

1. Assessment by the IT Project Council

The IT Project Council was set up to enhance professionalisation of government IT projects through risk assessment of all IT projects with budgets exceeding DKK 10 million, as well as through consultancy services for government authorities. A risk assessment involves both a technical element, in which the risk profile of the project is drawn up, and a managerial element, in which a member of the IT Project Council discusses this risk profile with the member of the board of management responsible at the government authority in question. This dialogue and any subsequent recommendations are important steps towards maturing the project organisation and the role of management in project management.

Management and planning require good competences

More than 30% of all recommendations provided by the IT Project Council since 2011 have addressed the topics of management and planning. The Council has observed how management and planning of IT projects are becoming an ever greater challenge for government authorities. This is evident, for example, in connection with extremely tight deadlines for even the largest government IT projects, which also involve collaboration across several government authorities. These conditions place great demands on top management, and the Council believes that there is still a huge potential in strengthening the competences of top management in this regard.

Steering an IT project toward the desired goal requires a high level of competences in the government authority responsible for the project, including the competences of both managers and employees. Almost one in ten recommendations from the Council address the topic of competences and maturity. These are topics which remain relevant and, therefore, the Council is addressing them again in this editorial in connection with the initiatives which the Council has launched to assist the authorities in improving their competence profiles and maturity.

Authorities which have had some measure of success in implementation of large IT projects are good at maintaining focus on the project competences of managers and employees. The National Agency for It and Learning is a good example of an agency with strong focus on ensuring high maturity in projects. More specifically, the Agency has established professionally managed steering committees for all IT projects, with a deputy director as chairman. Setting aside time and resources to enhance the project management competences of top management improves the quality of work in the steering committees as well as the management of the projects.

The Council considers it positive that more authorities have become aware of the competences challenge at the managerial level. For example, the Danish Defence Personnel Organisation has called for the establishment of a network for steering committee members at government level. The Council interprets this as evidence that governmental managers have already become much more involved in IT projects. Furthermore, the Council would see it as a positive initiative if the practice of sparring and the exchange of experience could be strengthened even more at management level.

Recruitment and retention of project employees

In the private sector, project and programme heads are placed at, and paid according to, line-manager level. It is difficult to see the same career path for dedicated project-management profiles in the state, except for in the largest government agencies. The IT Project Council assesses that there is a need to enhance and keep competences efforts at a high level. This is being made difficult by what seems to be frequent replacement of governmental project employees, which has a negative effect on the projects. Therefore, the Council suggests that central authorities prepare a clear recruitment strategy, so that projects are manned with the right profiles and that these are retained throughout the project.

The challenge with recruitment and retention raises a more general issue of maturity; i.e. whether the authorities have documented and implemented processes and management initiatives to ensure a systematic approach to work on IT projects. With a low degree of maturity, the authorities risk becoming dependent on individual key employees, and they risk not having the required processes and framework in place to support the project.

The Council has launched an initiative to support government authorities in efforts to raise competence levels in this area.

More case-specific consultancy

Recently, the Council has taken the first step towards a more tailored model for consultancy and risk assessment. The number of Council members on each risk assessment is decided on a project-by-project basis, as so is also whether or not to include an information security expert in the assessment team.

The reason for this change is twofold. Firstly, the large differences in experience and competences in running IT projects in the various government authorities. Secondly, the large differences in the size and complexity of IT projects. The Council believes that these conditions call for a more tailored approach and, therefore, the Council has taken the first steps towards such an approach.

Dialogue between the state and suppliers

The IT Project Council is tasked with contributing to good collaborative relations between the state, consultants and suppliers. To this end, the Council has previously published a guide on good customer-supplier collaboration, which focussed, in particular, on the implementation phase.

However, the Council also believes that there is a need for broader dialogue between the authorities and suppliers, and, to this end, the Council has recently launched a series of dialogue activities between the parties with a view to discussing some of the more general issues involved with collaboration and in connection with all phases of a project. These issues concern topics such as digitisation in relation to business development, tendering procedures, clarification at project start-up, specifications of requirements, maturity, and the use of external consultants.

Furthermore, the Council is interested in gaining a better understanding of what constitutes a good project and good collaboration from the perspective of the supplier. A series of meetings with suppliers will help shed light on the challenges experienced by suppliers in their collaboration with government authorities.

Further to the above issues, the Council will focus, in particular, on the design of an agile development model for government authorities. The aim of the dialogue with suppliers is to examine whether the use of agile development models in the suppliers' work with customers presents any learning opportunities for the state.

At the first meeting in the series, the Council saw positive contributions from all parties and the Council is looking forward to an impartial and open debate about solutions to the current challenges for project collaboration. The hope is that this will contribute to strengthening collaboration efforts to benefit all those involved.

IT projects in the IT Project Council's portfolio

In this editorial, the Council has addressed some of the challenges linked to large government IT projects with regard to competences and maturity. These topics are prevalent in the Council's current portfolio of projects. Three in five projects risk-assessed in the past six months received recommendations that related to competences and maturity, and as many as 50% of the 24 active projects in the portfolio received recommendations on these topics.

The status report for Q2 2015 includes 24 ongoing projects and programmes. One project was rated with a red traffic light score, and three projects were rated with amber traffic light scores. Three of these four projects are at the Central Customs and Tax Administration (SKAT). Of the total portfolio, six new projects are reporting for the first time, and an additional three projects have been replanned within the past six months.

After replanning, a project is given a new baseline, and any delays, budget overruns, or benefit shortfalls are incorporated into a new target framework for the project. The Council believes that there are often good reasons for replanning a project. However, frequent replanning will provide a better picture of the overall status for government IT projects than is actually the case. This is because the majority of the replanned projects would have been given amber or red traffic light scores, had they not been replanned.

The report deals with data from six completed projects which, in general, report reduced spending and slight delays. Furthermore, 12 projects in the Council's overall portfolio reached the operating phase at least one year ago. This means that, for the first time, there is a basis for analysing the benefit realisation from these projects. The Council finds it positive that the authorities behind the 12 projects have realised large benefits as early as one year after operationalisation of the projects. This is true e.g. for the Central Customs and Tax Administration (SKAT), which has harvested all of the planned efficiency improvement benefits from the following projects: *Forskudsopgørelse 2014* (advance tax assessment notice 2014), *Årsopgørelse 2013* (tax assessment notice 2013) and the RIS/RAS project ¹. According to the benefits realisation reporting from these projects, the efficiency improvement benefits gained total DKK 24 million.

The IT Project Council is looking forward to receiving more project completion and benefit realisation reports and will be keenly monitoring the benefits realised from the authorities' projects.

The IT Project Council



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¹The objective of the RIS/RAS project was to comply with EU regulations concerning automation of national risks linked to transit statements.