

Large IT Projects: More Likely to Lose Control

Written by Marco Attard
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A large number of big budget IT projects within both public and private sectors are "ticking time bombs" potentially spinning out of control, University of Oxford researchers say.



The research involves the analysis of 1500 global IT projects (with an average size of \$170M) within the last 10 years-- with 1 in 6 projects either going over budget by an average of 200% or over running by an average of 70%.

The conclusion? "IT projects routinely cost investors and taxpayers billions of dollars, pounds and euros in excess spending and destroyed benefits, and have sunk entire companies and the careers of top managers."

Large IT projects are 2-3 times more likely to spiral out of control than large infrastructure projects-- and 20 times more likely than expected to run out of control according to standard risk management models.

Common causes of IT project failure include companies already facing serious difficulties before being hit by an out of control IT project, engineers and managers failing to understand how to implement new technology and software compatibility issues.

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The researchers say companies contemplating big IT projects should consider whether they can absorb the hit of a project going over budget by 400%-- a seemingly excessive figure, but one that "can occur all too frequently."

Go [1 in 6 IT Projects End Up "Out of Control" \(University of Oxford\)](#)