1 Introduction

CHAPTER TOPICS:

- ✓ Challenges of ICT Projects
- ✓ Understanding Government Projects
- ✓ Collaboration Between Public and Private Sector
- ✓ Narrowing Public-Private Sector Knowledge Gaps
- ✓ Conclusion

"All things are difficult before they are easy."
– Thomas Fuller

E ACH year hundreds of Information and Communication Technology (ICT) projects are implemented by the government ranging from small to large projects and amounting to millions of Ringgit. Projects invested by the government are selected based on their potential benefits and expected value they bring to improve productivity, efficiency and quality of service delivery to the public. It is the main interest of all stakeholders to see projects come to successful fruition. However in reality, projects do not perform as well as expected, with some running into problems during implementation and others ending up as failures.

Public projects may require the involvement of project management practitioners from government and private sector contractor agencies, both possessing different levels of qualifications and experiences. In these circumstances the quality of work is unpredictable and produces unpredictable results. Therefore, it is important that project managers working on government projects have a common understanding of the demands of the workplace and apply the project management standards of practices as applicable to each organisation so that consistent, high quality results are produced in every project.

Challenges of ICT Projects

It is well known within the ICT industry that worldwide success rate of ICT projects, both in the public and private sectors, is very low. Behind the hi-tech glamour of these projects, lies a depressing reality that the majority of projects become problematic and organisations have difficulty completing them successfully. In fact, most projects are known to be ridden with various problems ranging from unclear requirements, overambitious scope, insufficient budgets, unskilled staff, unsupportive stakeholders, and inefficient project management processes and internal issues associated with the organisations. It is therefore no surprise that ICT project failures have been the topic of many articles, case studies, whitepapers, seminars and conferences worldwide.

In 2009, a case study of a failed UK government's health system: the National Programme for IT (NPfIT) was published (IEEE, 2009). The project involved the creation of an electronic health record system involving an expenditure loss of public funds amounting to GBP 12 billion. It was found that one of the main reasons for failure was the personnel's limited experience in managing a large and complex project. In another case study (Shuhab-u-Tariq, 2010), on failed US government projects: the Virtual Case File project of the US Federal Bureau of Investigation (FBI) reported a loss in expenditure of USD 170 million. The project was a large ICT modernisation project to improve the

case management software and it was found that the lack of ICT management and technical expertise as one of the top five reasons of failure. Both cases are examples of public ICT projects that failed and involved heavy losses to the governments. Both cases established the strong link between project manager competency and the fate of projects.

Research has also found that the breakdown of communication during project duration leads to poor understanding of needs and therefore, unclear requirements of workers (Taimour, 2005). This finding was consistent with the findings of studies by well-known researcher Hofstede (2001) that demonstrated the high importance of culture as a factor in the way people think and behave, therefore a crucial factor in understanding needs and identifying clear requirements.

Culture defines the day-to-day practices and habits as well as expectations and assumptions of people within the organisation in relation to each other. Even if these expectations and assumptions are not well articulated, most of the time they are commonly understood by everyone within the organisation, all except the 'outsider'.

This explains why employees entering the public sector for the first time often experience anxiety and discomfort with the new working environment; they find things are different than they are used to. The different work culture, myriad of rules and regulations, guidelines and complex decision making structures require some insider help in understanding and executing them. More so, for private sector employees or contractors who are engaged in government projects, who often find themselves frustrated with the internal workings of the organisation, failing to become immediate contributors to their projects. This is because they lack context and background history of the organisation. They need time and support to understand and learn how to adapt to the new work environment.

For example, project managers unaccustomed to the public sector environment will find difficulties in understanding and identifying stakeholder needs and are likely to misinterpret them. They need to know what the social values are and how stakeholders are likely to feel about a certain proposal in order to be able to anticipate their response. They must also know how best to engage them to support the project and how to communicate in the same 'language'.

As we already know, failure to understand requirements is a primary cause of project failure. Yet very few organisations pay close attention to this to ensure projects are managed by well qualified and competent project managers. In this increasingly demanding profession, being qualified is beyond possessing academic qualifications or professional certifications; as project managers are required to have soft skills such as: good communication and people skills, organisational culture and management skills, and all these in addition to the technical expertise in the related field.

Understanding Government Projects

The public sector is fundamentally different from the private sector due to the complexities of public governance and subsequent unique requirements. In reality, the standard industry practices that are acceptable in private organisations do not necessarily fit into the government settings. Likewise, ICT

solutions that are designed for private companies cannot always work for government organisations, more so, if they are product solutions from foreign countries.

For instance, there was a case in the early 1990s whereby a local contractor made grievous errors in the supply and installation of an imported software package to a local agency, only to find that the software needed major customisations before it could be deployed. There were massive modifications required to be made to the original software, including adding the Identification Number (IC) number field as the key identifier, changing the Surname/Last Name field to be enable it to accept the local name structure as, unlike western names, the use of Surname or Last Name is not applicable in the local context. The displayed menus were written in English which contradicted with the government policy on the usage of Bahasa Malaysia, the national language in official matters. To make matters worse, the contractors had assumed that the off-the-shelf package that was designed for the UK would be able to 'plug and play' in a local context. Unfortunately it failed to meet the expectations of users and there existed a large design gap that could not be fixed in a short time. Users were unhappy with the software and refused to accept it in its original form; major modifications had to be made. Consequently, the project was delayed for over two years because the software had to be redeveloped, with all the costs paid by the contractors. Alas! The project was doomed for failure right from the beginning.

Let us now consider: What is the difference between public sector projects and private sector projects? In order to answer this question the fundamentals have to be understood. Generally, all projects may have similar characteristics but public projects differ from private sector projects in two basic characteristics:

- Purpose of project creation – the reason behind why the project is created
- Sources of funding – where the funds come from

Firstly, public projects are created for non-profit purposes, such as for social, economic and political reasons, often with intangible benefits like improving citizen access to information and better service delivery, while private projects are business ventures to generate increased revenue or for business expansion. Improving efficiency is the ultimate goal to maximise profits in private ventures, while improving efficiency in public administration is done to meet increasing public demands for better service.

Secondly, public projects are funded by public funds while private projects are funded by private individuals or businesses. Public projects, due to their funding stream, are subjected to government policies and procedures. Officials running public projects bear the responsibility to manage the projects in the most responsible manner, adhering to the rules and regulations that are in place thereby instilling good governance. Consequently, this has given rise to complex procedures that are designed around these elements, procedures which are often labelled by outsiders as bureaucratic red tape. Red tape can be seen as rigid and time-consuming. However, it is not necessarily bad. Complex organisations like the government need to establish a set of prescribed procedures to ensure everyone performs the tasks uniformly and to establish order, whilst maintaining standards,

transparency and control in operations. Perhaps the most common challenge faced by complex organisations like public agencies and large private sector firms, is monitoring and controlling the performance of large projects. This is because as projects grow larger in size, they become more complex and ultimately, face a higher risk of failures. It is therefore essential for organisations to take preventive measures to reduce the risk of failure and to lead projects to success.

Like the private sector, failed public sector projects too are associated with losses and high costs, in this case bore to the government. Most of the time costs of failures are intangible in nature therefore difficult to quantify in terms of monetary value. A report on e-government failures (Heeks, 2003) identified six categories of potential costs of project failures to the government:

1. **Direct Financial Costs -** money invested in equipment, consultants, new facilities, training programmes, etc.

2. **Indirect Financial Costs -** money invested in the time and effort of public servants involved

3. **Opportunity Costs** - ways in which that money could have been better spent if it were not spent on the failed project

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