



**THE WALL STREET JOURNAL.**

WSJ.com

AUGUST 24, 2011, 7:12 AM GMT

## IT Fails to Deliver on Time and Within Budget

Government IT projects are notorious for being over-budget, late and often failing to deliver, but according to research it isn't just public sector work that suffers.

A major piece of research carried out by the Saïd Business School's BT Centre for Major Program Management in collaboration with management consultants McKinsey and Company found that as many as one in six projects is a "ticking timebomb", reports [PhysOrg](#).

They discovered that one in six projects in the sample went over budget by an average of 200 per cent (in real terms) or over ran by an average of almost 70 per cent.

---

*The IT sector was found to be two to three times more likely to have IT projects spiralling out of control than building and construction companies dealing large infrastructure projects. In fact, IT projects were 20 times more likely to run out of control than expected according to standard risk management models.*

---

*They conclude that the risk increases in line with the size of the project and its growing complexity. They found although the average overrun was only 27 per cent, one in six projects were 'black swans' – where rare, unexpected events of huge proportions occurred where the risks should have been more obvious from the start.*

---

*Common IT pitfalls included companies that are already facing serious difficulties being hit by an out of control technology project at a time when they can least afford it; engineers and managers in charge of project development not having enough understanding of how to implement the new technology; and problems of software compatibility.*

---

**PhysOrg:** [One in six IT projects are 'ticking timebombs'](#)

Copyright 2008 Dow Jones & Company, Inc. All Rights Reserved

This copy is for your personal, non-commercial use only. Distribution and use of this material are governed by our [Subscriber Agreement](#) and by copyright law. For non-personal use or to order multiple copies, please contact Dow Jones Reprints at 1-800-843-0008 or visit [www.djreprints.com](http://www.djreprints.com)