

Abstract:

Assessment by the Danish Council for IT Projects

The Danish Council for IT Projects was appointed in order to consolidate professionalisation of state IT projects. As part of this initiative, the Council carries out risk assessments of all state IT projects with a budget exceeding DKK 10 mill. These risk assessments are made after the analysis phase and prior to the acquisition phase.

A risk assessment involves both a professional element in which the risk profile of the project is drawn up, and a managerial element in which a member of the Danish Council for IT Projects discusses this risk profile with the member of the management responsible at the authority in question. This dialogue and any subsequent recommendations are important steps towards maturing both the organisation of the project and the role of management in project management.

Many projects run according to plan

It is crucial that management is actively involved in the projects and is able to deal with any issues arising. The Danish Council for IT Projects utilises a traffic-light-assessment tool to create management awareness, to strengthen management's decision-making power and reduce the risk of failed projects.

A total of 16 IT projects and programmes in the portfolio of the Danish Council for IT Projects are following plan and budget with regard to baseline, and these projects are therefore classified with green traffic lights. However, a total of six projects out of 16 have been replanned after having encountered problems.

Additionally, six other projects have been assessed for yellow traffic lights on account of time delays and financial overruns. The Danish Council for IT Projects is in dialogue with the authorities behind these projects on how these projects can be completed as planned.

The five state-IT-project principles of the Danish Council for IT Projects

1. The state must be ambitious, though second mover in promotion of digital solutions in the public sector.
2. Existing solutions must be reused to the greatest possible extent.
3. All IT projects must have clearly defined costs, benefits and effects.
4. The projects must be delimited by minimising scope and complexity and by focussing on the business goals.
5. State IT projects must be carried out using common methods and qualified resources.

Rescoping

Long completion time is a challenge for many state IT projects. Many projects in the state portfolio run for two or even three years. This means that the solutions developed by the authorities are not used until much later on, and this carries the risk that the outside world will change and the project will be overtaken by technological developments.

The Danish Council for IT Projects notes that several authorities behind the projects in the portfolio will need to reduce the scope of their projects. Often, the authorities wish to change the scope of a project - to rescope - and thus replan the activities of the project with the Danish Council for IT Projects as their sparring partner.

In total, the Danish Council for IT Projects contributed to replanning six projects in the Council's portfolio in the period 2013-2014 and this is largely attributable to long completion times.

The Danish Council for IT Projects is working actively to ensure that state projects have the right balance between purpose and scope in order to manage promptly risks due to changes in technology and in the outside world, see principle 4.

Rescoping may be a tool to ensure a successful project, as rescoping almost always leads to a reduction in the risks of a project. In contrast, the Council has also seen examples of projects run according to Danish or EU legislation being rescoped in such a way that there remains uncertainty with regard to considerable functionalities and satisfaction of requirements. Therefore, the Council recommends authorities to generally ensure that functionality removed from projects and which is subject to legislation, be planned during the rescoping, possibly on a new project foundation. Realisation of legislative projects generates special challenges, as mentioned in the latest status report.

However, there are also some examples of scope creep, i.e. that the expected deliverables of projects are increased as the project progresses. A major reason for this seems to be a lack of understanding between the business and the project organisation about the project foundation, including the project working method and the requirements it imposes on the parties involved.

Significance of the analysis phase

In the previous status report, for the first time the Council saw a small increase in the proportion of total project consumption utilised in the analysis phase. This trend continued in the current status report. This is a positive development, indicating that the authorities are increasingly investing resources to create good preconditions for projects rather than spending resources on problem-solving later on in the project. This coincides better with best practice in the private sector in which mature project organisations often allocate a significantly greater percentage of project resources to the analysis phase, and, in return, achieve fewer budget overruns and fewer delays.

Initiatives in the coming Council period

Project focus in top management

The Danish Council for IT Projects wants to exercise special initiatives in relation to managements and control groups. It is important that the managerial competences required are present and available for state IT projects. It is also important that decision-makers in projects know the part they are playing and what to expect from the project manager, colleagues in the control group, and themselves. The interaction between the control group and the project manager is vital in order to create the best terms for the project; an interaction in which management insight and goodwill can make a considerable difference.

Focus on the supplier

The probability of a project reaching its goals is increased significantly if there is good cooperation with the supplier on development of the system.

This cooperation with suppliers, including both exchange of experience and supplier management is therefore also a focus area for the Danish Council for IT Projects. Since 2013, at the conclusion of projects in the portfolio, the Council has encouraged project authorities and suppliers to share their experience from the project. In the forthcoming period, the Council will review how this experience

can be shared across central government and thus, hopefully, contribute to better cooperation with suppliers.

The Council hopes to draw greater attention to cooperation with suppliers and thereby contribute to greater focus on the authorities' competences as "professional contracting entities". R&D work in the central government is typically performed by external consultants. Therefore, the authorities' ability to make correct orders at the right time, whilst also ensuring that external deliveries are successfully made, is critical to the realisation of the project.

Furthermore, together with suppliers and the authorities, the Council wants to prepare specific recommendations to the authorities about customer/supplier cooperation to ensure that the authorities achieve as much as possible from their cooperation with suppliers.

Ongoing improvements

The Danish Council for IT Projects focuses greatly on improving its initiatives and creating the best possible value for the authorities in their work on making realisation of IT projects and programmes more professional.

For this reason, in the forthcoming period, the Danish Council for IT Projects will be cooperating with the Danish Agency for Digitisation on evaluating the current initiatives. Focus will also be on enhancing professionalism in the future when unrolling state IT projects.

2015 will be a busy year

As a permanent part of status reporting, the Danish Council for IT Projects calls for submissions for coming projects in a pipeline. At the time of writing, three risk assessments are planned, and an additional 24 IT projects and programmes have been notified to the Danish Council for IT Projects for 2015.

The Council is looking forward to an exciting and challenging year!

State Council for IT Projects



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