

Country report from Norway

PUMA, management of large IT projects

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Management principles

- Government administration organised according to directorate model
- Line principle (IT managed by ordinary line organisation)
- Action plan on electronic government with IT management and organisation as one of 8 action areas
- Risk evaluation of large investments
- Standard IT contracts
- Advisory material on project management (from FASIT project on pitfalls and criteria for success in 96-97)

Sources of failure (FASIT 96-97)

1 Project not anchored in plan of operations or IT-strategy	7 Plans and estimates made on an insufficient basis
2 Unrealistic goals, too high level of ambitions, too little focus on ability to run the project	8 One sided focus on technology, too little emphasis on development of organisation and competence
3 Unclear relations of organisation and responsibility	9 Choice of technology has too often become a choice between either being in the very front or lagging behind
4 Too large, too all-embracing systems – deliverables not split according to functions and deadlines	10 Lack of competence – especially on the management level
5 Insufficient project management and follow up, lack of readiness for change management	11 Negligence of changed requirements and new conditions for the project
6 Contracts left in a drawer instead of using them as a tool for managing the project	12 Inadequate attention to division of work between internal development and commercial suppliers. Lack of care when trying to commercialise the systems.

Funding

- No special procedures for funding IT, can be hard to identify IT costs
- Gross budgeting (not net)
- Annual budgeting
- Frame budgeting
- Most IT projects handled within ordinary frames
- Special initiatives may get funding outside ordinary frames, many *large* IT projects have been funded that way

New procedures for risk evaluation

- Not only IT
- Threshold 500 MNOK (62 MEuro) total project costs
- Irrespective of kinds of and combination of funding
- Independent risk evaluation by one of four companies with framework agreement
- Acquired by responsible ministry and Ministry of Finance
- Project delimitation, project charters and management models, contract strategies, factors of success and failure, estimate and event uncertainties
- Identification of uncertainty reducing measures
- Too early to report on experiences

Attaining benefits

- No common practice
- Sometimes “automatic” through future budgets
- Several examples of combinations of staff reductions, staff upgrading and increased production goals
- May be impossible to measure even very clear goals
- Importance of ordinary, middle management in the agencies underestimated

Roles in IT projects

- Strategic management: decision maker
 - Customer: formulating a need
 - Supplier: provider of solution
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- Sometimes IT departments have played all three roles

Cases

- Tress-90, National Insurance Administration: the case par excellence, weak project management, mix of roles, much too high risks, role of consultants
- FLID, Directorate of Taxes: a slow success, piloting made shift in functionality possible, well managed, low risk, tight central control
- TOPP, Public Service Pension Fund: a partial success, application completed, trouble with the data, interaction with other agencies underestimated, under evaluation
- SIAMO, Directorate of Labour: under way, important results achieved (successful web service), trouble in the beginning, strengthened project management, tight reporting

Lessons learned

- Little focus on IT in management and in the ministries' processes of governing agencies. Laws and regulation produced with little emphasis on their implementation with IT
- Hard to get qualified IT personnel: specialists, secondary qualifications
- Little tradition for dealing with risk and uncertainty
- Change management hard to handle
- Little tradition for project work
- Too technical focus, issues of co-operation and power not addressed
- Improvements in project management, but in implementation?
- Mechanisms in the budget process appears to encourage larger, more risky projects

Questionnaire or what?

- Hard to define unambiguous and still relevant pieces of data

Need for information on:

- Budget procedures and risk management therein
- Experience with open ended projects
- How ministries govern their agencies w.r.t. IT
- Recruitment policy for IT personnel
- Experiences with different contracting models including outsourcing, long term effects
- How IT is combined with other efforts in public management