pertinent input from unidentified indirect sources, communications which extend to include direct and indirect channels, insufficient training, and poor management practices. Since these are the likely factors at the crux of most organizational

## **The Global Landscape of Failed IT Projects**

IT implementation issues, why then, after millions of dollars have been spent on corporate strategic plans, mandating communication strategies and management training, do IT implementation projects still fail?

Whilst I completely agree that the above-mentioned investments, activities, and management practices need to be rigorously addressed throughout a project's life cycle, organizations that have such frameworks in place to support IT change will continue to experience project failures if they rely on these processes in isolation as a panacea for overcoming IT mismatches.

My research indicates that when only a single change process is applied to an entire IT project or, worse still, when multiple disparate change processes are used in isolation, they offer only a limited opportunity to successfully manage the entire IT implementation process from beginning to end. Considering that an IT implementation project involves extensive organizational change, a more comprehensive and integrated end-to-end pre-implementation change process is required.

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## Scapegoating

*“A good scapegoat is nearly as welcome as a solution  
to the problem”*

Author unknown

# Scapegoating

## Gearing Up for Failure

**A**t the outset of a project, vendors, developers, and systems implementers assume that their customer has meticulously and extensively gathered and documented the organization's complete and accurate project requirements. The customer also assumes that their IT, business, and user requirements have been diligently gathered and correctly documented. Otherwise, why embark upon the project?

Frequently, both parties later discover rather that their project's requirements are incomplete or incorrect. The primary reasons for insufficient, inaccurate, or incomplete requirements are because either the wrong people have been tasked with specifying the requirements or because they failed to gather requirements from pivotal and often unidentified user sources. These sources, invariably, can often only be properly identified through corporate profiling.

Additionally, vendors, developers, and systems implementers fall prey of their own self-interest. Inadvertently they exacerbate the problem by pushing organizations

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to start the project prematurely. This in itself becomes a double-edged sword since there is a fine line between what their customer deems acceptable or unacceptable in terms of paying for additional project changes once implementation is underway.

This scenario is largely dependent upon the size of the customer's organization and whether the customer is able to absorb the additional costs needed to continue with the implementation. If changes or scope-creep increase the project's budget beyond its established limits, the project may fail or need to be euthanized. This inevitably reflects badly upon vendors, developers, and systems implementers and makes them the prime target for becoming third-party scapegoats. Why? Because, inevitably, the customer will deflect the blame for the project's failure onto someone else.

In the final analysis, irrespective of how failed projects are rationalized, heads will roll and scapegoats will be found. These pitfalls are easily avoided if all parties involved insist on comprehensive corporate profiling before implementing the project.

## **The Art of Seeking out Scapegoats**

Let it be said upfront: there is no single or absolute definition of what constitutes a "failed IT project." However, the vast majority of implementation failures are identified and defined when the project goes over budget, is overdue, or is not fully utilized by the user because the new system does not deliver the anticipated benefits or functionality the organization requested from its suppliers or vendors.

## Scapegoating

When IT implementations become rogue, runaway projects or fail to deliver, organizations generally demand that scapegoats:

- (1) Take the blame so the company doesn't look inept in the eyes of its stakeholders
- (2) So it doesn't look technically or commercially incompetent
- (3) It doesn't appear that the company made poor decisions
- (4) Take the blame for cost overruns

As with any major IT implementation, everyone is responsible for his or her contribution to the project, and ultimately someone will be accountable for poor outcomes. Unfortunately, in this context, accountability is synonymous with scapegoat because someone or some third party (or parties) will be forced to shoulder the blame for corporate accountability to the organization and its stakeholders.

Typically, such accountability will rest on the shoulders of those most closely involved, such as:

- The CIO
- The departmental IT Manager
- The project sponsor
- The project manager

With accountability attributed to the appropriate internal scapegoat, the "Root Cause" will then be further analyzed and

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will ultimately be pinned on external third party scapegoats such as:

- The vendor
- The developer or systems implementer
- The software
- Third-party consultants and project managers

Ultimately, one of the above internal and or external entities will shoulder the blame for IT projects failing. This will inevitably result in a public fall from grace, being fired, being blacklisted, or the supplier, systems implementer or consulting agency's name becoming a "Chinese Whisper" on the notorious industry rumor-mill, which will seriously impact future demand for the company's products and services.

This is not to say that a bloodbath always ensues, but my involvement in numerous postmortem committees suggests that this is generally the rule rather than the exception. Often the blame for project problems is attributed either to internal people who are tasked with implementing systems, or to third-party suppliers, rather than the C-Level executives, managers, and presidents who prematurely gave the go-ahead in the first place.

### **Why Third Parties become Scapegoats**

So, why do other people and third parties become scapegoats when executive decision makers are responsible for the parameters guiding most projects? Often it is due to the time lag between a unilateral IT investment decision and the project's completion or failure point. If the time differential is protracted, executive decision makers conveniently forget that it was they

## **Scapegoating**

who made investment and project decisions with insufficient input or feedback from the rest of the organization regarding the requirements for a successful outcome.

This time lag causes people to incorrectly assume that subsequent project problems that adversely affected the project's outcome are caused by more recent events, rather than as a result of decisions made before the commencement of the project. Accountability and blame are therefore attributed to those involved in the actual project implementation, rather than those who made the investment and pre-implementation decisions in the first place.

To avoid this situation and to ensure a rigorous pre-IT implementation decision-making process, corporate profiling must be undertaken. If not, memory of the pre-implementation process will be impaired or steered by a myopic vision of those really responsible for it. The end result is that those who were responsible will not be held accountable for their all-important premature investment and flawed decisions in the pre-IT implementation process.

### **Identifying the Unidentifiable**

It is said that theologians are experts in the unknown. Likewise, organizations need to be experts at identifying “unknown contributing factors” that will underpin the success or failure of their IT implementations. These factors are easily missed because, unless one knows where to look for them, they will remain obscure and unidentifiable.

These factors often appear as minutiae in the big picture (and are assumed to be too obvious to be overlooked), or are so well hidden in the corporate scaffolding that they are unidentifiable. Alternatively, they may be so simple that they are simply ignored

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or mismanaged. Murphy's Law always catches people out when they least expect it to.

Only once an organization has been extensively profiled can it possibly hope to identify all the factors that need to be considered. This profile will help organizations identify and understand the level of detail required in the end-to-end implementation process. However minute or insignificant certain components in the process are believed to be, these are often the components that determine whether an IT implementation succeeds or fails.

This means that when considering an IT implementation, organizations and their people need to be able to identify, manage, execute, and check every step in the pre-implementation process. This will ensure that no corporate relationships are unidentified, no information sources are left untapped, no communications channels are unidentified, decisions will be supported, and that no requirements will be left unasked for and undocumented before project commitments are made.

The pre-implementation process is a self-contained process that most organizations unfortunately tend not to embrace as fervently as they do the implementation itself. Nevertheless, it is a process that must be adopted and effectively managed to achieve a successful implementation.

In making a major personal investment in property, stock, or a new car, we need to make a detailed analysis of all the factors that may impact positively or negatively upon such an investment. Similarly, in making IT investment decisions, analyzing the details is paramount because, as always, the devil is in the detail. What may at first appear to be a minor detail can quickly become a major factor in determining a project's success or failure.

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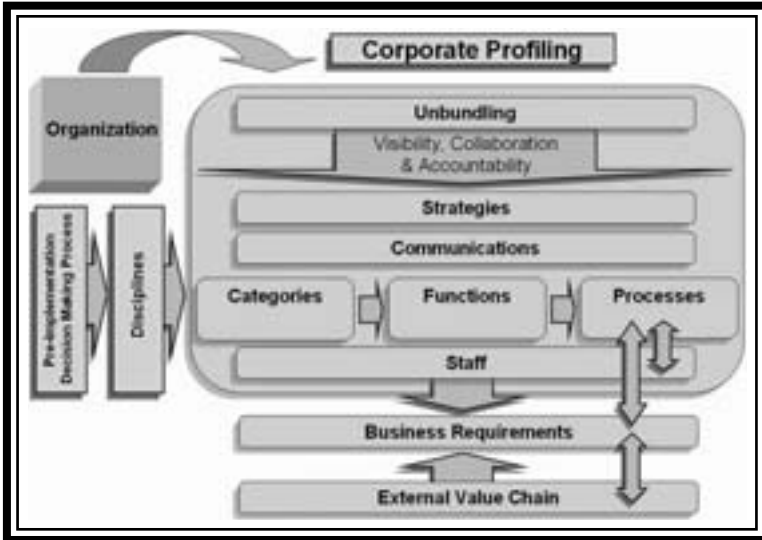
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## Corporate Profiling

*“The beginning is the most important part of the work”*

Plato

## Corporate Profiling



**C**orporate profiling promotes three key principles: Visibility, Collaboration, and Accountability.

Visibility of an organization's key elements is vital to the profiling process and can only be achieved once an organization has been unbundled or dissected.

Profiling promotes collaboration on all strategic decisions to ensure that unbiased quality decisions are arrived at, consensus is achieved, and decisions are fully supported. Collaboration is also a prerequisite for requirements gathering.

Accountability empowers employees to drive change and to feel involved rather than becoming cynical or resistant to change. Accountability is also a critical factor for ensuring quality input into strategic project decisions.

Corporate profiling is a relatively straightforward yet comprehensive process and is the first step to be undertaken before an organization even contemplates investing in an IT system. Profiling will dramatically reduce the risk of an IT

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failure at the outset because it establishes a solid foundation of qualified, objective, comprehensive, and accurate organizational information from the appropriate sources.

The information derived from a corporate profile provides the answers and input required for each step within the pre-implementation framework. This greatly helps to ensure that each fundamental step has rigor and accountability locked in rather than being left to chance.

By integrating this information into the pre-implementation process no interconnected corporate relationships are left unidentified and no information sources are left untapped. Decisions are made, executed, and fully supported and no requirements are left undocumented when embarking on the critical path of implementing an IT system.

Profiling will significantly improve the identification of internal and external business, user, and stakeholder requirements. This is achieved by recognizing that causal factors are often indirect or unidentified and that the source of such salient requirements can either be external or deeply hidden within an organization. In the process, profiling identifies those internal or external factors that may be resistant to change, making ongoing management tasks more effective in countering such resistance.

### **Corporate Profiling Identifies**

- Where systems, processes, relationships, and people are interlinked within an organization and its external and internal value chain
- The common or causal factors between corporate, business, and IT
- Hidden or not so obvious factors that could easily be overlooked

## Corporate Profiling

Corporate profiling consists of two phases:

Phase one delivers an in-depth blueprint of an organization, its functions, processes, people, and their interlinked relationships. Each organizational element is either directly or indirectly and formally or informally involved in the change. In addition, these elements will either positively or negatively influence other elements that may impact on the success or failure of a project.

Phase two analyzes an organization's external value chain of upstream suppliers and downstream customers. Once they have been identified, their relationships with the organization can be analyzed to determine whether they are direct or indirect and formal or informal to identify where they are interlinked with the organization, its functions, processes, and people.

### **What does Corporate Profiling Achieve?**

The three key principles of profiling, visibility, collaboration, and accountability help ensure that profiling:

- (1) Unbundles an organization to provide visibility of all of its functions, departments, and processes as well as its customers and suppliers that will impact, effect, or need to be involved in the IT implementation.
- (2) Identifies the interconnected relationships and links between an organization's functions, departments, tasks, and its customers and suppliers.
- (3) Identifies which internal and external information sources need to be involved in requirements gathering. These are often the people or departments that liaise with customers at a grassroots or coal-face level or even informally.

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- (4) Identifies all direct and indirect, internal and external, formal and informal communications channels and sources.
- (5) Establishes and supports the correct and most efficient communication channels between parties involved in the project. This is inclusive of the organization, its customers, suppliers, vendors, and stakeholders.
- (6) Provides an extensive framework of salient decisions and questions that an organization's leaders and executives need to address at the outset. These decisions validate the project and underpin its success by mandating core strategies vital for the project's execution and flow. Consequently, these decisions require collaboration between relevant parties and peers to ensure consensus, and therefore a fully supported decision.
- (7) Ensures commonality between the organization, business, and IT strategies and end objectives and ensures that these are clearly and effectively communicated and understood by all parties.
- (8) Assigns decision making and responsibilities to appropriate people, groups, and departments and ensures simultaneously that ultimately only one person is accountable for each decision. This increases the probability that optimal decisions based upon factual, high-quality input are made. It reduces the "he said – she said" finger-pointing scenario and blind, off-the-cuff decision making that can occur when people do not feel involved or empowered.
- (9) Ensures that the most appropriate organizational components and people are responsible and accountable for their input into the decision-making process. Often, when people are not made accountable for their decisions or actions, they blindly

## Corporate Profiling

follow or acquiesce either because they cannot be bothered deciding on the best course of action themselves or because they perceive the other person to be more knowledgeable.

All of the above will ensure that an organization's profile will be an extensive blueprint for what it needs to know, undertake, and establish before proceeding with an IT investment.

A comprehensive profile must be founded on common objectives between the three business categories (organization, management, and IT). Executive support from within these categories must be secured, and cohesion and collaboration must take place at all levels to drive tri-directional communications throughout an organization.

Since each category contributes to the development of an organization's operational, management, and pre-implementation processes, they are all involved in profiling and are the enablers of successful IT projects and ultimately will sustain future IT innovation.

Before committing vendors and system implementers to an IT project, organizations must invest time and effort upfront in developing a comprehensive corporate profile. Unless organizations can address each element within the profiling process before making their investment decisions, they will not be adequately prepared to move forward. Insights gained into the inextricable links between an organization's internal and external elements will give management the foresight of knowing precisely what their business, users, and customer IT system requirements are. Such insight will serve the organization far better before IT investment decisions are made, rather than after the project's conclusion.

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## Epilogue

*“The men who try to do something and fail are infinitely better  
than those who try to do nothing and succeed”*

Lloyd Jones

## Epilogue

**I**T project management principles that were established in the early 1970s have evolved to shape our accepted processes, management, and expected outcomes from IT implementations. Although these principles are fundamental to an IT project's success, this book has described how and why these processes need to be preceded by a rigorous pre-implementation corporate profiling process to reduce the incidence of IT project failures.

Even with proven project management methodologies in use, it's sad to see there is no end in sight to failed corporate IT projects and the extraordinary waste of time, money, and resources and the disastrous outcomes. The careers of good people fall by the wayside and the reputations of sound companies are tarnished, not to mention losses to shareholders. Lessons from past failures should give organizations reason enough to examine beforehand what they are contemplating doing and to be better prepared before investing in new IT projects. The examples cited in this book are a clear warning and a call for executives to ensure a rigorous analysis of requirements from all parties involved and to deliver a well—documented corporate profile before IT projects are initiated.

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Although these concepts may be new to an organization, with this newfound understanding that the root causes of IT project failures are unlikely to be the software, vendors, the IT team, or project management methodologies, but rather a lack of corporate visibility, organizations must be prepared to undertake these corporate profiling initiatives. An organization's IT project pre-implementation processes need to be re-evaluated to ensure corporate profiling features prominently. Organizations may need to discard outdated notions that the all-important strategic IT decisions are made and executed in isolation, with little or no accountability from, or collaboration with, those who are best placed to speak on behalf of their groups. The alternative is to continue facing the risk of failure and the dire consequences.

The key issue at the heart of IT project failures is simply a lack of accountability by chief or senior executives for their IT investment and pre-implementation planning process decisions. This causes multiple failures everywhere in these projects because, beyond making the investment, there was no accountability for making high-level project process decisions, for establishing a pre-implementation process accurately identifying what the organization required, what the project needed, and what had to be done to ensure success. CIOs need to have a business orientation and completely understand how their organizations operate. More specifically, they need to understand what is different about their organization's needs to other businesses. Often project committees have people on board who know their part of the business, but there is no overriding "umbrella" view to give the necessary overall insight into how it all fits together and why it needs to fit the way it should. Consider the Airbus 380 that experienced major holdups because wiring looms did

## Epilogue

not fit correctly. It then becomes immediately clear that project failures are not the exclusive domain of IT, and that projects of any description can suffer from the same fate for the same common reasons when corporate profiling is not undertaken.

It's up to the organization whether it puts into practice the profiling concepts outlined in this book. But be warned that the success or failure of their next IT project rests entirely with an organization's senior executives and decision makers. If previous IT projects have failed yet projects continue to be initiated without profiling and an organization still expects a different result, they will be disappointed. I therefore urge all organizations to try a different approach and to profile their organizations ahead of their next pre-implementation process.

Please visit [www.stopblamingthesoftware.com](http://www.stopblamingthesoftware.com) for tools, software and information that will assist you in creating and administering the corporate profiling process. Please feel free to email me directly with any queries at [sjrunge@itpsb.com](mailto:sjrunge@itpsb.com). I look forward to hearing from you.