Where the Buck Really Stops for Government IT Project Failure

Published: 18 March 2014

Analyst(s): John Kost, Rick Howard

Public-sector project failures become very public, undermining citizen faith in government. When large-scale project failures happen, IT and the CIO are the easiest targets to blame. In reality, the problem is more often the decision-making process within government.

Key Findings

■ Because of public-sector transparency, large project failures often receive significant scrutiny, with IT often cast as the primary reason for these failures.

■ Much of the cause of project failure is actually unrelated to the IT department itself or to the technology. More often, it is the unwillingness or inability of senior government executives to engage in effective decision making. This is because they think they don't understand technology, so it's someone else’s problem.

■ Project failure is directly connected to poor IT investment decision-making processes, as well as the failure of government executives to take responsibility for change management, neither of which can be effectively delegated to the CIO.

Recommendations

■ Before a government organization undertakes a mission-critical project with an IT component, the CIO should assess the aptitude, willingness and readiness of the organization’s executive leadership to do what’s necessary to make the project succeed. If the organization is not in that position, consider non-IT alternatives for achieving the policy goals.

■ Whether they are part of the project or not, the CIO should assess the governance process and players of a major project to assess readiness, and speak up if they are clearly not ready for the challenges ahead.

■ CIOs should make certain that projects have a risk assessment of executive sponsorship done early and often throughout the process to ensure all decision makers remain focused and engaged.
As part of the bid process for major projects, CIOs should encourage vendors and their government representatives to critically evaluate the governance of the project, proposing structures and processes to ensure the project stays on track, and creating a mutual expectation of what the decision making and communications processes are. Sometimes, government executives will give more weight to such external advice.

Analysis

Project Failures Litter the Public-Sector Landscape

The history of IT in the public sector includes a growing list of highly visible, poorly implemented projects. Given their executive leadership role, government CIOs are often designated to carry the added weight of disproportionate accountability for delivering on business initiatives that have a large IT component.

Failure can come in many forms. Some projects significantly break the project management triple constraint of cost, schedule and scope. Other projects, upon delivery, fall well short of expected business goals in terms of quality and benefits. Many projects limp along for months after the go live date, requiring an extended and costly stabilization period to fix software bugs or correct design flaws.

The worst-case scenarios involve projects that fail altogether after being allowed to continue over lengthy periods of time — pouring public funds down a well-known rathole — through a lack of will, or fear of responsibility to admit and accept failure.

Failure can also include the cancellation of a project during the implementation phase. In some cases, the result is so unusable the plug gets pulled shortly after going live. Postmortems for projects that fail outright predictably begin by lining up the usual suspects and causes — the vendors, the CIO, the project team, the procurement process, poor IT talent, vague or shifting business requirements and other factors (see "Use the 'Serious Crisis' of HealthCare.gov to Boost Digital Leadership in Government"). There is rarely a single, isolated reason that causes mission-critical projects to fail. Culpability for failure often belongs to many.

Executive Business Sponsors Are Often Unprepared for the Challenge

Based on our evaluation of failed public-sector projects around the globe, however, Gartner finds a fundamental problem common to most failures. It starts with the executive business sponsor, typically the head of the agency or department entrusted with enacting a new law or policy, driving many of the IT-related implementation decisions.

An executive business sponsor must be personally invested and visibly committed to the success of any business initiative that involves significant organizational and process changes produced by the adoption of new IT solutions or services (see "You're An Executive Sponsor and Facing Political Issues, Now What?" and "Gartner Defines Governance").
The trouble is that, in most government agencies, the people who should be responsible for making sure a critical project, particularly one with a strong IT dimension, is properly ranked among competing priorities and adequately resourced, are ill-equipped to do so or have no interest in spending their limited time in its behalf. Executives must estimate the time and staff resources that are required of them on a project. They must specifically allocate that time to the initiative or risk its failure by underestimating their available time or overestimating their abilities to proceed.

**Officials Often Lack IT Understanding**

This situation reflects the even larger challenges presented by the relatively low "IT literacy" and fundamental understanding of programs, their governance, and major potential failure points among elected and appointed officials. The overall IT IQ score of government is slowly rising as a generation of digital natives enter the public-sector ranks, but this trend is not keeping pace with the rate of technological innovation that government so desperately needs to harness (see "CIO World in 2014: A Government Sector Perspective"). Without a remedial understanding or interest in IT among executive sponsors — let alone their leadership and sustained engagement — there is little, if anything the CIO, the project manager, the vendor or anyone else further down the food chain can do about it.

Not surprisingly, most governments understand the challenges of inconsistent project leadership. The U.S. federal government, for example, has a useful set of published recommendations in its "25 Point Implementation Plan to Reform Federal Information Technology Management." The governments of New Zealand and Victoria, Australia, subject major projects to an investment management process to ensure executives are on board and in agreement with project objectives and governance. The government of the United Kingdom, among others, assigns a "senior responsible officer" to all major projects to keep tabs on progress and report back when trouble arises. Many parliamentary ministries implement the role "head of programme" as an additional oversight and risk management function with which senior responsible officers must share progress and risk information; and accept some limited direction around the "how-to's" of leading and overseeing a major program effort. There are other examples of government acknowledging and taking action to prevent major project failures. But, in the heat of the political moment, too often these basic, critical risk factors that would reliably predict the failure of an IT-related investment are ignored or even silenced.

There are many recent and visible government examples of these mission-critical projects that badly stumbled or are full-blown failures in many countries, states and cities. These include:

- HealthCare.gov and the Sentinel projects in the United States
- The Queensland health payroll system in Australia
- Connecting for Health and the FiReControl projects in the United Kingdom
- The Canadian Firearms Registry
Assessing Organization Readiness

New ideas and innovations are exciting and often pursued with vigor. Table 1 is a tool CIOs can use to assess the organization’s readiness to undertake a project from a leadership perspective.
### Table 1. CIO Assessment of Organizational Project Readiness

<table>
<thead>
<tr>
<th>Question/Answer</th>
<th>Action</th>
</tr>
</thead>
<tbody>
<tr>
<td>0. Will the project affect the mission of the enterprise or how its constituents are served?</td>
<td></td>
</tr>
<tr>
<td>Yes</td>
<td>Go to #1</td>
</tr>
<tr>
<td>No</td>
<td>No action required. Executive business sponsor should be delegating most day-to-day, and some oversight responsibility to the project manager.</td>
</tr>
<tr>
<td>1. The executive business sponsor knows how much time is required, and has the time and ability to provide the necessary level of personal engagement in the project (see Figure 1).</td>
<td></td>
</tr>
<tr>
<td>Agree</td>
<td>Go to #2</td>
</tr>
<tr>
<td>Disagree</td>
<td>See recommendation #2</td>
</tr>
<tr>
<td>Not sure</td>
<td>Use the IT aptitude tool in &quot;Toolkit: IT Aptitude Assessment of Public-Sector Leadership&quot; to find out.</td>
</tr>
<tr>
<td>Absolutely does not</td>
<td>This is a pass/fail variable. The governance of this project is probably fatally flawed. An alternative means of getting policy decisions made and change management executed must be developed, and publicly blessed by the executive business sponsor.</td>
</tr>
<tr>
<td>2. The executive business sponsors perceive this project as a business project, rather than an &quot;IT project,&quot; because they understand it affects the mission of the agency.</td>
<td></td>
</tr>
<tr>
<td>Agree</td>
<td>Go to #3</td>
</tr>
<tr>
<td>Disagree</td>
<td>Review the objectives and intended outcomes of the project with the executive business sponsors to demonstrate that those are affected by IT, but that most of the impact will be on how the agency does business at the line level (see “Case Study: Investment Management Process Delivers Better Business Cases”).</td>
</tr>
<tr>
<td>Not sure</td>
<td>Discuss this with the project manager or confidants of the executive business sponsor to get insight into how the sponsor typically views projects.</td>
</tr>
<tr>
<td>3. It is clear who the decision makers are, and the path for policy decisions (governance) is clear and timely?</td>
<td></td>
</tr>
<tr>
<td>Agree</td>
<td>Go to #4</td>
</tr>
</tbody>
</table>
| Disagree                                                                       | Many senior leaders do not understand the importance or nuances of governance as well as CIOs. Based on your knowledge of the project, present a proposed governance model to the executive sponsor of why governance is important and what an appropriate model for this might look like (see “Gartner Defines
<table>
<thead>
<tr>
<th>Question/Answer</th>
<th>Action</th>
</tr>
</thead>
<tbody>
<tr>
<td>Governance</td>
<td>Discuss and get buy-in, and then ensure it is communicated to all of those directly involved in the governance structure.</td>
</tr>
<tr>
<td>Not sure</td>
<td>Create a stalking-horse governance structure for the project and discuss it with the executive business sponsor to validate that it is or is not correct.</td>
</tr>
</tbody>
</table>

4. It is clear who will resolve conflicts whenever inevitable policy, funding or contractual issues arise, as well as the process for escalating those conflicts?

**Agree**
- Go to #5

**Disagree**
- For all major work streams in the project, work with the work stream leaders to define who is responsible for communicating upward to the project manager and have them develop a proposed escalation process and set of decision tree criteria so that there is a systemic approach to issue escalation for all major issues. Validate the proposed processes with the governance body created in #3. Work with the governance body — in advance — to define “urgent action scenarios,” a form of user story, which outlines conditions that the governance body sees as urgent and impactful; requiring the prompt engagement of governance. Get agreement to the “triggers” for each scenario, and the escalation action owner.

**Not sure**
- These issues are typically addressed through the governance process. Still, it needs to be clear what process is to be used to get these issues before the appropriate governance body. As part of #3, define an escalation process for issues that would be typical of major projects, validate that approach with major players in the project team and share it with the executive business sponsor as a stalking-horse for validation.

5. The intended objectives and outcomes of the project are measurable, clearly stated and agreed upon by the executive business sponsor and all key players who are part of the governance process.

**Agree**
- Assuming you agree with all five of the statements in 1 through 5, then it appears your project is ready to begin.

**Disagree**
- Find a method to bring major stakeholders together to agree on objectives and outcomes. Without agreement, the project is guaranteed to be late and over budget, if not an outright failure. Most governments have a process in place to get agreement on objectives and outcomes.

**Not sure**
- See “Case Study: Investment Management Process Delivers Better Business Cases" for an understanding of what this is and why it is important.

Source: Gartner (March 2014)

No one wants to start on a venture that is doomed to failure. Government leaders often have terrific ideas that they would love to see implemented. But, desire is a long way from commitment. As stated, many factors contribute to project failure. But, any likelihood of project success can be predicted depending on how the issues in Table 1 are being addressed, or not. Earlier, we cited...
several recent and very visible projects that had major challenges. Based on publicly available information, one can easily see how those projects would have scored in Table 1 during any stage of the projects.

The public-sector CEO is typically accountable for implementing legislation or improving the performance of government. When policy or improvement has a technology component, CEOs often underestimate or fail to grasp how complex the IT can be, particularly if legacy systems are involved.

In the case of many of these projects, a CEO has a vested interest in seeing the policy implemented but may become effectively disengaged when delegating executive authority to others. In fact, with some complex, multiagency projects, the role of the executive business sponsor is complicated because there may be so many other perceived decision makers on the project. Policy people with a voice in the office of the head of state, leadership of other agencies — such as tax agencies, personnel agencies, and others — as well as policy voices emanating from legislative bodies and their staffs, often complicate the answers to the questions in Table 1 because of the ambiguity of who is actually making decisions. The need to interface with other agencies, other jurisdictions, political constituencies and others raises massive complications for the answers to these questions. However, some individual or governance authority has to make policy decisions — often on a daily basis for these major mission-critical projects.

Perhaps most importantly, the CEOs in government organizations who head up massive departments — such as the U.S. Department of Health and Human Services, the U.K. Department of Health, and others — have a lot of other things to do. They typically have little, if any, experience or training in leading significant change efforts, thus screaming out an answer to question 1 that says that says: "stop." In fact, when Gartner is asked to advise on projects in their embryonic stage, we will often ask for an audience with the CEO to enquire simply, "Do you know what you are getting yourself into?"

**Engagement Is Critical**

For any major government project (whether IT or not), the most critical success factor is the ongoing personal engagement of the government "owner" in change management and execution, even if there is a change in ownership during the course of the project. There are no caveats here. There are no workarounds. There are no ways to outsource this fact.

Interestingly, lots of IT leaders we meet with will say, "Oh yeah, my boss is ready and engaged." Figure 1 describes what is meant by "personal engagement"
Figure 1. Typical Versus Best-Practice Personal Engagement Techniques

Personal Engagement in Projects

Typical
- Obligatory sign-off on business case
- Perfunctory quarterly steering committee meetings
- Change management delegated to project manager
- Lack of willingness to change direction (or cancel) if milestones show project off track

Best Practice
- Detailed review of intended business benefits and project plan
- Project manager reports directly to CEO (or COO)
- Desired state of business processes defined before any IT is considered
- Constant and direct interaction with direct reports on execution of change management
- Direct reports held accountable for change management within their respective programs
- Periodic review to determine whether to keep investing

Source: Gartner (March 2014)

Note the differences between what is typical and what are necessary best practices. Typical is "lip service." Best practices are hard work that few government leaders have the skills, aptitude or time to contribute. But, for major programs and projects in which the intended objective and result will be significant changes in business processes, it is only the senior leadership of the organization that has the clout to enforce these changes across the organization. So, unless issues of change management have close attention paid to them, the IT embedded in the project may be successful, but the business changes will never get implemented and the results of all of the effort expended becomes a waste of time or results in business processes that do not align with the new IT systems.

The Most Critical IT Role in the Public Sector: The CEO

The CEO's aptitude toward conflict resolution related to IT sets the tone for IT management and governance throughout the enterprise.

Throughout the world, most CEOs are missing the plot.

- They are poorly trained, with insufficient understanding (or even a fear) of IT management
  - "I'm too busy managing this department. IT is not important to me."
- They avoid conflict resolution
  - "It's IT, you guys work it out (so I don't have to understand it)."
They are disengaged from change management
  "It’s an IT project, I don’t want to be involved."

They have a poor understanding as to what to expect from CIOs
  "He does a great job of keeping our computers running."

At the end of the day, much of the work of government executives is resolving conflicts between multiple points of view, especially when a project affects multiple agencies. So, the executive must be available and willing to address conflicts or ambiguities surrounding policy, resources and processes.

Recommendations

So, what should be done to improve the success of mission-critical projects? In a perfect world, the answer is simple — make certain the executive accountable for the project is deeply engaged in all aspects of governance and decision making, and that strong project management leaders and disciplines are in place and strictly enforced. However, Gartner is realistic enough to know that the government leaders who should be reading this advice are not our customary clients, because IT is not their primary focus. Further, in many of these projects, the CIO is only marginally involved in them from the IT perspective. So, knowing that IT generally, and CIOs in particular, will often get the blame when these massive efforts go off the rails, here is our advice to our CIOs:

1. Conduct a candid assessment of your governance structure and, specifically, of the executive business sponsors to sense whether they are ideally suited for the leadership required (see "Toolkit: IT Aptitude Assessment of Public-Sector Leadership"). Do they grasp the kinds of issues and decisions they will be required to be engaged in?

2. Have heart-to-heart talks with the CEO (as many as are needed during the course of the project):
   - Note that this is not an IT project, and the business has to take ownership of policy and change management decisions, as well as execution.
   - Find out directly the kinds of decisions that the CEO is uncomfortable making and develop a work-around plan so those decisions do get made in an appropriate and timely way (see "Toolkit: IT Aptitude Assessment of Public-Sector Leadership").
   - Point out that there must be very strong project management capabilities with direct access to the CEO for quick decision making.
   - Ensure there is a clear expectation around communication: What issues does the CEO expect to be involved in, and how are they communicated to him/her? What constitutes a crisis requiring immediate notification? What issues are beneath the CEO, and are considered a waste of time, left for others to resolve?
Point out that all stakeholders need to have a common understanding of what the objectives of the effort are so that those efforts are not diverted or stalled by misunderstanding.

Present a clear delineation of what the risks are and how to develop an understanding about how they should be managed and mitigated.

Use the executive business sponsor and project assessment tool in "Toolkit: IT Aptitude Assessment of Public-Sector Leadership" to monitor and maintain the executive sponsor's required level of personal engagement.

3. As with the CEO, the CIO should communicate early and often with the program or project manager about all of the issues identified here. Again, these issues are not limited to IT. The full range of the CIO's experience and expertise should be brought to bear in working to make all aspects of the project successful.

4. Remind the CEO and those in the governance process that your government agency has probably created a series of guidelines and practices, such as gate reviews, to help ensure that projects do not fail. Have they considered those guidelines? If not, what should we tell the legislative body or the media about why not?

5. Create a structure of constant communication between the CEO, stakeholders, project leaders and the relevant vendors to ensure everyone is working with the same understandings and expectations.

6. Work with your government's audit and/or risk management body to have them help you identify — upfront — the potential risks embodied in the project to ensure they are addressed in the early stages before it is too late.

7. Ensure that vendors understand the government's governance model so they know to whom and how communication is to occur related to any problems, statement of work deviations, or contractual expectations. Create a climate based on openness and collaboration between the parties.

8. Become an ambassador for "digital leadership" in government. Offer to conduct remedial education — an IT 101 crash course — for incoming elected or appointed officials (and renewed annually). This is necessary for public-sector leaders to responsibly and effectively manage the public's IT and information assets. Higher IT literacy in government will increase the probability of success for large-scale IT projects as governance mechanisms become more finely tuned.

9. Engage external project assurance resources to make independent assessment of the progress and risks of the project.

- Ensure that these reports are directly visible to internal top management and to the top vendor executives
- Ensure that the assessor has unimpeded rights of access and audit to all aspects of the project and all parties to it, including externals.

This won't completely prevent failure but it does give early warning of trouble.
Gartner Recommended Reading

Some documents may not be available as part of your current Gartner subscription.

"Case Study: Investment Management Process Delivers Better Business Cases"

"Gartner Defines Governance"

"Some Lessons to Be Learned Anew From the Office of Management and Budget's IT Project Reviews"

"You're An Executive Sponsor and Facing Political Issues. Now What?"

"Why Programs Fail: Prevention Really Is Better Than the Cure"

"Use the 'Serious Crisis' of HealthCare.gov to Boost Digital Leadership in Government"

"Toolkit: IT Aptitude Assessment of Public-Sector Leadership"

"CIO World in 2014: A Government Sector Perspective"

Evidence

Gartner uses publicly available information to observe major projects, and understand the cause and effect of project challenges. Additionally, because of the vast number of client contacts we have each year, our analysts discuss specific issues with clients, and are able to aggregate observations about cause and effect for project failures.
GARTNER HEADQUARTERS

Corporate Headquarters
56 Top Gallant Road
Stamford, CT 06902-7700
USA
+1 203 964 0096

Regional Headquarters
AUSTRALIA
BRAZIL
JAPAN
UNITED KINGDOM

For a complete list of worldwide locations, visit http://www.gartner.com/technology/about.jsp