

Austrian Country Paper Summary:

Risks of IT-Developments when contracting IT Suppliers

(LEAD PAPER: Why IT projects fail)

Based on case studies a variety of risks of database design and development by IT-suppliers are discussed.

The outsourced project “database design and development” includes a wide potential for errors before, during, and after the system development and implementation. The well-known outsourcing problems of contract definition, project management, project responsibility, reliance on external support and loss of knowledge are compounded by technological and organisational difficulties. The reason for outsourcing, that is the lack of personnel and/or skills, appear to be the base of future problems in project definition and project guidance.

There are several main causes for project failure when using external IT-suppliers:

1. Knowledge of database design

The definition of the key database issues like data modelling, data relations, structure of the database, and the kind of required data queries relies on highly sophisticated knowledge of the local IT department. This is not only essential in the design phase but during development, implementation and testing.

2. IT supplier personnel

Any change of team-members being already familiar with the project will delay the time scale by additional time needed to prepare and to get into contact with the project team.

3. Lacking skills of the supplier

Lacking skills of the supplier in the chosen new technology have frustrated the efforts of projects several times.

4. Product lines

Changes in product lines and service strategy forced by the ultimate parent company of the supplier will disrupt project progress and will influence the quality of service after implementation.

5. Tools

The selected database and tools should already have proven their quality and usability on market.

6. Time scale

A well defined time table to prepare, develop, implement, and to test in order to ensure security of realisation stands in opposite to a compact project.

7. New technologies

To avoid that a well managed project becomes outdated by the advent of new technologies the project time table should be less than one year.

8. Misinterpretation

Even under the assumption of a clearly written design-concept and a close cooperation between the IT department and the supplier, misunderstandings and misinterpretation increase with time and project complexity.

9. Change in specification

The requirements of the system-users have to be taken into account in the project design phase. It is essential to avoid any further change of specifications during database development and implementation.