

Here's an example of an IT project that went horribly wrong and perhaps didn't have a chance from the start. One project management expert says that technical glitches are almost never the main problem with a project failure.

In this week's Workforce.com's newsletter, there was a piece about a nightmare HR IT project that went horribly wrong:

In January 2007, the Los Angeles Unified School District flipped the switch on a \$95 million system built on SAP software customized by Deloitte Consulting. The system was intended to replace a mishmash of outdated technology with a streamlined system for tracking earnings and issuing paychecks for 95,000 teachers, principals, custodians and other district employees.

But it was doomed from day one, done in by technology glitches, inaccurate and often conflicting data from the old system, inadequate employee training, and infighting and lack of internal oversight within the district, among other problems.

The trouble was apparent from the first month the new software went live. Some teachers were underpaid, some overpaid and some had their names completely erased from the system. It took a year and another \$37 million in repairs for the school district to work out the kinks. In November 2008, the district and Deloitte settled a dispute over the work, with the contractor agreeing to repay \$8.25 million and forgive \$7 million to \$10 million in unpaid invoices to put the matter to rest.

According to the article, HR IT projects have a pretty high rate of failure. Michael Kringsman, who writes the IT Project Failures blog for ZDNet, says, "Depending on the statistics you read, 30 percent to 70 percent of these projects will be late, over budget or don't deliver the planned scope."

The Workforce article outlined several reasons for the specific failure of the above project. The reasons included not having a high-level executive with IT experience dedicated to the project (the district's original point person was a COO with little computer experience) and the old system was riddled with errors. Also, HR IT projects are very complex.

But Kringsman made an interesting point when talking about such projects. He said the reasons for the problems are usually not technical; they're "organizational, political and cultural in nature in almost every case."

I agree with that statement; also, I know that organizational, political, and cultural issues are the hardest to pinpoint and to fix. In my experience, poor communication among stakeholders and project principles is the underlying disease of all bad projects.

What do you think: Do organizational aspects of a project cause failure more than the technical ones?



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