

IT Projects:

**Experience
Certainty**

**Independent Market
Research Report**

Commissioned by



August 2007

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1. Summary

Business Management Complacency?

IT project failure - commonplace? [Section 3.1]

- This research confirms that all organisations have encountered problems when working on implementing new IT projects.
- Three problems with IT projects stand out from the rest and these are:
 1. Overrun on time (62%)
 2. Budget overrun (49%)
 3. Higher than expected maintenance costs (47%)
- In addition, almost 1 in 3 organisations (28%) have experienced IT projects that have failed to perform against expectations.
- 1 in 4 (25%) have had issues with business users being reluctant to adopt the new systems.
- Furthermore, 16% say the implementation of their new IT system has had a negative impact on existing IT systems.
- Also, 13% say a new IT system has not delivered the expected return on investment (ROI).
- Around the world, Japanese organisations have encountered more problems when working on implementing new IT projects, compared to all other countries:
 - 89% have had a project overrun on time
 - 74% have experienced budget overrun
 - 74% have had IT projects fail to perform against expectations
 - 63% have experienced higher than expected maintenance costs
 - 45% have had issues with business users being reluctant to adopt the new systems
 - 36% say new IT systems have not delivered the expected ROI
 - 21% say the implementations have had a negative impact on existing IT systems.

Business managements' reaction? [Section 3.2]

- One might expect such problems and consistent underperformance to evoke a sharp reaction from a company's management, but this does not always seem to be the case.
- With problems so commonplace, perhaps it is not surprising that 43% of IT managers say the business managers and the Board of Directors in their organisation tend to accept problems with IT projects as the norm and a necessary evil – and this attitude is especially common in Europe (44%) and AsiaPac (48%), compared to the USA (23%).
- This might partly explain why 69% of IT managers say their business managers and the Board continue to provide the necessary support to improve IT for the business – an approach that is especially common in Germany (93%), Japan (81%) and the USA (77%).
- But is this management attitude acceptable? In contrast to this resigned attitude, 19% (almost 1 in 5) say their business managers and the Board have become more reluctant

to fund new IT projects after problems – especially in Europe (22%), compared to the USA (13%); and specifically in France (27%), Sweden (27%) and the UK (26%).

- Similarly, 21% say IT budgets have been reduced – especially in India (29%), Japan (22%), Singapore (33%), the UK (33%) and the USA (22%).
- Indeed, 9% of IT managers say management has looked for a scapegoat among IT staff when IT projects have gone wrong – especially in AsiaPac (16%), compared to Europe (5%) and the USA (2%); and specifically in India (21%), Japan (11%) and Singapore (15%).
- Perhaps surprisingly, only 13% of organisations have sought compensation from the IT vendor when IT projects have gone wrong – but more have taken this approach in India (24%), Singapore (19%) and Sweden (20%).

Consequences of Failed IT Projects

It's nothing personal? [Section 3.6]

- 73% of IT managers say they personally have been affected in a negative way as a result of IT projects not going according to plan.
- Two consequences stand out as the most common:
 1. A reluctance to take a leading role in subsequent projects (43%) – especially in Europe (48%) and the USA (64%)
 2. Personal credibility being negatively affected (40%) – especially in AsiaPac (34%)
- In addition, 14% of IT managers say their career prospects have been compromised as a result of IT projects not going according to plan – especially in AsiaPac (23%).
- 11% have been reprimanded by their line manager – especially in AsiaPac (15%).
- Another 11% have been threatened with dismissal – especially in Germany (18%), the UK (16%) and the USA (28%).
- But only 3% have actually been dismissed as a result of IT projects not going according to plan – but this is approaching 1 in 10 in AsiaPac (7%); and is higher than this in India and Singapore (both 11%).
- In contrast, 25% of IT managers around the world say nothing has happened to them as a result of IT projects not going according to plan.

Cost to the business? [Sections 3.3 and 3.4]

- Collectively, 75% of organisations have found that maintenance costs of newly implemented IT projects have been greater than originally expected – and this situation is especially common in Europe (83%) and the USA (93%), compared to AsiaPac (61%).
- Among this group, the average amount that costs have been higher than expected is by 15% of the overall costs, but this can be as much as 80% in some organisations.

- And these average costs as a percentage of the original expected cost have been slightly higher in India (16%), Japan (16%), Singapore (16%), Sweden (17%), the UK (17%) and the USA (15%), compared to France (10%) and Germany (11%).
- Furthermore, at least 85% of organisations pay for maintenance costs from their annual IT budget – especially in Europe (89%) and the USA (99%).
- The average percentage of the annual IT budget that is taken up by the maintenance costs of IT systems is 19%, but this can be as high as 90% in some organisations; and the average is higher for Japan (28%) and Sweden (25%), compared to France (18%), Germany (13%), India (20%), the UK (18%) and the USA (18%).

Poor choices? [Section 3.5]

- When it comes to choosing an IT vendor to partner with for the implementation of IT projects, technical expertise of the vendor (73%) is the most important buying criterion – especially in France (85%) and India (81%), compared to the UK (65%) and the USA (67%) – indeed, this is the top criterion for France, India, Singapore and Sweden.
- But low cost is the next most common and among the 3 most important criteria for 65% of IT managers – especially in the UK (73%), compared to India (58%) – in fact, this is top for the UK.
- 60% rate using a well-known vendor among their Top 3 buying criteria – but less so in AsiaPac (44%), compared to Europe (70%) and the USA (73%) – indeed, this is the top criterion for Germany and the USA.
- But almost as many (57%) rate being certain of a successful outcome to be among their Top 3 buying criteria – especially in AsiaPac (64%) – and at a country level, especially Japan (69%) and also Sweden (65%).
- Just 40% say short implementation times is among their Top 3 buying criteria – but this is more important in AsiaPac (52%) and the USA (45%), compared to Europe (30%); and especially in Japan (80%), compared to all other countries (24% to 45%) – indeed, this is Japan’s most important buying criterion.
- All three territories and all 8 countries sampled here have a different order of priorities when it comes to buying criteria for IT vendors to partner with for the implementation of IT projects:
 - On a territory level, being certain of a successful outcome is ranked second in AsiaPac, but does not make the Top 3 for Europe or the USA.
 - Also, low cost, on the other hand, is important to all 3 territories.
 - At a country level, being certain of a successful outcome is not top of the list for any country, but it is deemed more important in both India and Japan, where it is ranked second.

Life's Uncertainties

Ranking the certainty of IT projects in life? [Section 3.7]

- 77% of IT managers find at least some uncertain things in their lives to be more likely to happen than to have an IT project completed without any problems whatsoever – and this attitude is more common in Europe (90%) and the USA (98%), compared to AsiaPac (79%).
- Specifically, more IT managers (37%) think they are more likely to have a whole month go by without any system crashes, than they are to have an IT project completed without any problems – especially in France (52%) and the UK (47%), compared to Germany (31%).
- 31% think they are more likely to win something on their national lottery, than they are to have a trouble-free IT project – with optimism being higher in Germany (80%), the UK (42%) and the USA (71%).
- 16% think they are more likely to have a whole month without any emails being bounced back to them, than to have a problem-free IT project - especially in France (22%), India (22%), the UK (25%) and the USA (30%).
- Another 12% think they are more likely to receive a substantial company bonus, than to have an IT project completed without any problems – especially in France (15%), India (17%), Sweden (15%) and the USA (16%), compared to Germany (6%).
- Fewer (8%) think they are more likely to have a scheduled flight depart or arrive on time, compared to having a trouble-free IT project – especially in Sweden (19%).
- A similar proportion (7%) think they are more likely to have their mobile phone stolen than they are to have an IT project completed without problems – especially in India (14%), Singapore (18%) and Sweden (10%).
- Finally, 4% think they are more likely to have a minor car crash than they are to have a smooth-running IT project completed without any problems whatsoever – especially in India and Singapore (both 11%).

Reliable SLAs? [Section 3.8]

- More IT managers around the world with health insurance (47%) think they are offered better protection by this health cover than they are by the SLAs they have with their IT vendors (32%) – especially in India (65%), compared to France (46%), Germany (47%), Japan (27%), Sweden (51%), the UK (46%) and the USA (43%).
- Furthermore, 7% of IT managers do not think they get good protection from either of these – especially in Singapore (12%) and Sweden (12%), compared to France (3%) and India (2%).

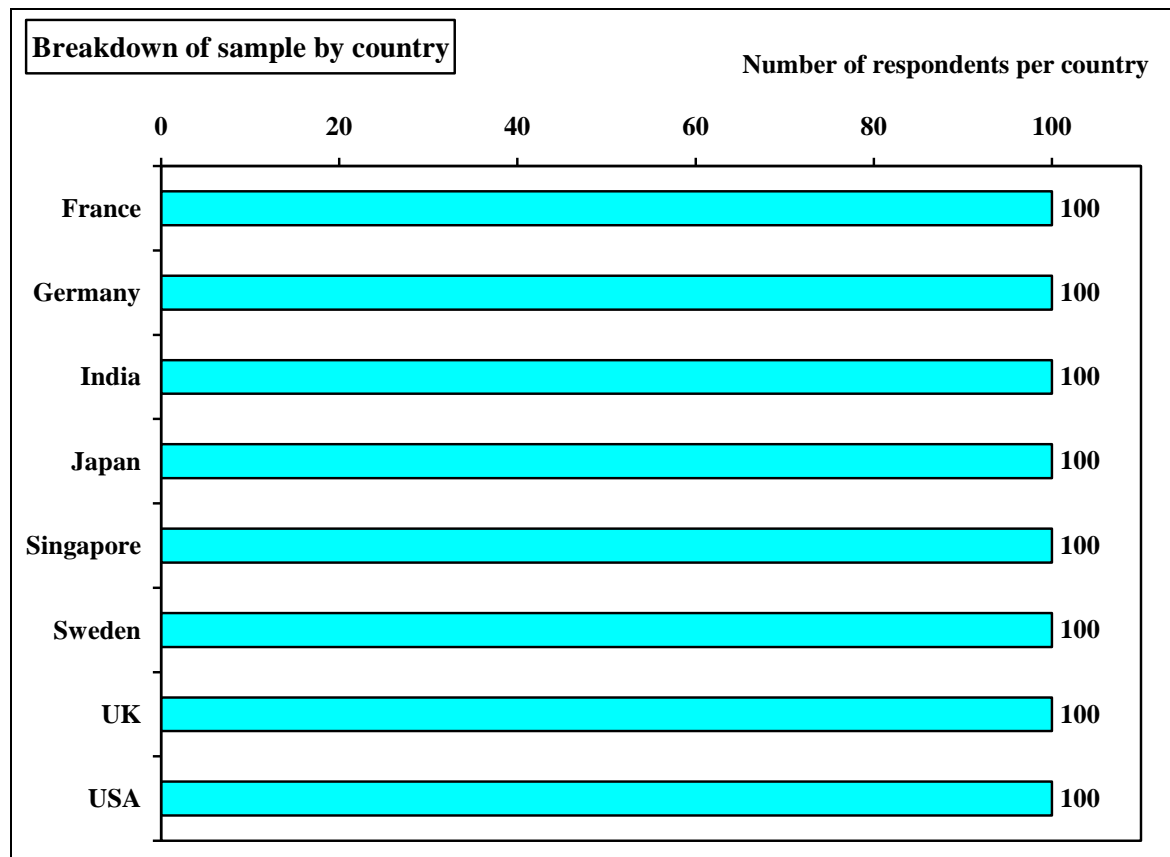
2. Research Methodology

2.1 Overview:

This report was commissioned by Tata Consultancy Services (TCS) and details quantitative research with middle and senior IT managers involved in driving IT projects to completion in large companies across 8 countries worldwide.

2.2 Quantitative Research:

A sample of 800 interviews was collected with middle and senior IT managers. All respondents confirmed prior to interview that they were involved in driving IT projects to completion and that their company has 250 or more employees worldwide. The questions posed to the employee sample can be found at Appendix A. The sample contains a wide variety of industry sectors.



2.3 Comparative Analysis:

The findings of the quantitative survey have been analysed and compared according to country and territory.

Table 1 below shows the margin of error at a 95% confidence level and Table 2 shows the sub-sample sizes for each country. These tables can be used to determine whether an observed difference between two sub-samples (e.g. Germany versus France) is a *real* difference or not; in other words, to see if the difference is statistically significant.

Table 2.1: Margin of error at a 95% confidence level:

Sample size	50	100	200	300	400	500	1000
5% or 95%	±6.2	±4.4	±3.1	±2.5	±2.2	±1.9	±1.4
10% or 90%	±8.5	±6.0	±4.2	±3.5	±3.0	±2.7	±1.9
25% or 75%	±12.5	±8.7	±6.1	±5.0	±4.3	±3.9	±2.7
50%	±14.1	±10	±7.1	±5.8	±5.0	±4.5	±3.2

Table 2.2: Sub-sample sizes (n) for country:

Country	IT managers n=
France	100
Germany	100
India	100
Japan	100
Singapore	100
Sweden	100
UK	100
USA	100

This means that for an observed percentage of 5% on a sub-sample of 50 respondents, the *real* percentage could be +/-6.2%, so the *real* percentage could be anywhere between 0% and 11.2%. This means that if the survey were repeated under exactly the same conditions, there is a 95% chance of getting a number anywhere between 0% and 11.2%. It follows that if 2% of Germans selected a particular answer, compared to 10% of people in France, from a statistical point of view the observed difference is NOT statistically valid at a 95% confidence level.

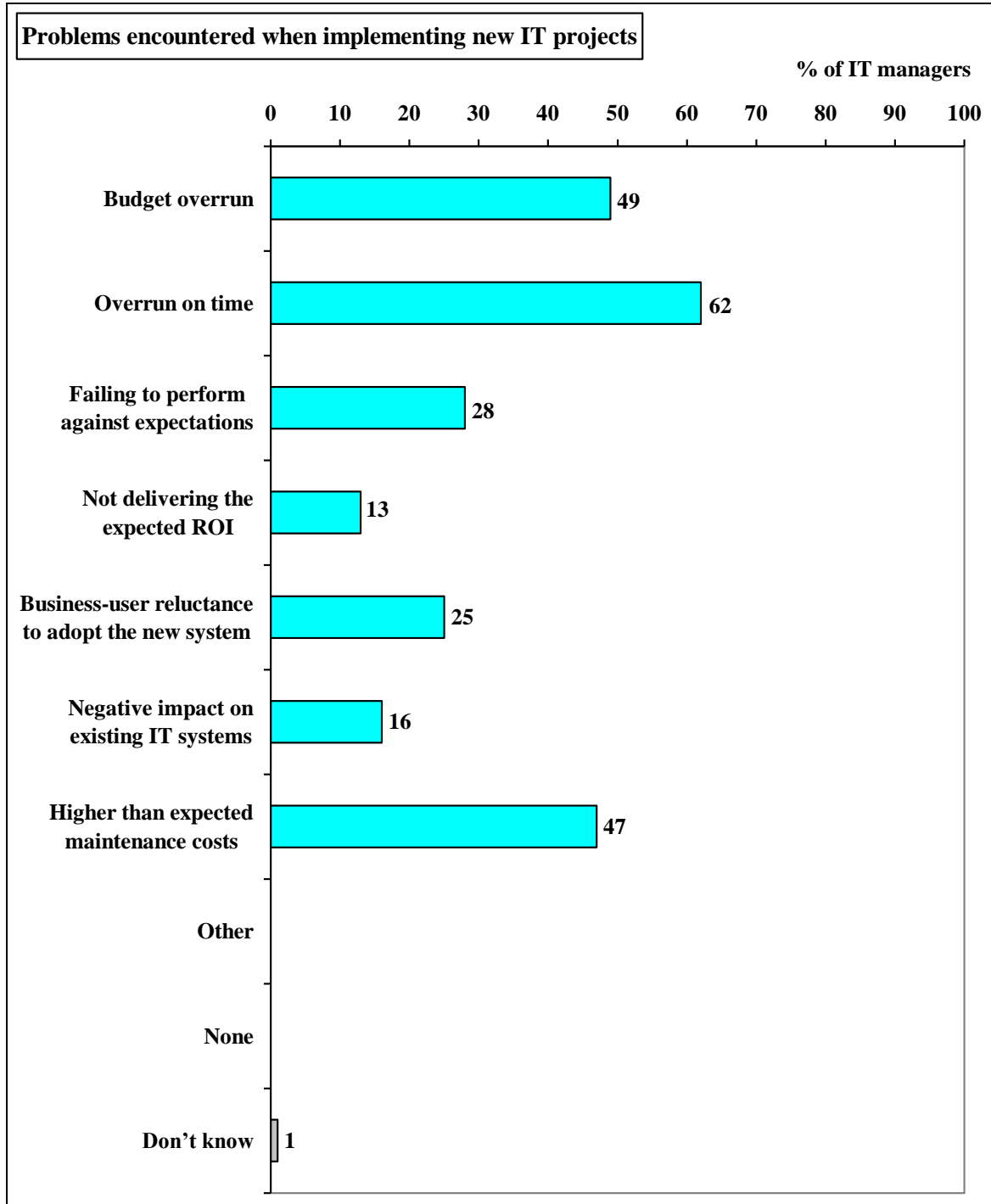
Therefore, where any differences exist that are significant at a 95% confidence level and are relevant to the overall findings, they are described accordingly in this report.

The interviews were conducted by telephone by Dynamic Markets Limited between 2nd and 18th July 2007. Before and during the interviews, respondents were not aware that TCS had commissioned the research.

Throughout this report, where any numbers do not add up to 100%, it is either because respondents were allowed to select more than one tick-box option in the question, or because of minor rounding errors, which should be ignored.

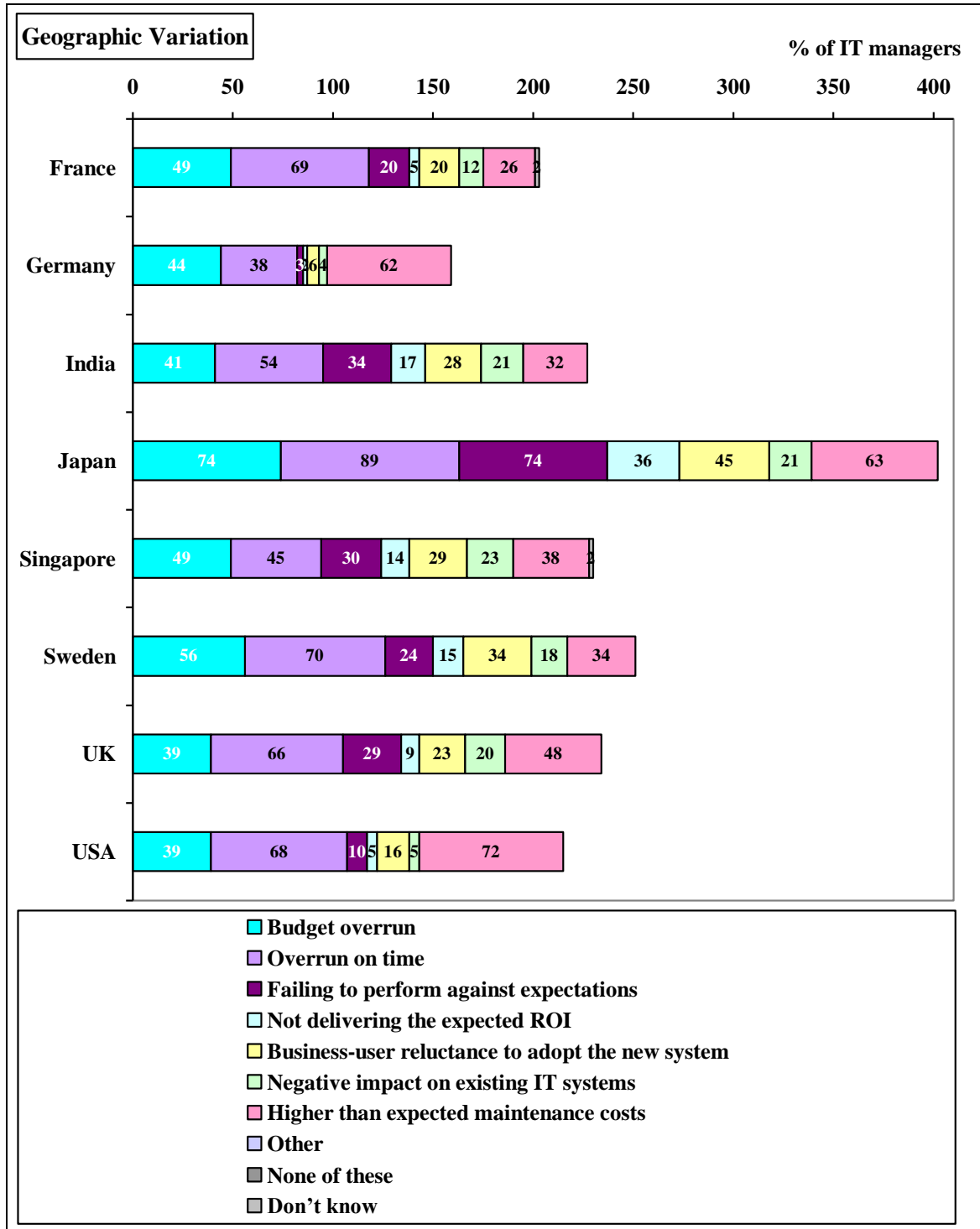
3. Key Findings

3.1 Which of the following problems has your organisation encountered when working on implementing new IT projects?



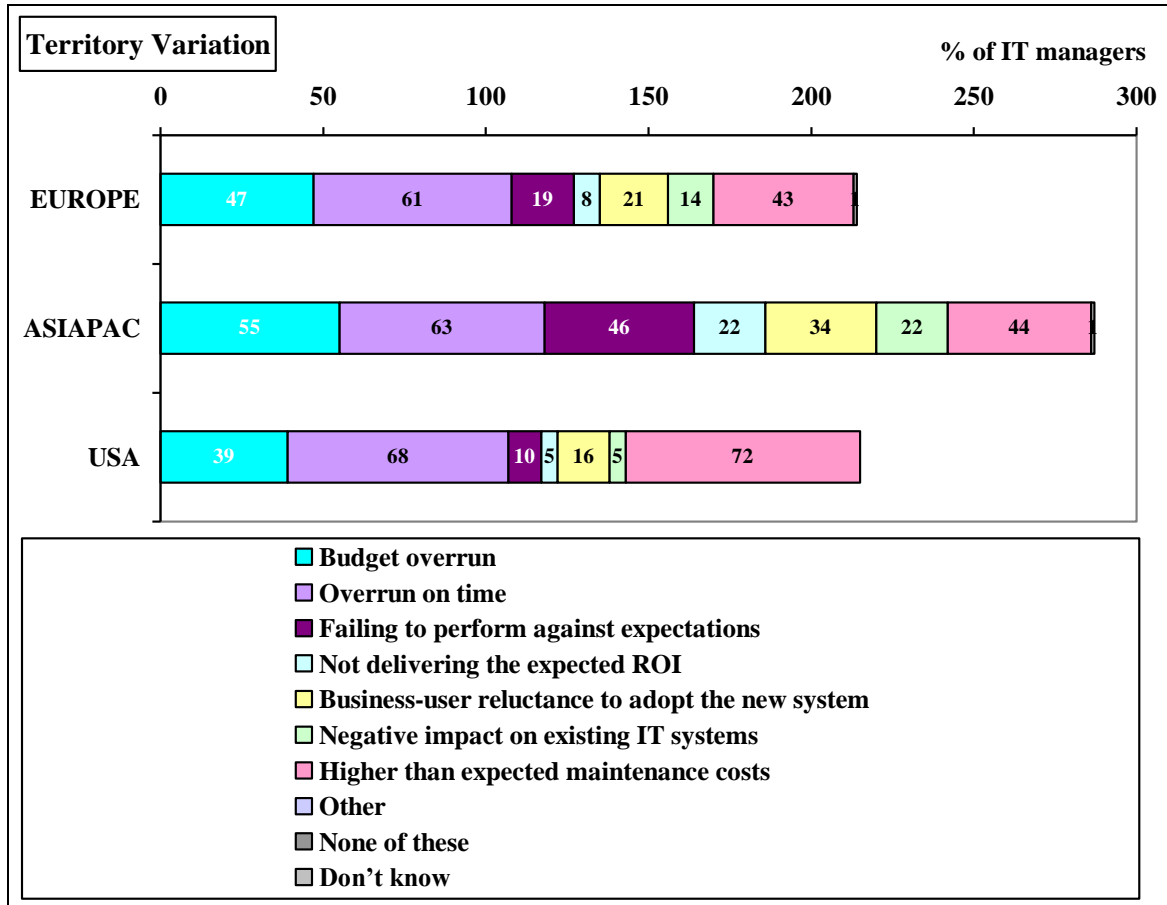
- All organisations in the sample have encountered at least 1 of these problems when working on implementing new IT projects.
- In fact, 76% have experienced multiple problems, 36% have experienced 3 or more and 9% have experienced 5 or more [not shown].

- Three stand out from the rest and these are:
 1. Overrun on time (62%)
 2. Budget overrun (49%)
 3. Higher than expected maintenance costs (47%)
- Almost 1 in 3 organisations (28%) have experienced IT projects that have failed to perform against expectations.
- 1 in 4 (25%) say they have had issues with business users being reluctant to adopt the new systems.
- 16% of organisations say the implementation of their new IT system has had a negative impact on existing IT systems.
- Also, 13% say they have had problems from the new IT system not delivering the expected return on investment (ROI).
- Only 1% of IT managers are not sure which of these problems their organisation had encountered when working on implementing new IT projects.



- Overall, Japanese organisations have encountered more of these problems when working on implementing new IT projects, compared to all other countries (i.e. length of bars in the above chart).
- Indeed, more Japanese (99%) and UK (85%) organisations have experienced multiple problems, compared to French (70%), German (49%) and Swedish (72%) organisations [not shown].
- Also, more Japanese organisations (91%) have experienced 3 or more of these problems, compared to all other countries (9% to 37%) [not shown].

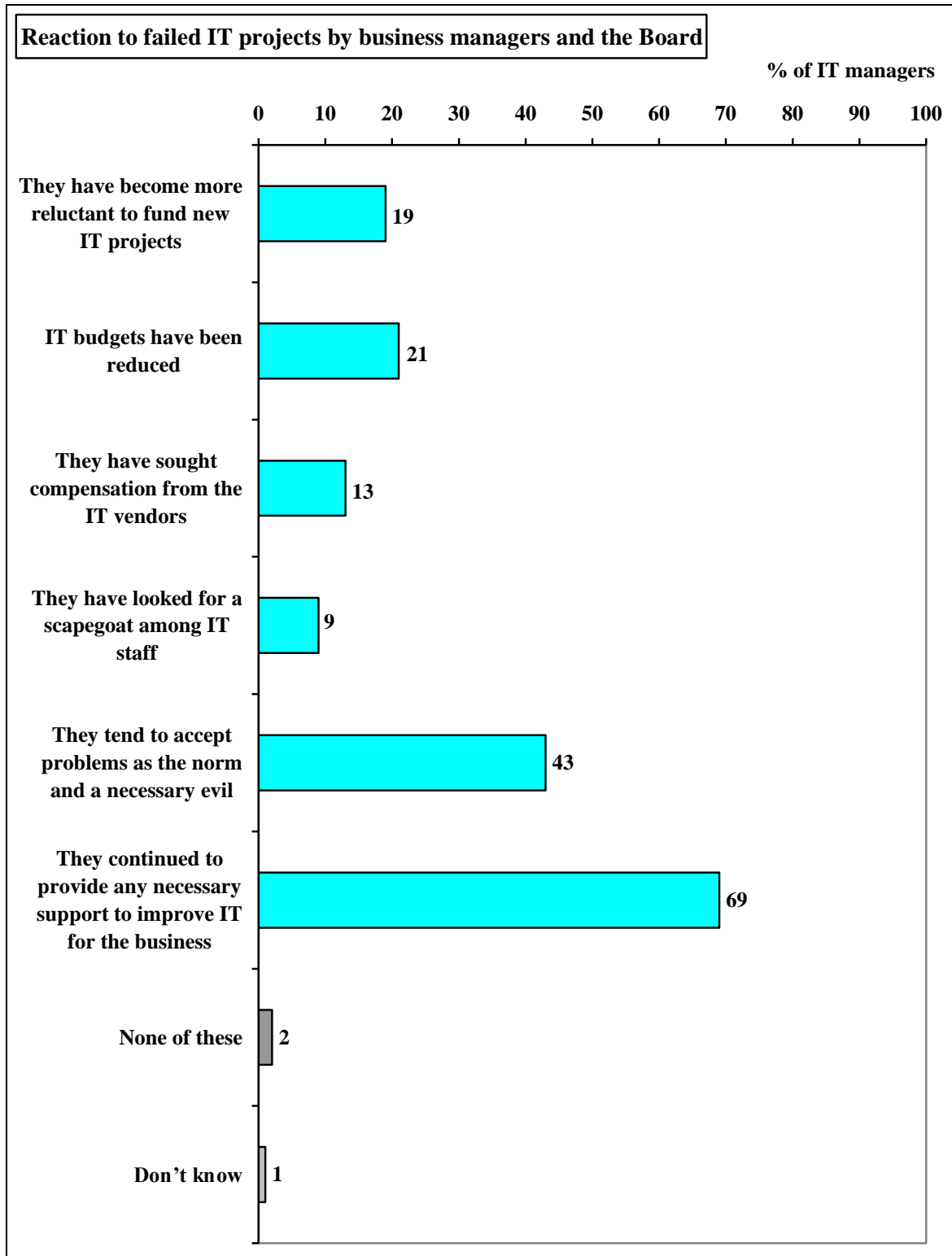
- And, more Japanese (37%) and Swedish (15%) organisations have experienced 5 or more problems, compared to all other countries (zero to 5%) [not shown].
- In detail, more Japanese (74%) and Swedish (56%) organisations have experienced budget overrun, compared to India (41%), the UK (39%) and the USA (39%).
- And, more French (69%), Japanese (89%) Swedish (70%) and USA (68%) organisations say overrun on time has been a problem, compared to Germany (38%), India (54%) and Singapore (45%).
- Yet, more Japanese organisations (74%) have experienced IT projects that have failed to perform against expectations, compared to all other countries (3% to 34%).
- However, more Indian (17%), Japanese (36%), Singapore (14%) and Swedish (15%) organisations say they have had problems from the new IT system not delivering the expected ROI, compared to France (5%), Germany (2%) and the USA (5%).
- But, more Japanese (45%) and Swedish (34%) organisations say they have had issues with business users being reluctant to adopt the new systems, compared to France (20%), Germany (6%) and the USA (16%).
- Furthermore, more Indian (21%), Japanese (21%), Singapore (23%), Swedish (18%) and UK (20%) organisations say the implementation of their new IT system has had a negative impact on existing IT systems, compared to Germany (4%) and the USA (5%).
- Finally, more German (62%), Japanese (63%) and USA (72%) organisations have experienced higher than expected maintenance costs, compared to all other countries (26% to 48%).



- Overall, organisations in AsiaPac have encountered more of these problems when working on implementing new IT projects, compared to the other territories (i.e. length of bars in the above chart).
- And, more organisations in AsiaPac (85%) have experienced multiple problems, compared to Europe (69%) and the USA (75%) [not shown].
- Also, more organisations in AsiaPac (53%) have experienced 3 or more of these problems, compared to Europe (26%) and the USA (27%) [not shown].
- In addition, more organisations in AsiaPac (16%) have experienced 5 or more of these problems, compared to Europe (5%) and the USA (3%) [not shown].
- In detail, more organisations in AsiaPac (55%) have experienced budget overrun, compared to Europe (47%) and the USA (39%).
- And, more organisations in AsiaPac (46%) have experienced IT projects that have failed to perform against expectations, compared to Europe (19%) and the USA (10%).
- Furthermore, more organisations in AsiaPac (22%) have had problems from the new IT system not delivering the expected ROI, compared to Europe (8%) and the USA (5%).
- And, more organisations in AsiaPac (34%) say they have had issues with business users being reluctant to adopt the new systems, compared to Europe (21%) and the USA (16%).

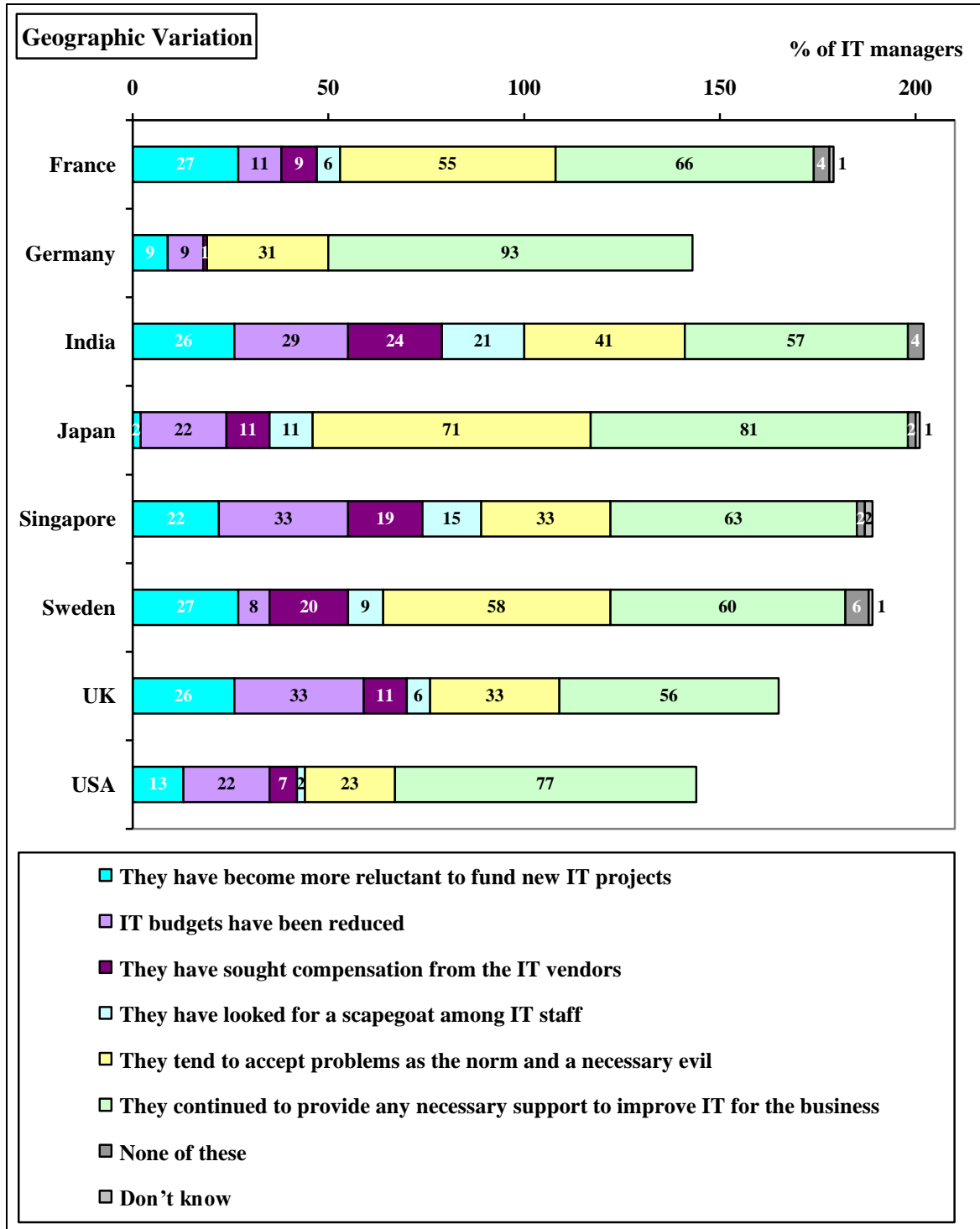
- However, more organisations in Europe (14%) and AsiaPac (22%) say the implementation of their new IT system has had a negative impact on existing IT systems, compared to the USA (5%).
- Finally, more organisations in the USA (72%) have experienced higher than expected maintenance costs, compared to Europe (43%) and AsiaPac (44%).

3.2 When IT projects have gone wrong, what has been the reaction from the business managers and the Board of Directors?



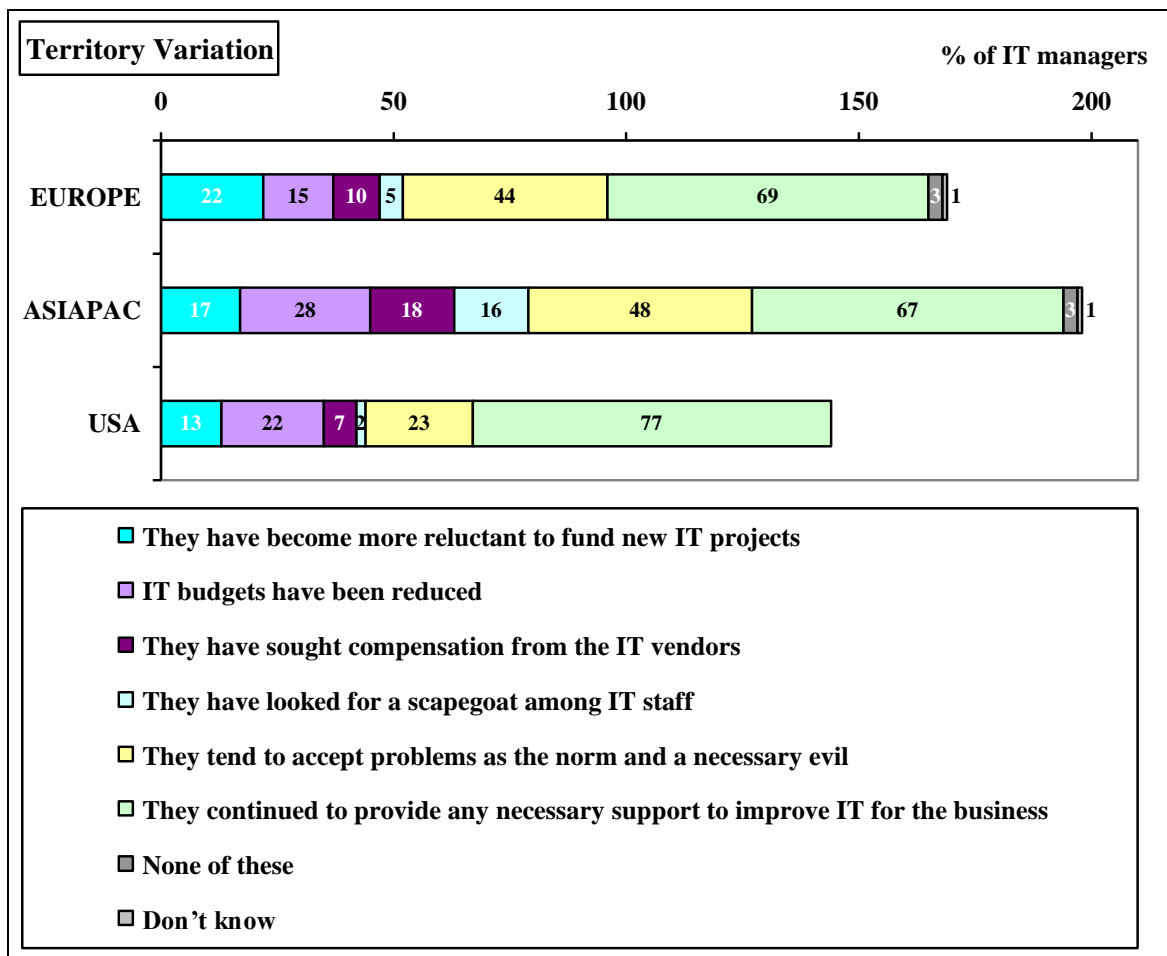
- When IT projects have gone wrong, 43% of IT managers say the business managers and the Board of Directors in their organisation tend to accept problems as the norm and a necessary evil.

- This might explain why 69% of IT managers say their business managers and the Board continue to provide the necessary support to improve IT for the business.
- In contrast, 19% (almost 1 in 5) say their business managers and the Board have become more reluctant to fund new IT projects after problems.
- Similarly, 21% say IT budgets have been reduced.
- Indeed, 9% of IT managers say the Board and business managers have looked for a scapegoat among IT staff when IT projects have gone wrong.
- Only 13% of organisations have sought compensation from the IT vendor when IT projects have gone wrong.
- 2% say none of these things have happened when IT projects have gone wrong and another 1% are unsure what the reaction of the business managers and the Board has been.



- More organisations in France (27%), India (26%), Sweden (27%) and the UK (26%) say their business managers and the Board have become more reluctant to fund new IT projects after problems, compared to Germany (9%), Japan (2%), and the USA (13%).
- But, more organisations in India (29%), Japan (22%), Singapore (33%), the UK (33%) and the USA (22%) say IT budgets have been reduced following problems, compared to France (11%), Germany (9%) and Sweden (8%).

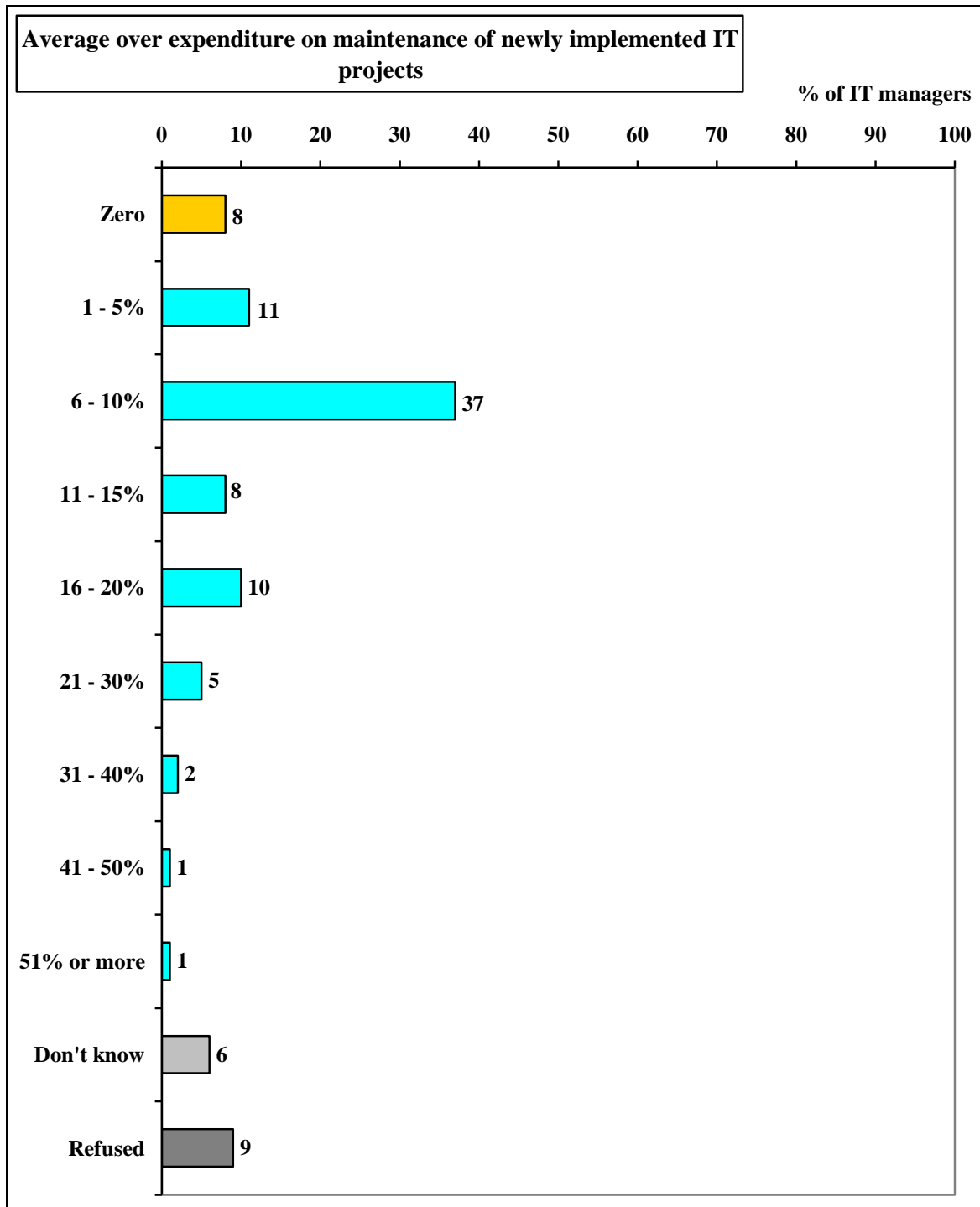
- However, more organisations in India (24%), Singapore (19%) and Sweden (20%) have sought compensation from the IT vendor when IT projects have gone wrong, compared to France (9%), Germany (1%) and the USA (7%).
- In contrast, more organisations in India (21%), Japan (11%) and Singapore (15%) say the Board and business managers have looked for a scapegoat among IT staff when IT projects have gone wrong, compared to Germany (zero) and the USA (2%).
- Yet, more organisations in France (55%), Japan (71%) and Sweden (58%) say the business managers and the Board of Directors in their organisation tend to accept problems as the norm and a necessary evil, compared to all the other countries (23% to 41%)
- Similarly, more organisations in Germany (93%), Japan (81%) and the USA (77%) say their business managers and the Board continue to provide the necessary support to improve IT for the business, compared to India (57%), Singapore (63%), Sweden (60%) and the UK (56%).
- Finally, more organisations in France (4%), India (4%) and Sweden (6%) say none of these things have happened when IT projects have gone wrong, compared to Germany, the UK and the USA (all zero).



- More organisations in Europe (22%) say their business managers and the Board have become more reluctant to fund new IT projects after problems, compared to the USA (13%).

- But, more organisations in AsiaPac (28%) say IT budgets have been reduced, compared to Europe (15%).
- However, more organisations in AsiaPac (18%) have sought compensation from the IT vendor when IT projects have gone wrong, compared to Europe (10%) and the USA (7%).
- And, more organisations in AsiaPac (16%) say the Board and business managers have looked for a scapegoat among IT staff when IT projects have gone wrong, compared to Europe (5%) and the USA (2%).
- Also, more organisations in Europe (44%) and AsiaPac (48%) say the business managers and the Board of Directors in their organisation tend to accept problems as the norm and a necessary evil, compared to the USA (23%).

3.3 On average, by what percentage have you found the maintenance costs of newly implemented IT projects are greater than originally expected?



- Collectively, 75% of organisations have found that maintenance costs of newly implemented IT projects have been greater than originally expected.
- Among this group, the average amount that costs have been higher than expected is by 15% of the overall costs, but this ranges from 1% to 80% [not shown].

- In fact, only 8% of IT managers said that the maintenance costs had not been higher than expected at all – another 6% were unsure of the amount and 9% refused to answer.

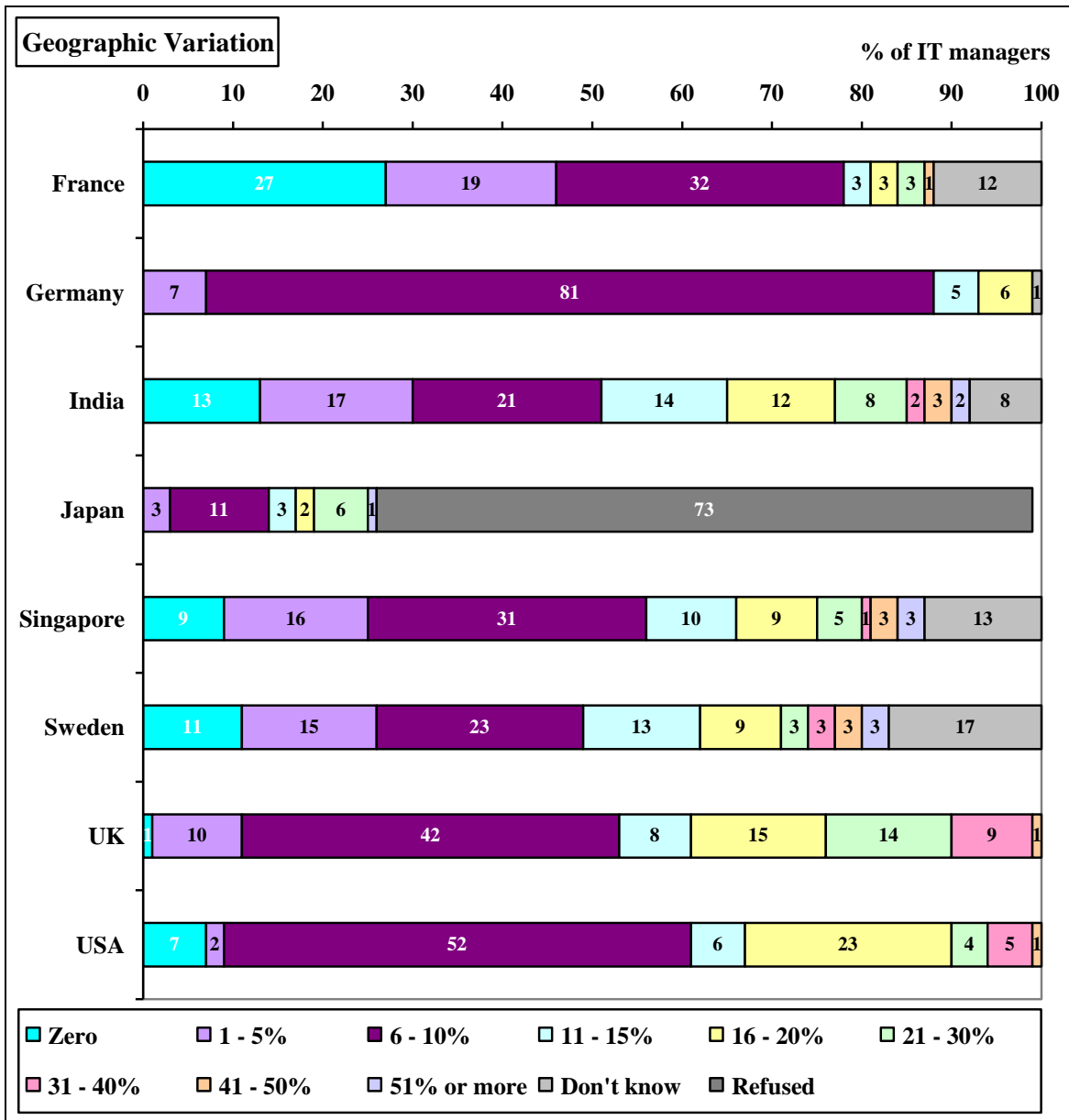


Table 3.1: Average maintenance-cost overspend as a percentage of total of maintenance cost – by country:

Country	Percentage overspend
France	10%
Germany	11%
India	16%
Japan	16%
Singapore	16%
Sweden	17%
UK	17%
USA	15%

- More organisations in Germany (99%), the UK (99%) and the USA (93%) have found that maintenance costs of newly implemented IT projects have been greater than originally expected, compared to all other countries (27% to 79%).
- And, on average, organisations in India (16%), Japan (16%), Singapore (16%), Sweden (17%), the UK (17%) and the USA (15%) have experienced greater maintenance costs, compared to those in France (10%) and Germany (11%).
- But, more organisations in France (27%) said that the maintenance costs had not been higher than expected at all, compared to all other countries (zero to 13%).
- In contrast, more organisations in Japan (73%) refused to answer, compared to all the other countries (all zero).

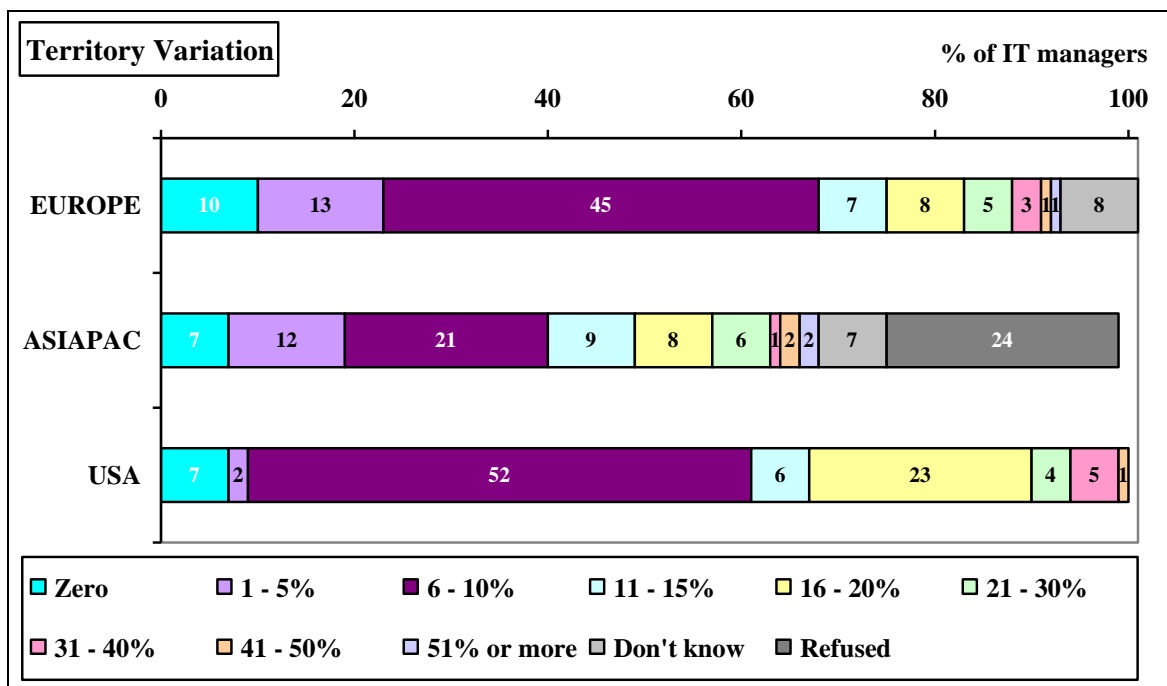
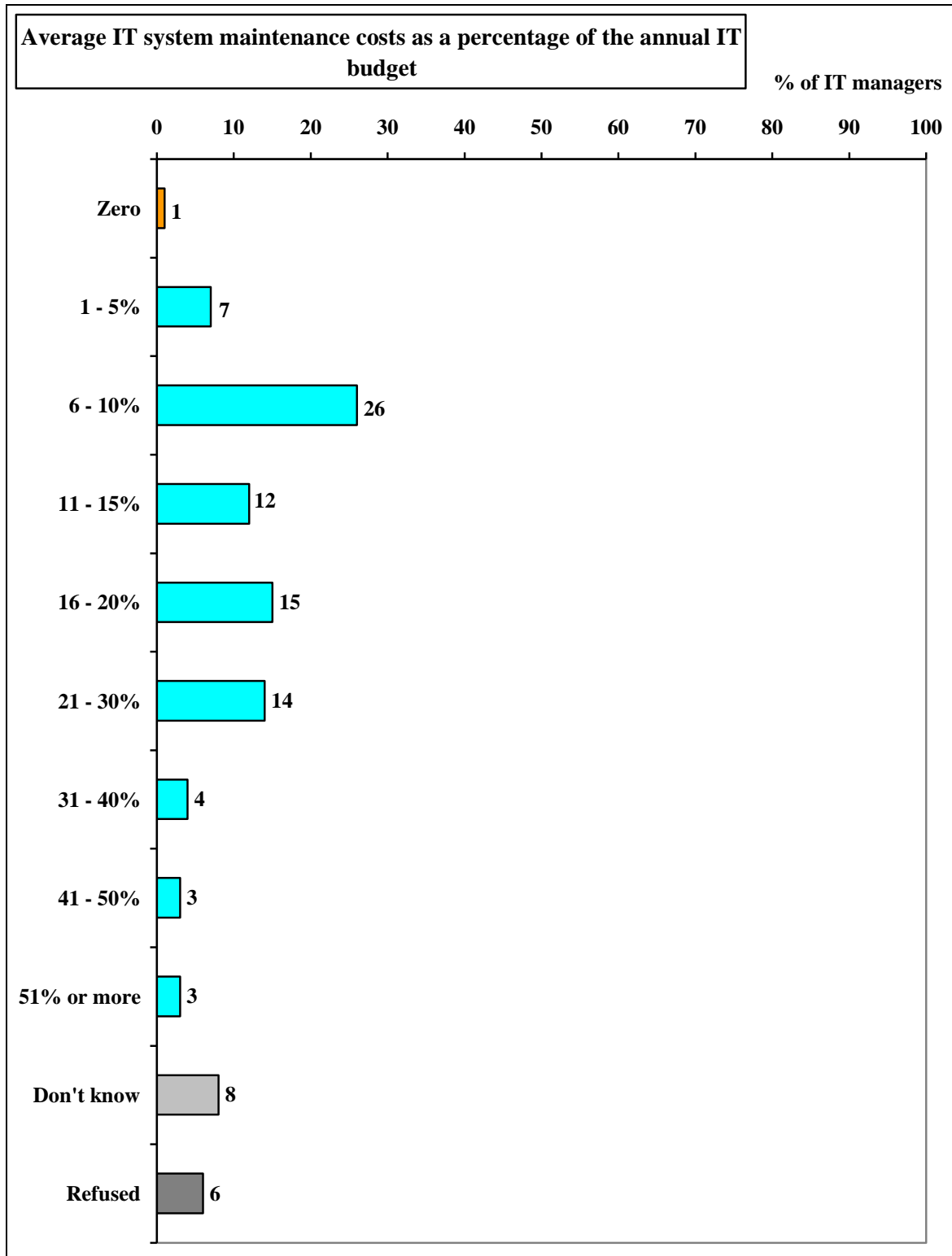


Table 3.2: Average maintenance-cost overspend as a percentage of total of maintenance cost – by territory:

Region	Percentage overspend
Europe	14%
AsiaPac	16%
USA	15%

- More organisations in Europe (83%) and the USA (93%) have found that maintenance costs of newly implemented IT projects have been greater than originally expected, compared to AsiaPac (61%).
- But more organisations in AsiaPac (24%) refused to answer, compared to the other territories (both zero).

3.4 On average, what percentage of your annual IT budget is taken up by the maintenance of IT systems?



- At least 85% of organisations pay for maintenance costs from their annual IT budget.
- The average percentage of the annual IT budget that is taken up by the maintenance costs of IT systems is 19%, but this ranges from 1 to 90% [not shown].

- Indeed, only 1% of organisations definitely do not do this – 8% of IT managers are unsure how the maintenance costs are paid for and 6% refused to answer the question.

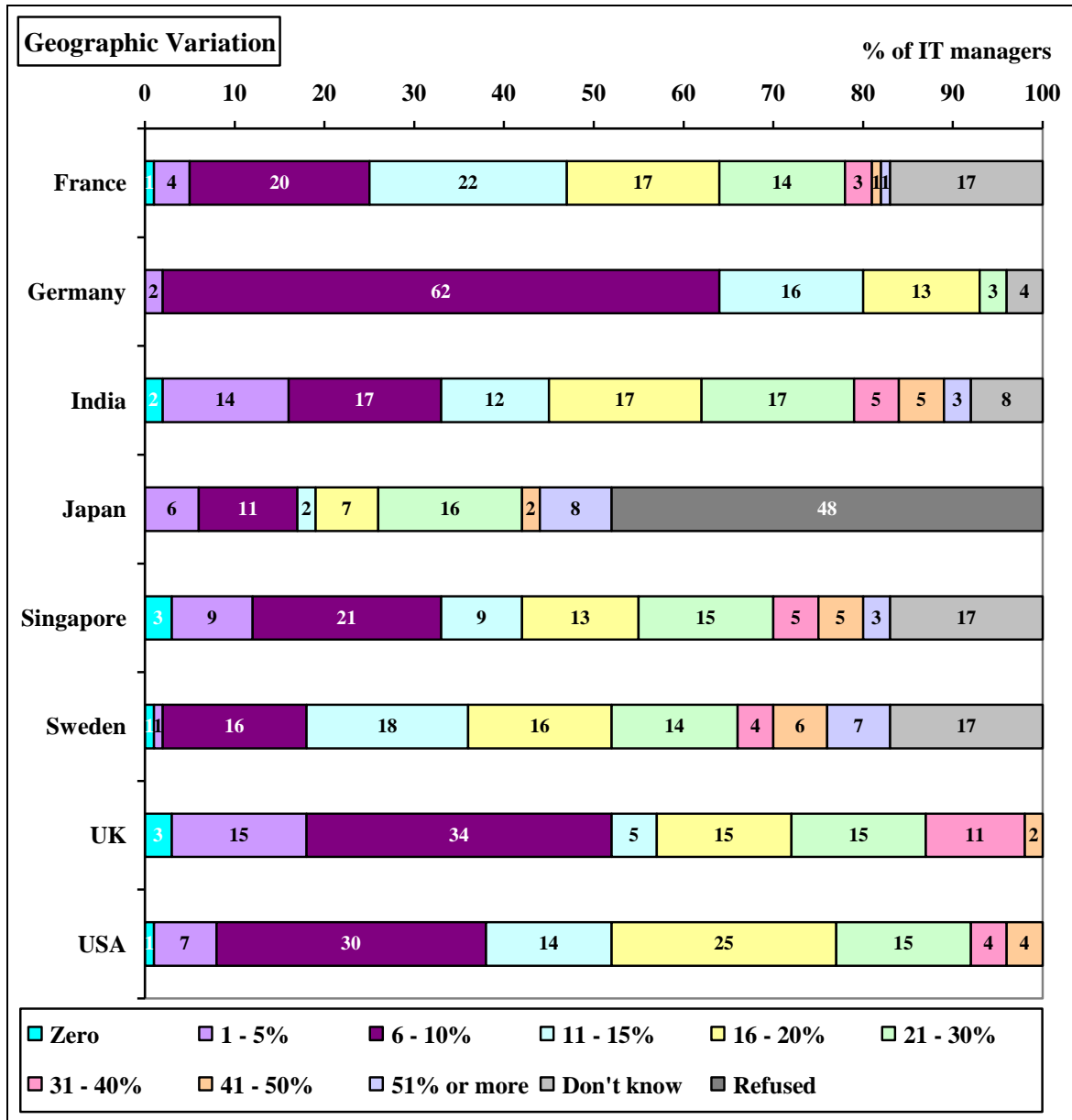


Table 3.3: Average maintenance costs as a percentage of the annual IT budget – by country:

Country	Percentage
France	18%
Germany	13%
India	20%
Japan	28%
Singapore	21%
Sweden	25%
UK	18%
USA	18%

- More organisations in Germany (96%), the UK (97%) and the USA (99%) pay for maintenance costs from their annual IT budget, compared to France (82%), Japan (52%), Singapore (80%) and Sweden (82%).
- And, on average, organisations in Japan (28%) and Sweden (25%) use up more of their annual IT budget on maintenance costs of IT systems, compared to those in France (18%), Germany (13%), India (20%), the UK (18%) and the USA (18%).
- In contrast, more organisations in Japan (48%) refused to answer, compared to all other countries (all zero).

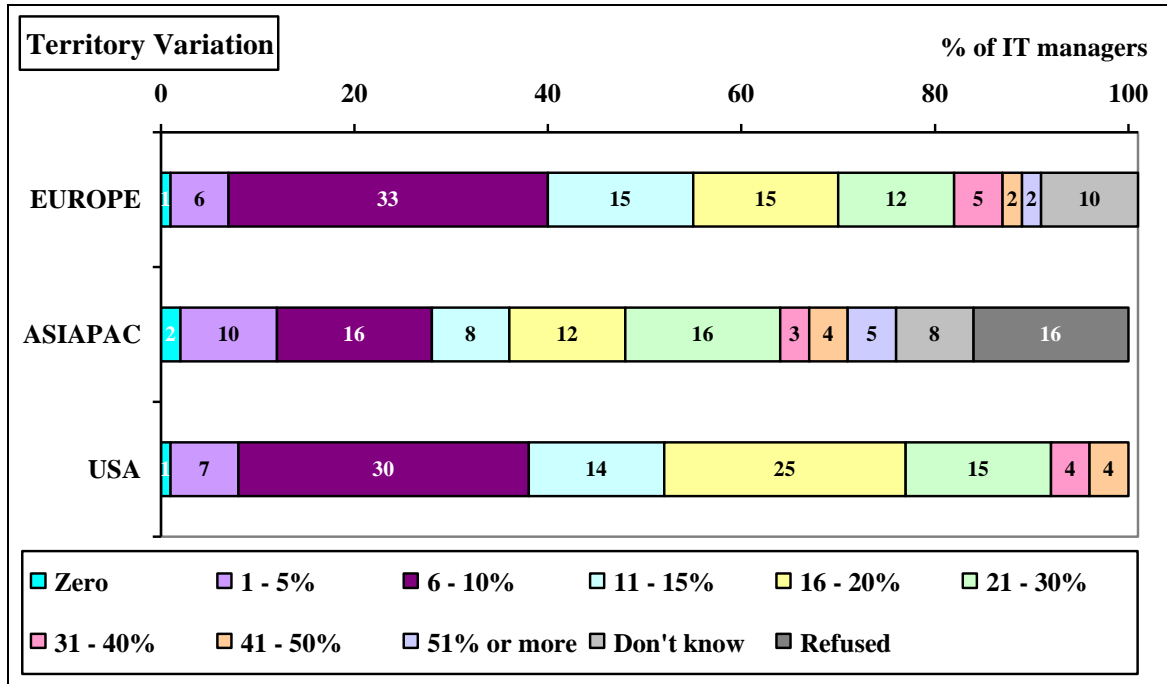
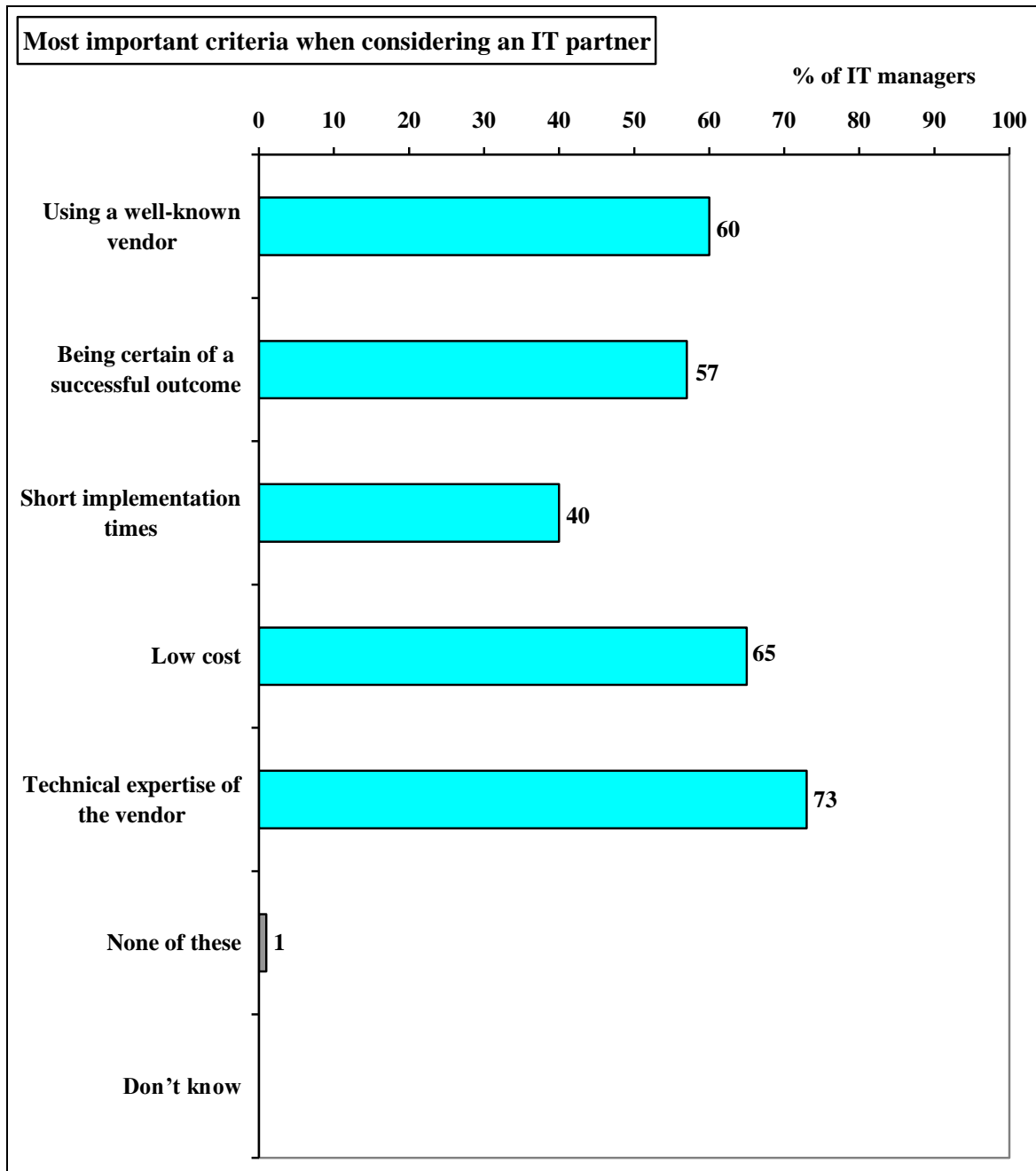


Table 3.4: Average maintenance costs as a percentage of the annual IT budget – by territory:

Region	Percentage
Europe	18%
AsiaPac	22%
USA	18%

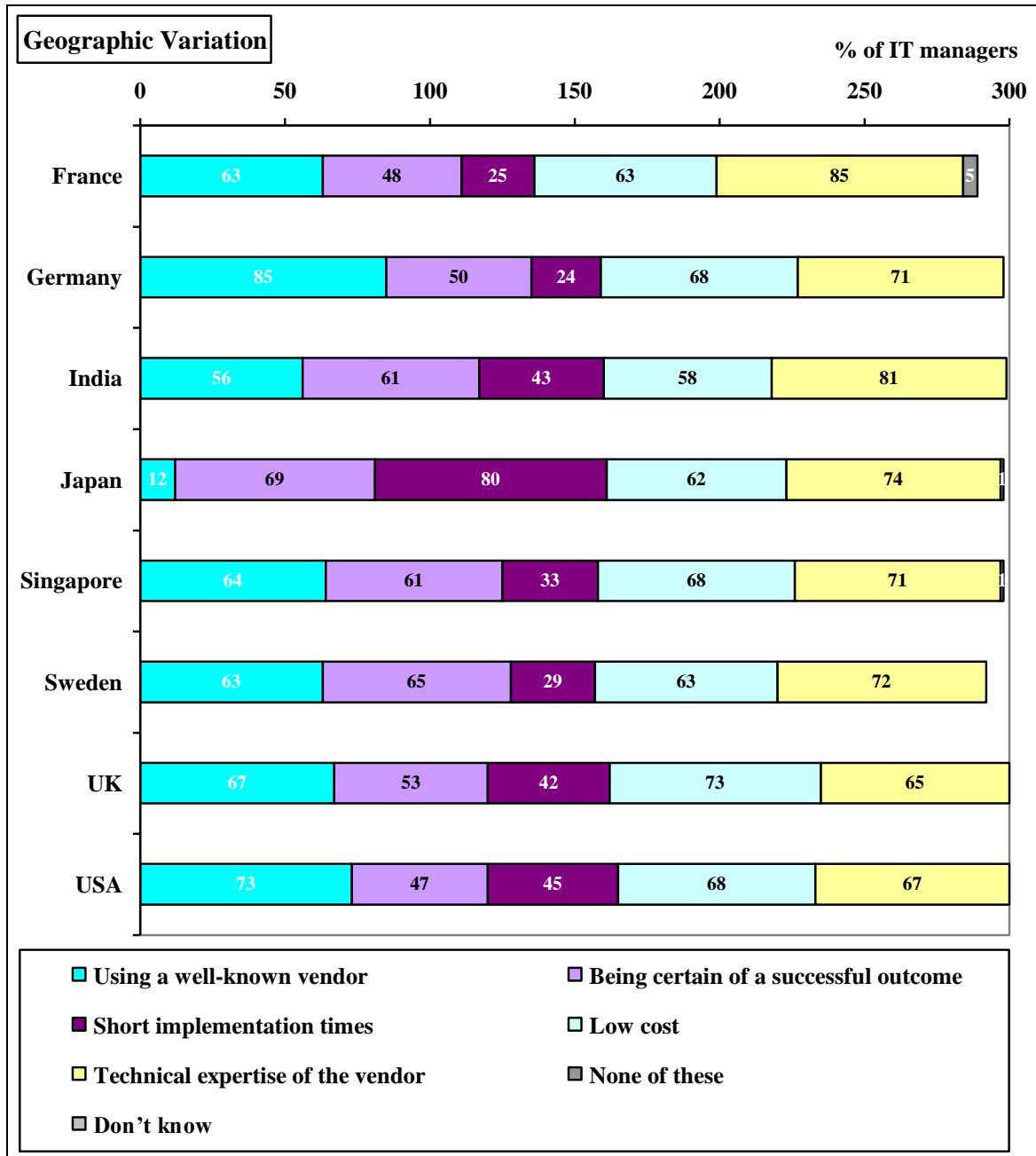
- More organisations in Europe (89%) and the USA (99%) pay for maintenance costs from their annual IT budget, compared to AsiaPac (74%).
- But, on average, organisations in AsiaPac (22%) use up more of their annual IT budget on maintenance costs of IT systems, compared to the other territories (both 18%).
- More organisations in AsiaPac (16%) refused to answer, compared to the other territories (both zero).

3.5 When it comes to choosing an IT vendor to partner with for the implementation of IT projects, which 3 of the following are most important to you?



- When it comes to choosing an IT vendor to partner with for the implementation of IT projects, technical expertise of the vendor (73%) is the most important buying criterion.
- But low cost is the next most common and among the 3 most important criteria for 65% of IT managers when choosing a partner for IT projects.
- And 60% rate using a well-known vendor among their Top 3 buying criteria.

- But almost as many (57%) rate being certain of a successful outcome to be among their Top 3 buying criteria.
- Only 40% say short implementation times is among their Top 3 buying criteria.
- 1% say none of these are among their 3 most important buying criteria.



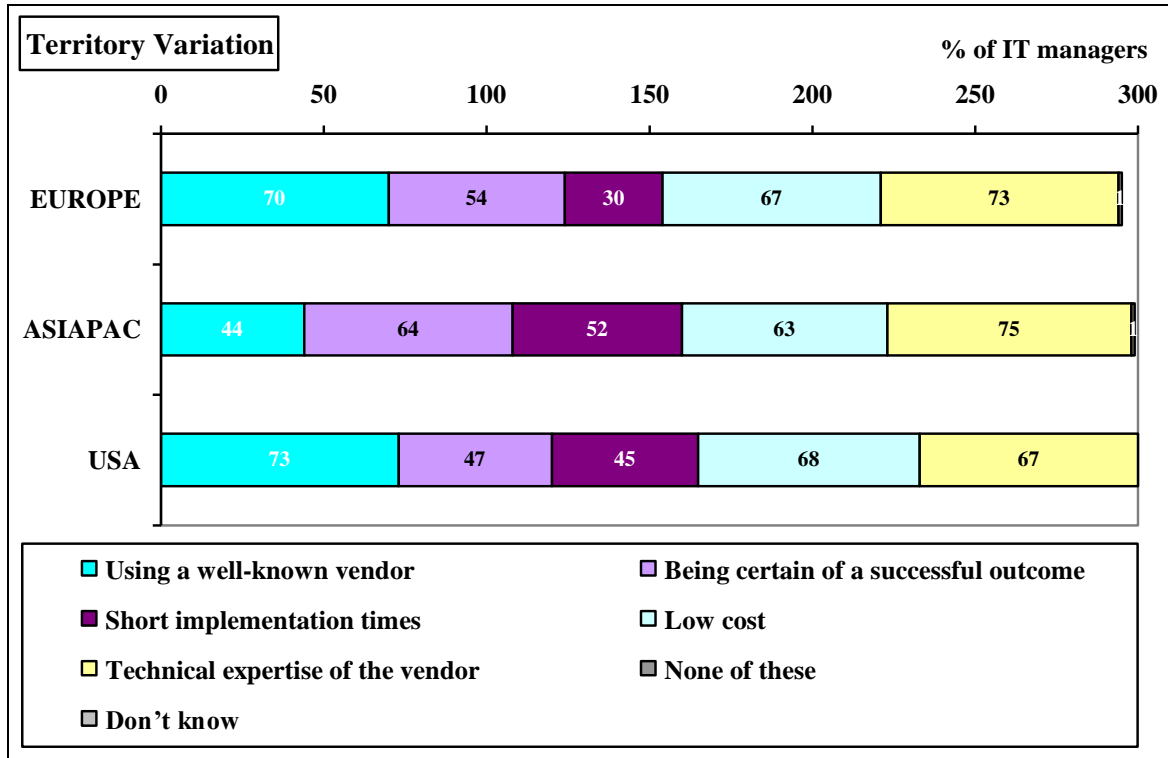
- Fewer organisations in Japan (12%) rate using a well-known vendor among their Top 3 buying criteria, compared to all other countries (56% to 85%) – this is the top criterion for Germany and the USA.
- But, more organisations in Japan (69%) and Sweden (65%) rate being certain of a successful outcome to be among their Top 3 buying criteria, compared to France (48%), Germany (50%) and the USA (47%).

- Yet, more organisations in Japan (80%) say short implementation times is among their Top 3 buying criteria, compared to all other countries (24% to 45%) – indeed, this is Japan’s most important buying criterion.
- In contrast, more organisations in the UK (73%) say low cost is among the 3 most important criteria, compared to India (58%) – this is top for the UK.
- However, more organisations in France (85%) and India (81%) say the technical expertise of the vendor is among the 3 most important buying criteria, compared to the UK (65%) and the USA (67%) – this is the top issue for France, India, Singapore and Sweden.

Table 3.5: Top 3 criteria for choosing an IT vendor – by country:

	First	Second	Third
France	Technical expertise of the vendor	Using a well-known vendor + Low cost	Being certain of a successful outcome
Germany	Using a well-known vendor	Technical expertise of the vendor	Low cost
India	Technical expertise of the vendor	Being certain of a successful outcome	Low cost
Japan	Short implementation times	Technical expertise of the vendor	Being certain of a successful outcome
Singapore	Technical expertise of the vendor	Low cost	Using a well-known vendor
Sweden	Technical expertise of the vendor	Being certain of a successful outcome	Using a well-known vendor; Low cost
UK	Low cost	Using a well-known vendor	Technical expertise of the vendor
USA	Using a well-known vendor	Low cost	Technical expertise of the vendor

- The Top 3 most common buying criteria vary considerably by country, with no two countries having the same top 3 list.
- Interestingly, being certain of a successful outcome is not top of the list for any countries, but it is deemed more important in both India and Japan, where it ranks second.



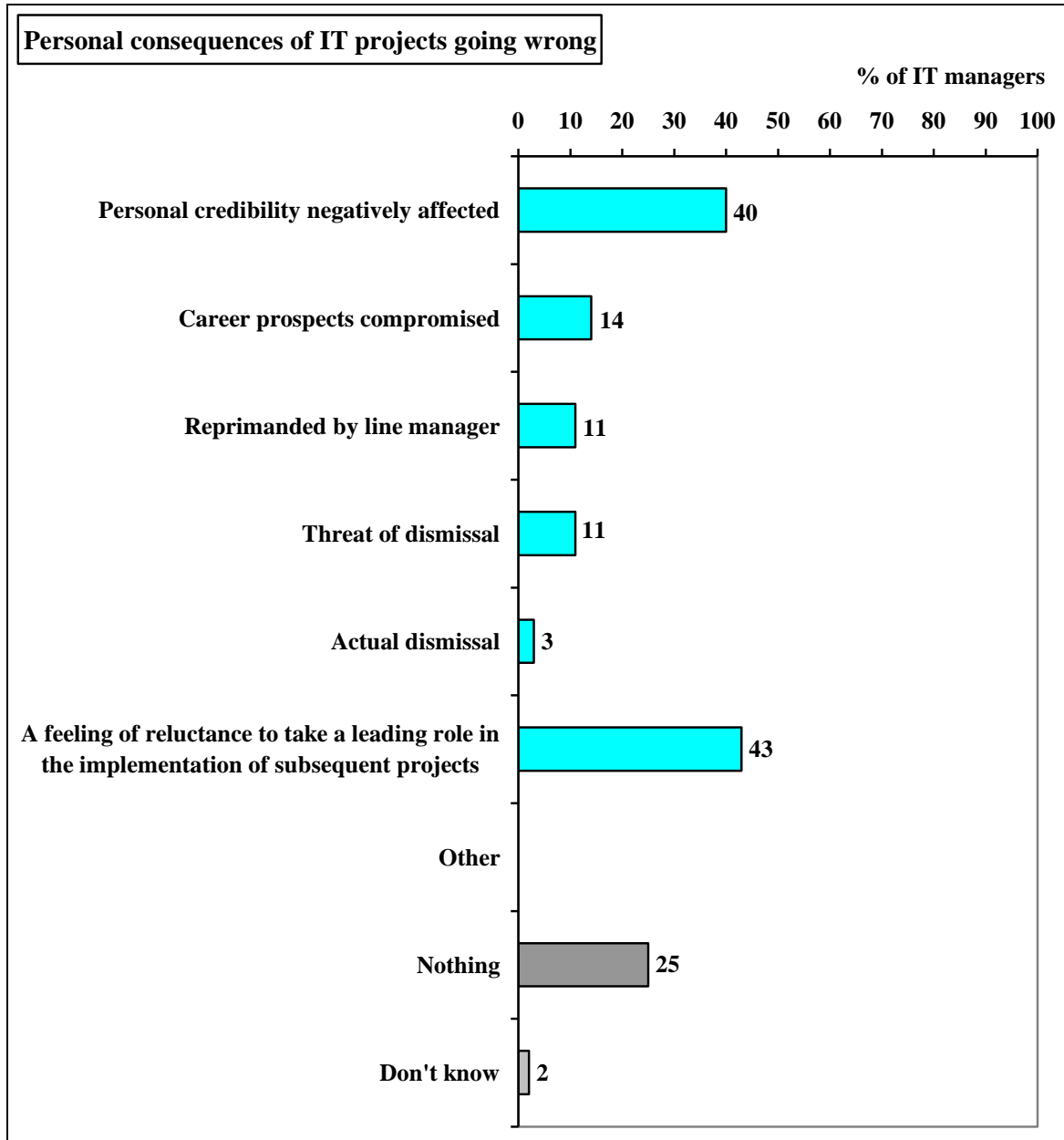
- Fewer organisations in AsiaPac (44%) rate using a well-known vendor among their top 3 buying criteria, compared to Europe (70%) and the USA (73%) – and this is the top criterion for the USA.
- Yet, more organisations in AsiaPac (64%) say being certain of a successful outcome is among their top 3 buying criteria, compared to Europe (54%) and the USA (47%).
- But, more organisations in AsiaPac (52%) and the USA (45%) say short implementation times are among their Top 3 buying criteria, compared to Europe (30%).

Table 3.6: Top 3 criteria for choosing an IT vendor – by territory:

	First	Second	Third
Europe	Technical expertise of the vendor	Using a well-known vendor	Low cost
AsiaPac	Technical expertise of the vendor	Being certain of a successful outcome	Low cost
USA	Using a well-known vendor	Low cost	Technical expertise of the vendor

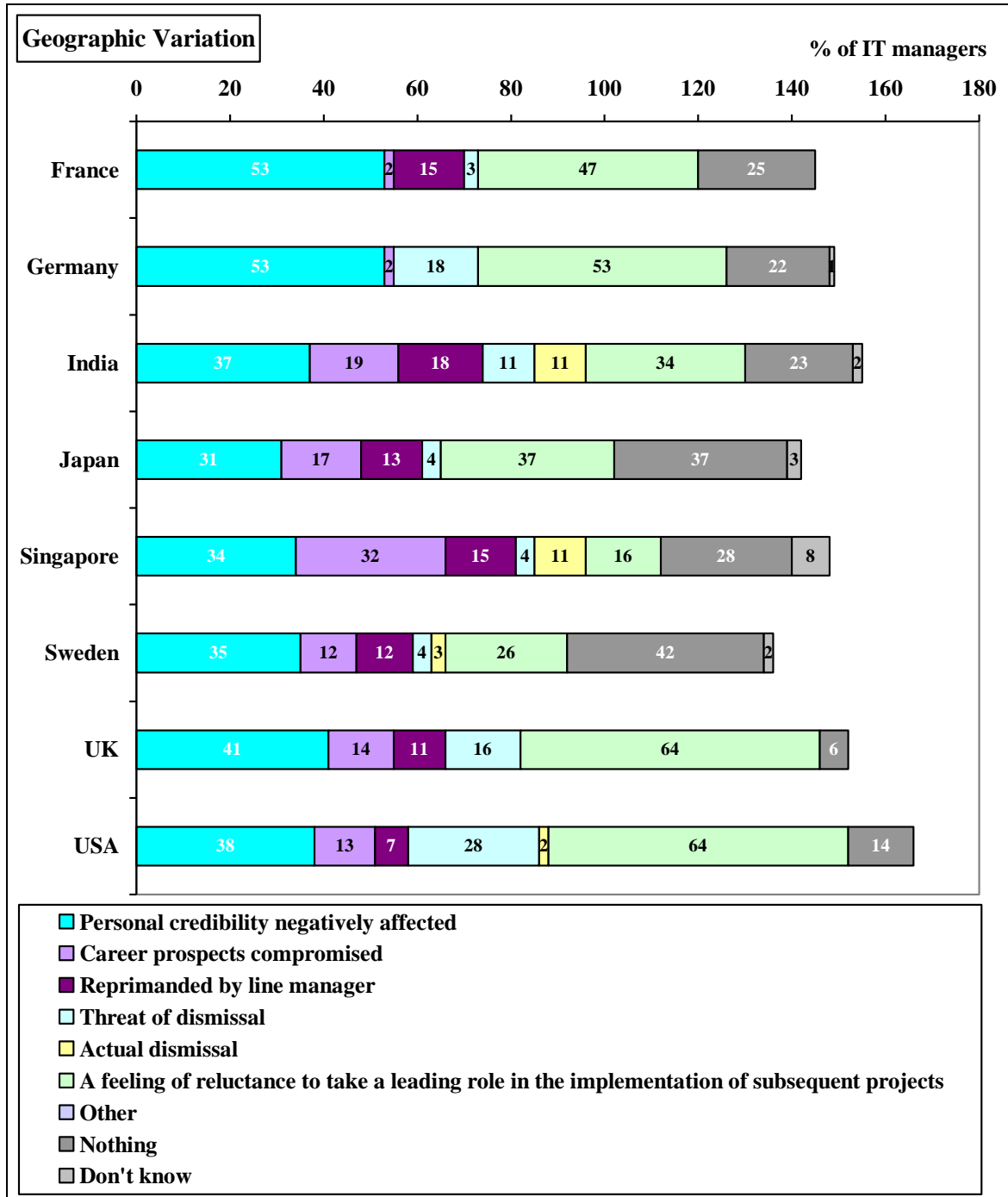
- All three territories have different priorities when it comes to buying criteria for vendors to partner with for the implementation of IT projects.
- Being certain of a successful outcome is ranked second in AsiaPac, but does not make the Top 3 in Europe or the USA.
- Low cost, on the other hand, is important to all 3 territories.

3.6 Which of the following has happened to you personally as a result of IT projects not going according to plan?



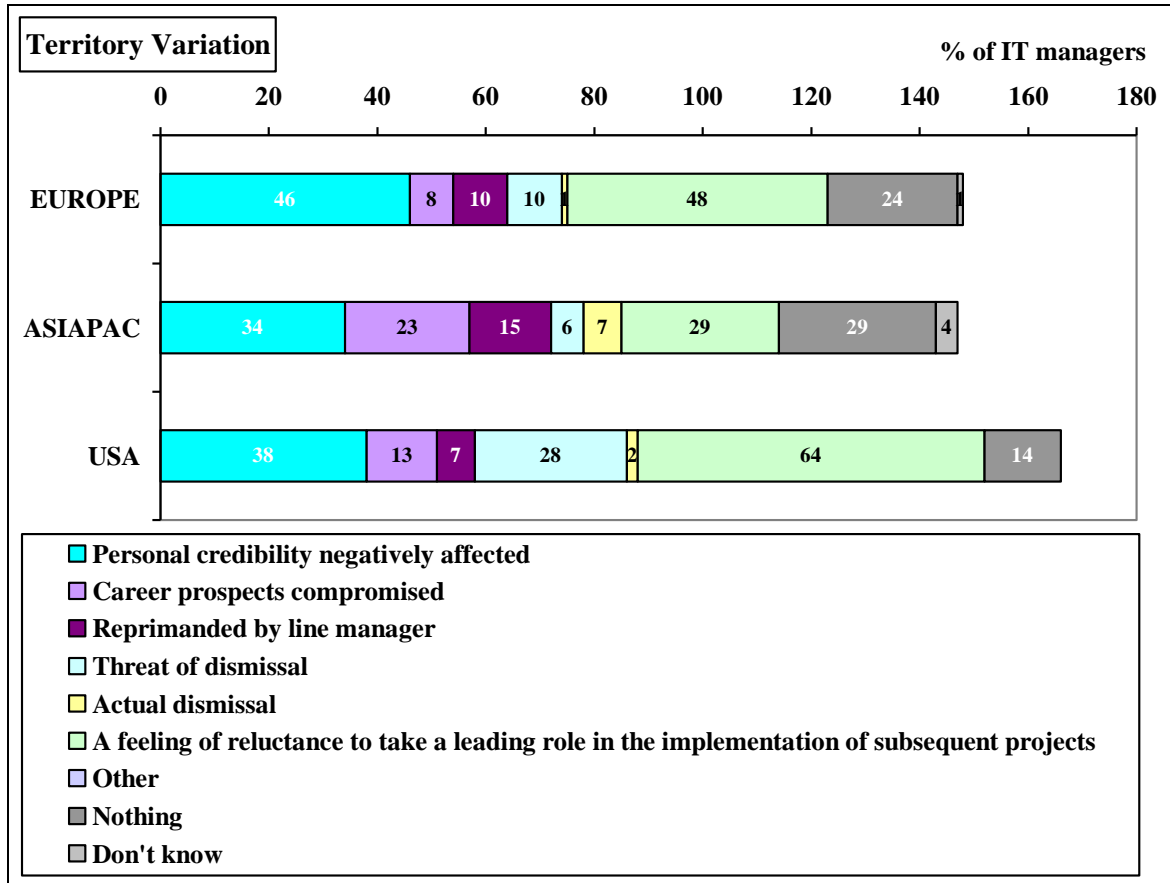
- 73% of IT managers say they personally have been affected in a negative way as a result of IT projects not going according to plan.
- Indeed, 38% say they have had more than 1 of these things happen to them personally as a result of IT projects going wrong and 10% say they have had 3 or more happen to them [not shown].
- Two consequences stand out as the most common:
 1. A reluctance to take a leading role in subsequent projects (43%)
 2. Personal credibility being negatively affected (40%)
- 14% of IT managers say their career prospects have been compromised as a result of IT projects not going according to plan.

- 11% have been reprimanded by their line manager, the same amount (11%) have been threatened with dismissal, and 3% have actually been dismissed as a result of IT projects not going according to plan.
- In contrast, 25% say nothing has happened to them as a result of IT projects not going according to plan.
- Another 2% are unsure if anything has happened to them or not.



- More IT managers in the UK (94%) and the USA (86%) have experienced some sort of negative impact as a result of IT projects not going according to plan, compared to France (75%), India (75%), Japan (60%), Singapore (64%) and Sweden (56%).

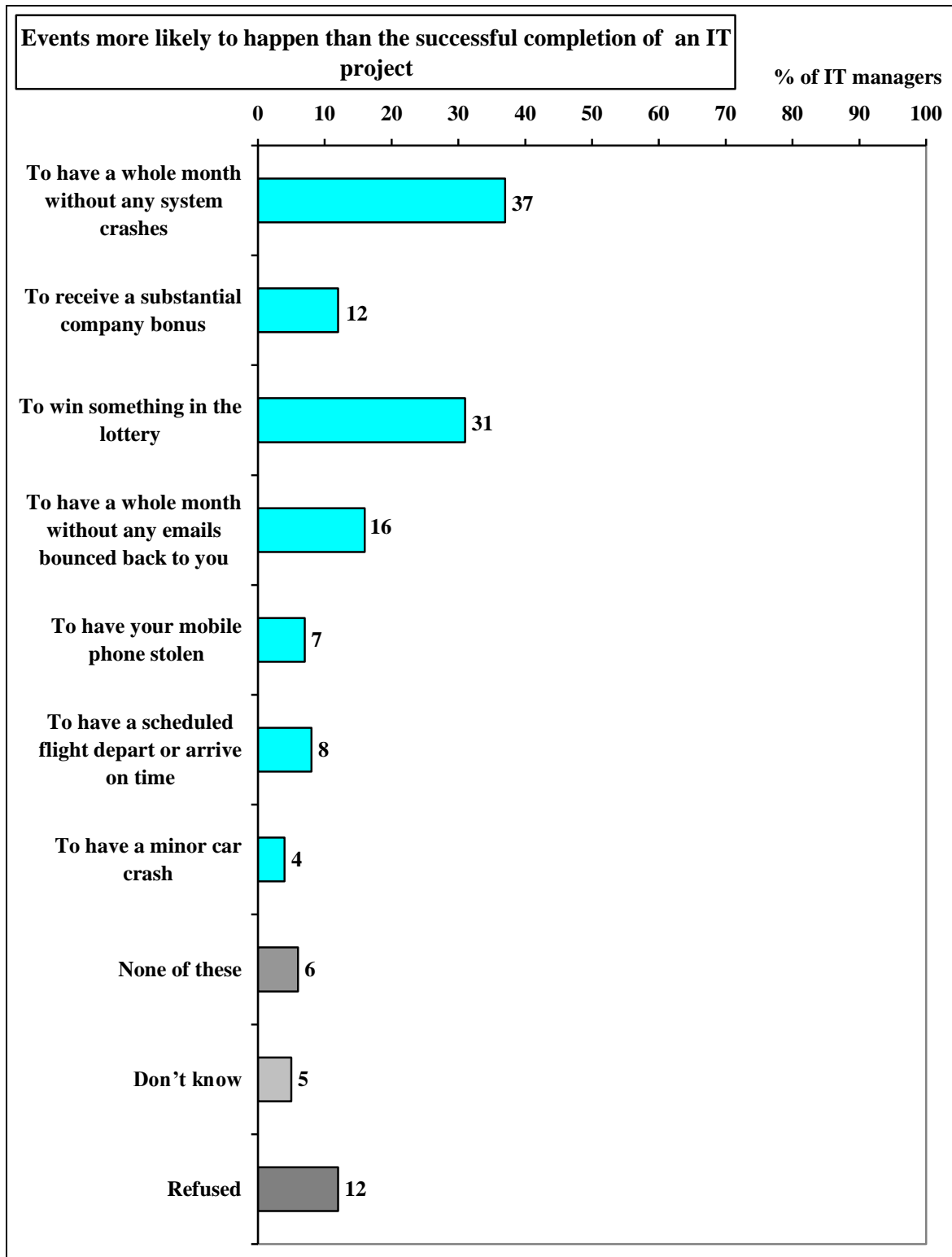
- And, more IT managers in the UK (45%) and the USA (49%) say they have had more than 1 of these things happen to them personally as a result of IT projects going wrong, compared to Japan and Sweden (both 29%) [not shown].
- But, more IT managers in Germany (13%), India (14%) and the USA (17%) say they have had 3 or more happen to them, compared to France (2%) and Sweden (5%) [not shown].
- In detail, more IT managers in France and Germany (both 53%) say their personal credibility has been negatively affected, compared to India (37%), Japan (31%), Singapore (34%), Sweden (35%) and the USA (38%).
- But, more IT managers in India (19%), Japan (17%), Singapore (32%), Sweden (12%), the UK (14%) and the USA (13%) say their career prospects have been compromised as a result of IT projects not going according to plan, compared to France and Germany (both 2%).
- However, fewer IT managers in Germany (zero) have been reprimanded by their line manager, compared to all the other countries (7% to 18%).
- But, more IT managers in Germany (18%), the UK (16%) and the USA (28%) have been threatened with dismissal, compared to France (3%), Japan, Singapore and Sweden (all 4%).
- Yet, more IT managers in India (11%) and Singapore (11%) have actually been dismissed as a result of IT projects not going according to plan, compared to France (zero), Germany (zero), Japan (zero), Sweden (3%), the UK (zero) and the USA (2%).
- Indeed, more IT managers in France (47%), Germany (53%), the UK (64%) and the USA (64%) have become reluctant to take a leading role in subsequent projects after things have gone wrong, compared to Singapore (16%) and Sweden (26%).
- However, more IT managers in France (25%), Japan (37%), Singapore (28%) and Sweden (42%) say nothing has happened to them as a result of IT projects not going according to plan, compared to the UK (6%) and the USA (14%).
- And, more IT managers in Singapore (8%) are unsure if anything has happened to them or not as a result of problem IT projects, compared to France (zero), Germany (1%), the UK (zero) and the USA (zero).



- More IT managers in Europe (76%) and the USA (86%) have experienced some sort of negative impact as a result of IT projects not going according to plan, compared to AsiaPac (67%).
- But, more IT managers in the USA (49%) say they have had more than 1 of these things happen to them personally as a result of IT projects going wrong, compared to Europe (38%) and AsiaPac (35%) [not shown].
- But, more IT managers in AsiaPac (11%) and the USA (17%) say they have had 3 or more happen to them, compared to Europe (7%)[not shown].
- In detail, more IT managers in Europe (46%) say their personal credibility has been negatively affected, compared to AsiaPac (34%).
- But, more IT managers in AsiaPac (23%) say their career prospects have been compromised as a result of IT projects not going according to plan, compared to Europe (8%) and the USA (13%).
- However, more IT managers in AsiaPac (15%) have been reprimanded by their line manager, compared to Europe (10%) and the USA (7%).
- Furthermore, more IT managers in the USA (28%) have been threatened with dismissal, compared to Europe (10%) and AsiaPac (6%).
- Yet, more IT managers in AsiaPac (7%) have actually been dismissed as a result of IT projects not going according to plan, compared to Europe (1%).

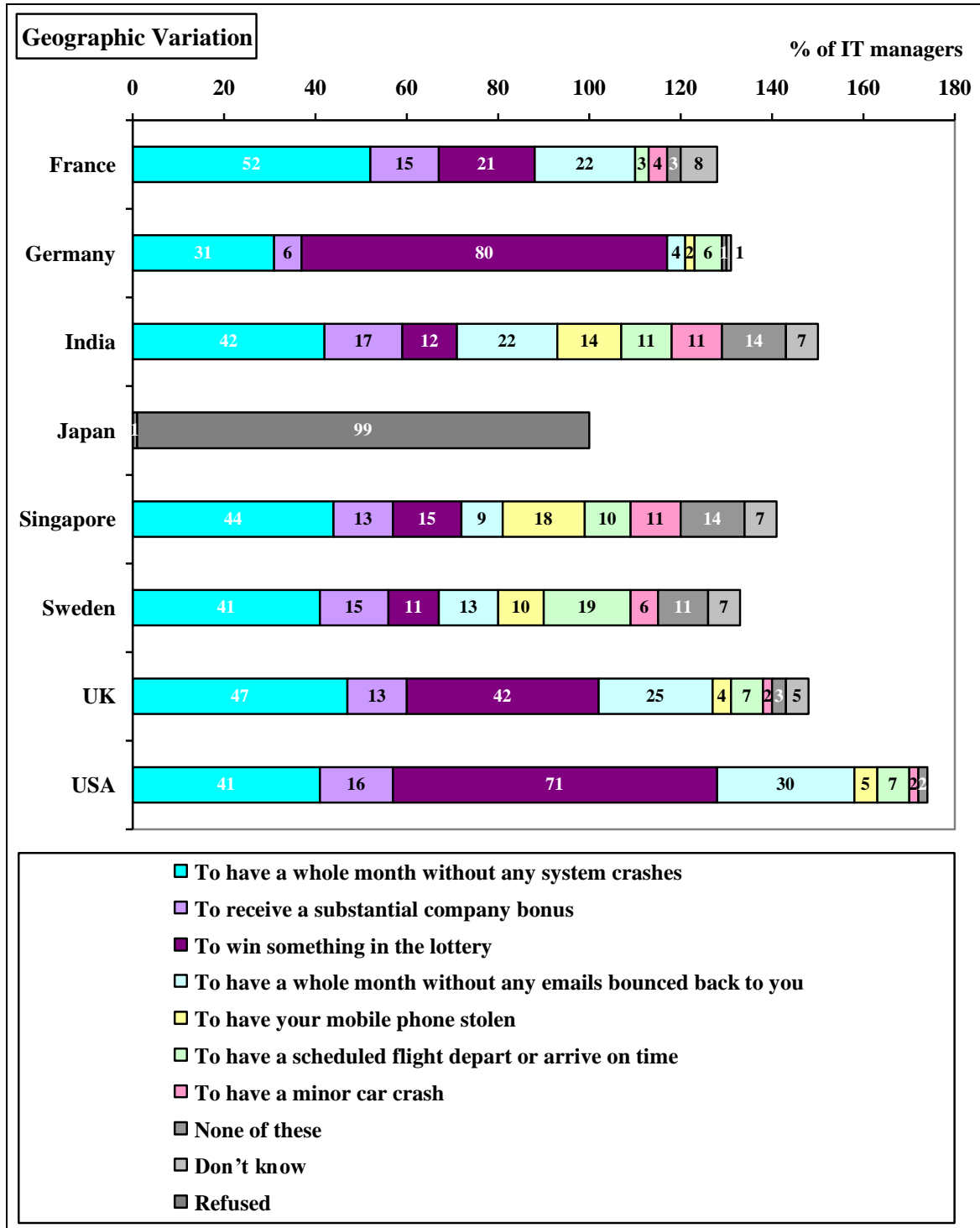
- But, more IT managers in Europe (48%) and the USA (64%) have developed a reluctance to take a leading role in subsequent IT projects, compared to AsiaPac (29%).
- However, more IT managers in Europe (24%) and AsiaPac (29%) say nothing has happened to them as a result of IT projects not going according to plan, compared to the USA (14%).
- And, more IT managers in AsiaPac (4%) are unsure if anything has happened to them or not, compared to Europe (1%) and the USA (zero).

3.7 Which of the following do you think are more likely to happen to you than you are to have an IT project completed without any problems whatsoever?



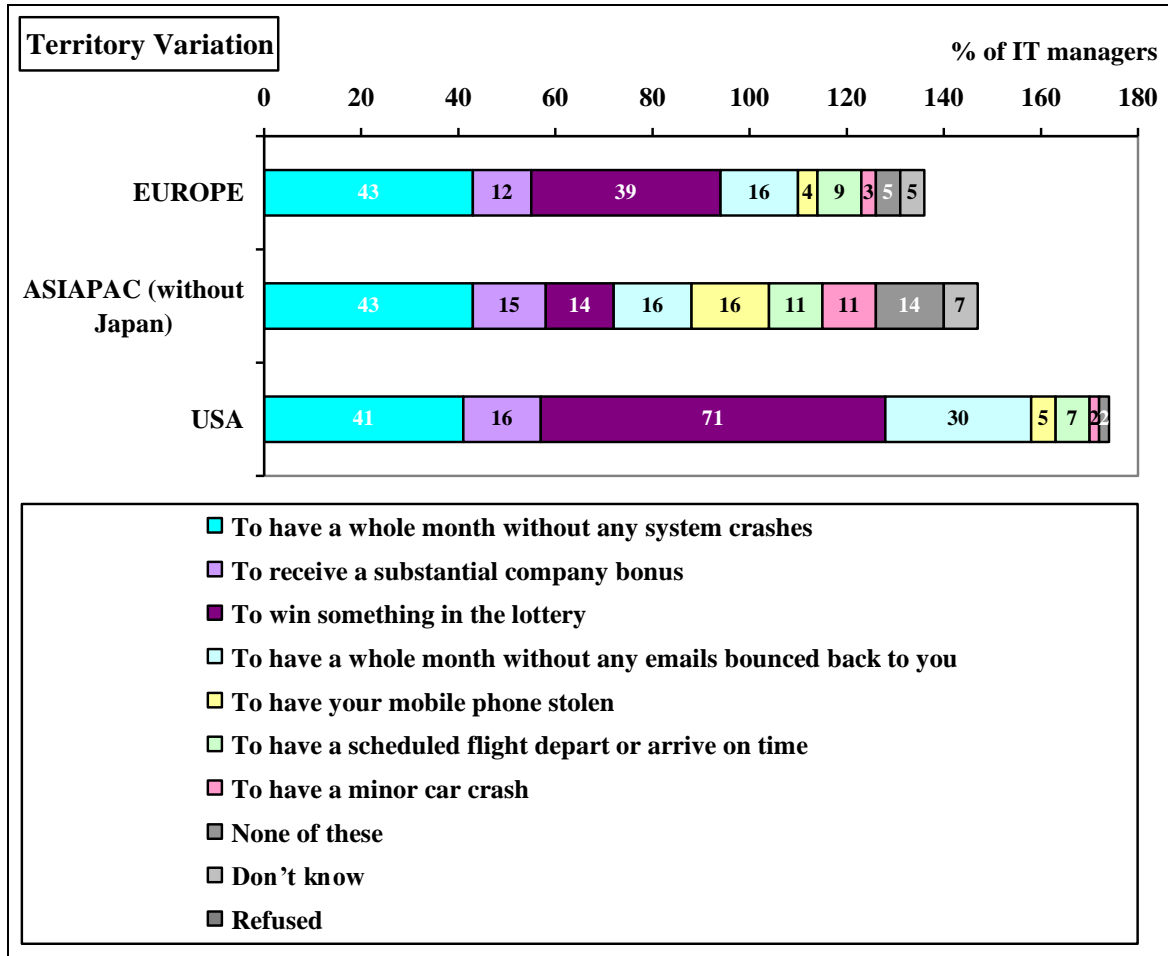
- Collectively, 77% of IT managers find at least 1 of these uncertain things more likely to happen than to have an IT project completed without any problems whatsoever.

- In detail, more IT managers (37%) think they are more likely to have a whole month go by without any system crashes, than they are to have an IT project completed without any problems whatsoever.
- Also, 31% think they are more likely to win something on their national lottery, than they are to have an IT project completed without any problems.
- 16% think they are more likely to have a whole month without any emails being bounced back to them, than to have an IT project completed without any problems.
- Almost as many (12%) think they are more likely to receive a substantial company bonus, than to have an IT project completed without any problems.
- Fewer (8%) think they are more likely to have a scheduled flight depart or arrive on time, compared to having an IT project completed without any problems.
- A similar proportion (7%) think they are more likely to have their mobile phone stolen than they are to have an IT project completed without any problems.
- Finally, 4% think they are more likely to have a minor car crash than they are to have an IT project completed without any problems whatsoever.
- In contrast, 6% do not think any of these uncertain events are more likely to happen than to have an IT project completed without any problems.



- Overall, the USA thinks IT projects are less certain than many of these uncertain elements of life, compared to other countries (i.e. length of bars in the above chart).
- However, Japanese respondents refused to answer this line of questioning; therefore, this country has been excluded from the following comparisons.
- More IT managers in Germany (98%), the UK (92%) and the USA (98%) find at least 1 of these uncertain things more likely to happen than to have an IT project completed without any problems whatsoever, compared to India (79%), Singapore (79%) and Sweden (82%).

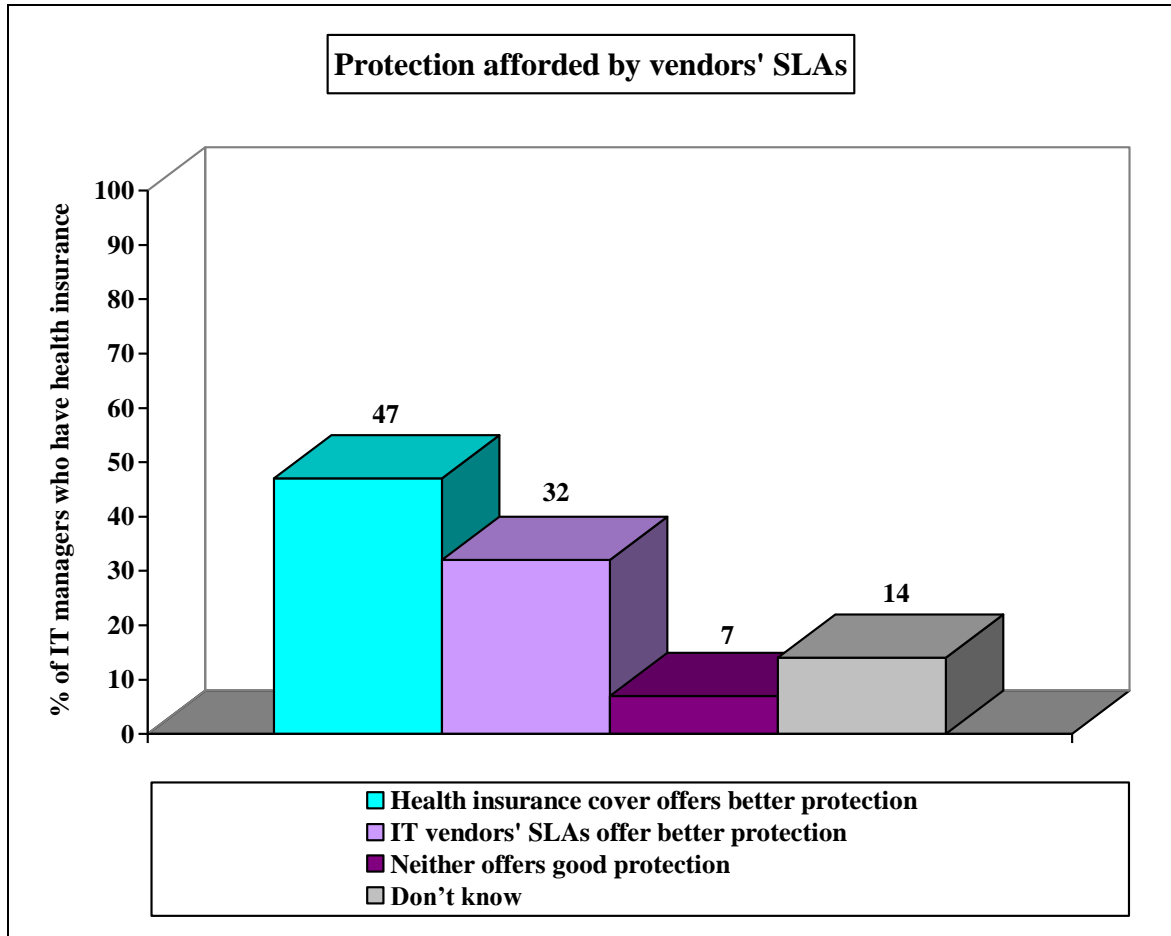
- In detail, more IT managers in France (52%) and the UK (47%) think they are more likely to have a whole month go by without any system crashes, than they are to have an IT project completed without any problems whatsoever, compared to Germany (31%).
- However, more IT managers in France (15%), India (17%), Sweden (15%) and the USA (16%) think they are more likely to receive a substantial company bonus, compared to Germany (6%).
- Yet, more IT managers in Germany (80%), the UK (42%) and the USA (71%) think they are more likely to win something on their national lottery, compared to France (21%), India (12%), Singapore (15%) and Sweden (11%).
- Furthermore, more IT managers in France (22%), India (22%), the UK (25%) and the USA (30%) think they are more likely to have a whole month without any emails being bounced back to them, compared to Germany (4%) and Singapore (9%).
- And, more IT managers in India (14%), Singapore (18%) and Sweden (10%) think they are more likely to have their mobile phone stolen, compared to France (zero) and Germany (2%).
- Also, more IT managers in Sweden (19%) think they are more likely to have a scheduled flight depart or arrive on time, compared to France (3%), Germany (6%), the UK (7%) and the USA (7%).
- However, more IT managers in India and Singapore (both 11%) think they are more likely to have a minor car crash, compared to Germany (zero), the UK (2%) and the USA (2%).
- Finally, more IT managers in India (14%), Singapore (14%) and Sweden (11%) do not think any of these uncertain events is more likely to happen than to have an IT project completed without any problems, compared to France (3%), Germany (1%), the UK (3%) and the USA (2%).



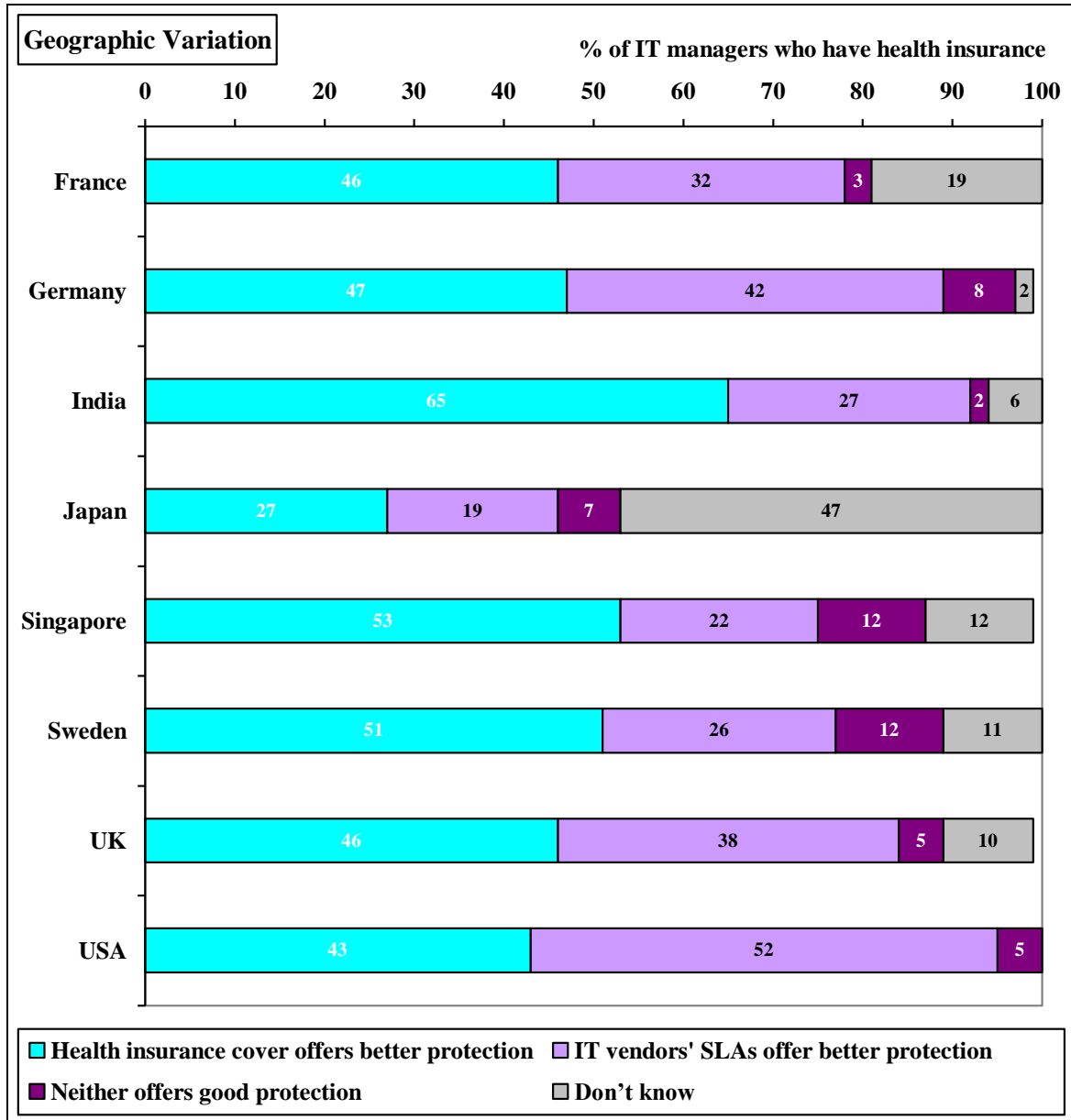
- Japan is excluded from the AsiaPac territory in the above chart and from the following observations.
- Overall, the USA thinks IT projects are less certain than more of these uncertain elements of life, compared to the other territories (i.e. length of bars in the above chart).
- Furthermore, more IT managers in Europe (90%) and the USA (98%) find at least 1 of these uncertain things more likely to happen than to have an IT project completed without any problems whatsoever, compared to AsiaPac (without Japan) (79%).
- And, more IT managers in AsiaPac (without Japan) (10%) and the USA (20%) find 3 or more of these uncertain things more likely to happen than to have an IT project completed without any problems, compared to Europe (4%) [not shown].
- In detail, more IT managers in Europe (39%) and the USA (71%) think they are more likely to win something in their national lottery, compared to AsiaPac (without Japan) (14%).
- Yet, more IT managers in the USA (30%) think they are more likely to have a whole month without any emails being bounced back to them, compared to Europe (16%) and AsiaPac (without Japan) (16%).
- And, more IT managers in AsiaPac (without Japan) (16%) think they are more likely to have their mobile phone stolen, compared to Europe (4%) and the USA (5%).

- However, more IT managers in AsiaPac (without Japan) (11%) think they are more likely to have a minor car crash, compared to Europe (3%) and the USA (2%).
- Finally, more IT managers in AsiaPac (14%) do not think any of these uncertain events are more likely to happen than to have an IT project completed without any problems, compared to Europe (5%) and the USA (2%).

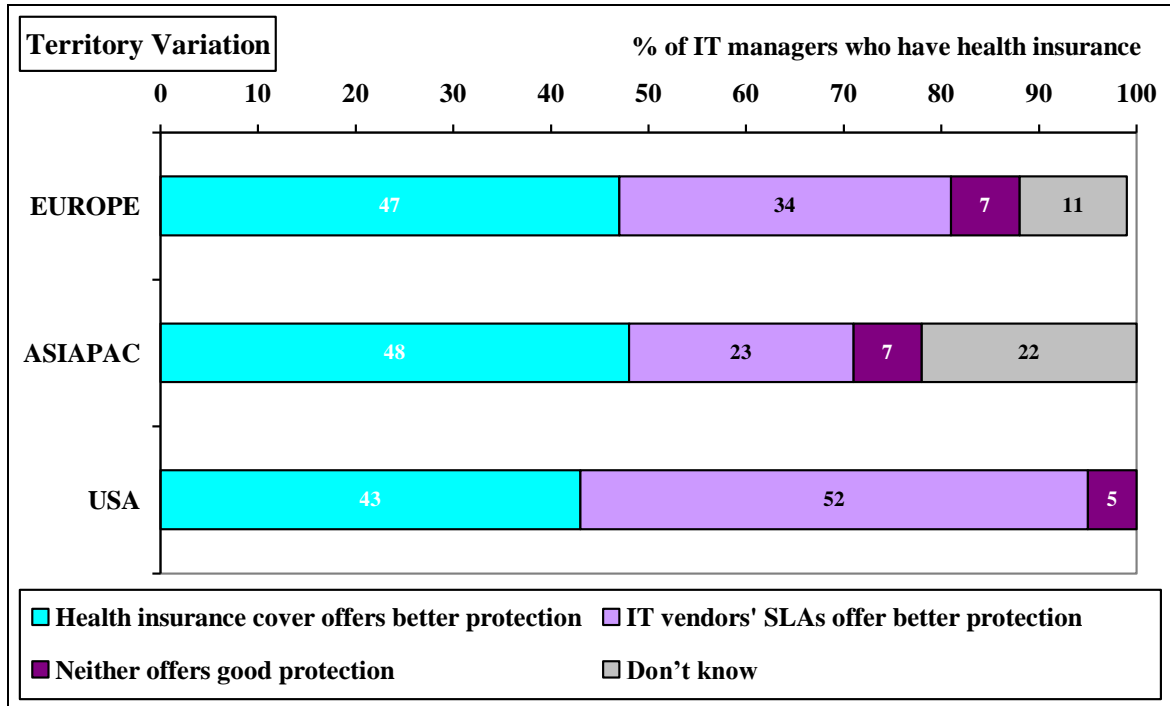
3.8 If you have health insurance, which do you think offers you better protection?



- More IT managers (47%) around the world with health insurance think they are offered better protection by this cover than they are by the SLAs they have with their IT vendors (32%).
- Furthermore, 7% of IT managers do not think they get good protection from either of these.
- 14% of IT managers say they do not know whether they get better protection from either their health insurance cover or the SLAs they have with their IT vendors.



- More IT managers in India (65%) with health insurance think they are offered better protection by this cover than they are by the SLAs they have with their IT vendors, compared to France (46%), Germany (47%), Japan (27%), Sweden (51%), the UK (46%) and the USA (43%).
- But, more IT managers in Germany (42%) and the USA (52%) think they are offered better protection by the SLAs they have with their IT vendors than they are by their health insurance, compared to Japan (19%), Singapore (22%) and the UK (38%).
- In contrast, more IT managers in Singapore (12%) and Sweden (12%) do not think they get good protection from either of these, compared to France (3%) and India (2%).



- More IT managers in the USA (52%) with health insurance think they are offered better protection by the SLAs they have with their IT vendors than they are by their health insurance cover, compared to Europe (34%) and AsiaPac (23%).

Appendix A: Quantitative Questionnaire

Qualifying Questions:

A) Does your company have 250 or more employees worldwide? [Select only 1]

- Yes [Continue]
- No [Terminate]

B) Are you an IT professional involved on a day-to-day basis in driving IT projects through to completion for your organisation? [Select only 1]

- Yes [Continue]
- No [Find an alternative name and terminate]

Main questions

1) Which of the following problems has your organisation encountered when working on implementing new IT projects? As I read the list, please tell me which apply. [Select all that apply]

- Budget overrun
- Overrun on time
- Failing to perform against expectations
- Not delivering the expected ROI
- Business-user reluctance to adopt the new system
- Negative impact on existing IT systems
- Higher than expected maintenance costs
- Other (Please specify – pilot only)
- [Don't know]
- [None – if selected, ask 'Really? How unusual. So your company has never had any IT projects go wrong in any way?' If the respondent insists this is the case, terminate]

2) When IT projects have gone wrong, what has been the reaction from the business managers and the Board of Directors? As I read the list, please tell me which apply. [Select all that apply]

- They have become more reluctant to fund new IT projects
- IT budgets have been reduced
- They have sought compensation from the IT vendors
- They have looked for a scapegoat among IT staff
- They tend to accept problems as the norm and a necessary evil
- They continued to provide any necessary support to improve IT for the business
- [None of these]
- [Don't know]

3) On average, by what percentage have you found the maintenance costs of newly implemented IT projects are greater than originally expected? [Record a %, or 'zero' or 'Don't know']

- % _____
- [ZERO]
- [Don't know]

4) On average, what percentage of your annual IT budget is taken up by the maintenance of IT systems? [Record a %, or 'zero' or 'Don't know']

- % _____
- [ZERO]
- [Don't know]

- 5) **When it comes to choosing an IT vendor to partner with for the implementation of IT projects, which 3 of the following are most important to you? As I read the list, please tell me which 3 apply. [Select only 3]**
- Using a well-known vendor
 - Being certain of a successful outcome
 - Short implementation times
 - Low cost
 - Technical expertise of the vendor
 - [None of these]
 - [Don't know]
- 6) **Which of the following has happened to you personally as a result of IT projects not going according to plan? As I read the list, please tell me which apply. [Select all that apply]**
- Personal credibility negatively affected
 - Career prospects compromised
 - Reprimanded by line manager
 - Threat of dismissal
 - Actual dismissal
 - A feeling of reluctance to take a leading role in the implementation of subsequent projects
 - Other – (Please specify – PILOT only)
 - [Nothing]
 - [Don't know]
- 7) **Which of the following do you think are more likely to happen to you than you are to have an IT project completed without any problems whatsoever? As I read the list, please tell me which apply. [Select all that apply]**
- To have a whole month without any system crashes
 - To receive a substantial company bonus
 - To win something in the lottery
 - To have a whole month without any emails bounced back to you
 - To have your mobile phone stolen
 - To have a scheduled flight depart or arrive on time
 - To have a minor car crash
 - [None of these]
 - [Don't know]
- 8) **If you have health insurance, which do you think offers you better protection: [Select only 1]**
- Your health insurance cover
 - The SLAs you have with IT vendors
 - [Do not have health insurance]
 - [Neither]
 - [Don't know]

- E N D -