What To Do When Your IT Project Is Late, Over Budget, and Looks Like It’s Never Going To Work

Here’s a scary statistic. According to four prominent research firms, only around 20% of all IT projects are finished in a timely manner. By “timely” the researchers mean without loss of quality or being over budget. They go on to say the average project runs approximately 200 percent late, roughly 200 percent over budget, and contains only 2/3 of the original functionality.

Failure is the norm in the IT industry. But why? And more importantly, how do we fix it?

There must be a way to dissect the problem, and create a solution to the diagnosis of “doomed failure.” Trust me, there is!

Top 7 Problems and Their Solutions

Let’s take a look at the top 7 reasons IT projects are late or over budget. Then I’ll show you some proven solutions taken straight from the trenches.

1. Not Enough Time

Whether it’s a misunderstanding of the complexity of computer system designs or some other reason, many times little time is devoted to gathering the necessary data. Because this is one of the first steps in the process, when adequate time isn’t given to data collection, everything else suffers.

Likewise, enough time is rarely allotted to creating a good design. While the planning stage may not offer the excitement that development does, it is equally, if not more, important. Lack of planning in the design phase almost always leads to ongoing changes during the development
phase. When this happens, budget dollars and man-hours are eaten away.

**SOLUTION:** Give it more time. This vital step must be given due consideration. Adjust your schedule as needed, and you’ll find the rest of the process goes much smoother. Yes, you have to make it to market before your competition. But if you make it to market and your product is filled with bugs, what do you get? A pile of returns and complaints, and a bad reputation.

2. **Open the Lines of Communication**

It sounds like a cliché, but communication is absolutely vital to the success of any project. The communication between the development team and the users, and also the communication inside the development team must be crystal clear. Does everyone understand you? Do they know exactly what’s expected of them or have you assumed they know? Do they communicate well with each other? With users? With other departments?

**SOLUTION:** Identify communication breakdowns now. These can only lead to confusion and complications down the road. Never assume that everyone understands. Take just a little extra time to create an environment that is destined to produce a product on time and under budget.

3. **Testing a New Program in the Production Server**

Testing in the production server leads to a breach of security, which can lead to “immediate” release without testing which can ultimately disrupt the production environment.

**SOLUTION:** There should be specific protocol setup for security and quality control considerations for new program tests.

4. **Inadequate Testing**

Experience and studies show that testing is almost always pushed to the end of the development cycle. Since the development is usually bad, the testers run out of time. The result? Running over schedule and over budget. Not to mention the release of an inadequate product.

**SOLUTION:** Remember problem #1? Ditto! Yes, you have to make it to market before your competition. But if you make it to market and your product is filled with bugs, what do you get? A pile of returns and complaints, and a bad reputation. Test all the way through the process, and you’ll save a lot of time in the end.

5. **Pressing the Budget Too Tight**

When you have unrealistic goals for a project’s budget to start with, chaos is bound to set in. Departments fall behind, resources are slow to arrive, and - because of budget constraints - the project, once again, runs off the road.

**SOLUTION:** Create an accurate budget. Also, outline ways to develop better upfront planning of the resources.
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6. Never/Rarely Checking the Progress of the Project

As the project goes along, the unexpected happens. Various people implement their ideas as to how to fix these challenges and - when launch day comes - you’re surprised with an entire list of challenges that need your immediate attention.

SOLUTION: Define “checkpoints” throughout the project. Give attention to those things that need to be adjusted along the way, even if they cause minor delays. Fixing them now, rather than later, will take less time overall.

7. Not Reviewing Existing Standards

Do most or all of your projects run late and over budget? Do you keep the same standards in place time after time? How’s that working for you? If you keep doing what you’re doing, you’ll keep getting what you get. Let’s face it... things change, and if you want to keep pace, you have to change, too.

SOLUTION: Take time to review the standards used for each and every project. Keep a running list of what worked, what didn’t, and how to do it better next time.

The next time your IT project is late, over budget, and looks like it is never going to work, review this list again. Make the necessary adjustments, and you’ll be downright amazed at the difference!