

**TOWARDS A METHODOLOGY TO HELP PREDICT AND
REDUCE THE IMPACT OF PROJECTS ON LONG-TERM COSTS,
CORPORATE STRATEGY AND EXISTING IT INFRASTRUCTURE**

By

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Doctor of Project Management

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Certificate of Authorship/Originality

I certify that the work in this thesis has not previously been submitted for a degree nor has it been submitted as part of requirements for a degree except as fully acknowledged within the text.

I also certify that the thesis has been written by me. Any help that I have received in my research work and the preparation of the thesis itself has been acknowledged. In addition, I certify that all information sources and literature used are indicated in the thesis.

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Table of Contents

1	CHAPTER 1 – INTRODUCTION	1
1.1	PROJECT MANAGEMENT AND INFORMATION TECHNOLOGY (IT)	2
1.2	PROJECT SUCCESS	4
1.3	THE PROBLEM: UNFORSEEN LONG-TERM PROJECT IMPACTS	6
1.3.1	<i>Problem Background</i>	6
1.3.2	<i>Problem and Project Management Literature</i>	10
1.3.3	<i>Problem Impact.....</i>	12
1.4	IT PROJECTS AND THEIR IMPACT	14
1.5	THE STUDY	19
1.5.1	<i>Aims and Objectives of the Study.....</i>	19
1.5.2	<i>Scope of the Study</i>	20
1.5.3	<i>The Research Question</i>	21
1.5.4	<i>Importance of the Study</i>	24
1.5.5	<i>Contributions of the Study</i>	26
1.5.5.1	Contributions to Project Management Theory	26
1.5.5.2	Contributions to Project Management and Systems Development Practice	26
1.5.5.3	Contributions to Project Management, Strategic and IT Management.....	27
1.6	AUSTRALIAN FINANCIAL INDUSTRY	28
1.6.1	<i>Australian Financial Sector – The Structure</i>	30
1.6.2	<i>Study Benefits to the Financial industry</i>	31
1.6.3	<i>The Company Under Study and Consent Conditions.....</i>	31
1.7	CONCLUSION.....	32
2	CHAPTER 2 - LITERATURE REVIEW	33
2.1	INTRODUCTION.....	34
2.2	PROJECT MANAGEMENT IN LITERATURE.....	36
2.2.1	<i>Project Management - Early History.....</i>	37
2.2.2	<i>Projects Defined</i>	41
2.2.3	<i>Project Management Defined</i>	42
2.2.4	<i>Information Technology (IT) Project Management</i>	43
2.2.5	<i>Project Management Principles and Practices.....</i>	44
2.2.6	<i>Projects and General Management</i>	46
2.2.7	<i>Project Management Knowledge Areas.....</i>	48
2.2.8	<i>Key Project Roles.....</i>	50
2.2.8.1	Executive Project Roles	50
2.2.8.2	Project Manager Role.....	52
2.2.8.3	Program Manager Role	58
2.2.9	<i>Project Success Factors in Literature.....</i>	62
2.3	PROJECT MANAGEMENT METHODOLOGIES IN LITERATURE.....	69
2.3.1	<i>PRINCE Project Methodology.....</i>	70
2.3.2	<i>PMBOK Guide</i>	72
2.4	PROJECTS AND INFORMATION SYSTEMS DEVELOPMENT IN LITERATURE	75
2.4.1	<i>Systems Development Process Defined.....</i>	76
2.4.2	<i>Systems (Software) Development Lifecycles Defined.....</i>	76
2.4.3	<i>Quality Management Defined</i>	79
2.4.4	<i>Project Outsourcing in Literature.....</i>	83
2.4.5	<i>Systems integration and IT projects.....</i>	86
2.5	PROJECTS AND BUSINESS STRATEGY IN LITERATURE	92
2.5.1	<i>Strategy Defined</i>	92
2.5.2	<i>Projects Alignment with Strategy.....</i>	95
2.6	IT PROJECTS AND THEIR INFLUENCE ON FINANCIAL SECTOR	101
2.7	CONCLUSION: LITERATURE REVIEW SUMMARY AND RESEARCH QUESTIONS	106
3	CHAPTER 3 – RESEARCH METHODOLOGY	109

3.1	INTRODUCTION.....	110
3.2	STRUCTURE OF RESEARCH.....	111
3.2.1	<i>Problem formulation and research question definition</i>	112
3.2.2	<i>Literature Review</i>	112
3.2.3	<i>Research Paradigm</i>	113
3.2.4	<i>Creation of Research Strategy</i>	117
3.2.5	<i>Selection of research environment, research data, collection and analysis methods</i>	119
3.2.6	<i>Research sample formulation</i>	120
3.2.7	<i>Case study</i>	121
3.2.8	<i>Survey</i>	121
3.2.9	<i>Data analysis</i>	121
3.2.10	<i>Recording of findings, suggestions and conclusions</i>	122
3.3	RESEARCH ENVIRONMENT	123
3.4	RESEARCH DATA IDENTIFICATION	124
3.5	RESEARCH DATA SOURCES	125
3.6	CASE STUDY APPROACH	126
3.7	DATA COLLECTION METHODS	128
3.7.1	<i>Interviews</i>	129
3.7.2	<i>Questionnaire surveys</i>	133
3.7.2.1	Decision about the required information.....	135
3.7.2.2	Definition of the target respondents	135
3.7.2.3	Definition of the method for reaching the respondents	136
3.7.2.4	Decision on the content of questions.....	137
3.7.2.5	Development of questions.....	137
3.7.2.6	Meaningful ordering and ordering of questions	137
3.7.2.7	Checking and adjusting the size of the questionnaire.....	138
3.7.2.8	Pre-testing the questionnaire	138
3.7.2.9	Development of the final survey form	138
3.7.2.10	Survey distribution.....	138
3.7.2.11	Data collection	139
3.7.2.12	Data analysis	139
3.7.3	<i>Observations</i>	139
3.7.4	<i>Documentation examination</i>	140
3.7.5	<i>Literature Review</i>	141
3.8	DATA ANALYSIS METHODS	143
3.8.1	<i>Qualitative Analysis</i>	143
3.8.2	<i>Quantitative Analysis</i>	149
3.8.2.1	Survey analysis	149
3.9	RESEARCH METHODOLOGY JUSTIFICATION SUMMARY.....	152
3.10	RESEARCH METHODOLOGY LIMITATIONS.....	155
3.10.1	<i>Research problem formulation limitations</i>	155
3.10.2	<i>Literature review limitations</i>	156
3.10.3	<i>Case study limitations</i>	156
3.10.4	<i>Survey limitations</i>	157
3.10.5	<i>Research findings limitations</i>	158
3.11	CONCLUSION.....	159
4	CHAPTER 4 – THE CASE STUDY.....	160
4.1	INTRODUCTION (ABOUT THE CASE STUDY)	161
4.1.1	<i>Operating Within Australian Financial industry</i>	162
4.1.2	<i>The Case Study Environment – The Company</i>	165
4.1.2.1	The Project Management Process	167
4.1.2.2	The Project Structure Within the Company	169
4.1.2.3	IT Environment.....	170
4.1.3	<i>The Strategy Process</i>	172
4.1.4	<i>About the Project</i>	173
4.1.5	<i>Project Details Summary (Scope, Duration, Risk, Cost)</i>	176

4.1.5.1	Project Scope	176
4.1.5.2	Project Duration	177
4.1.5.3	Project Risk.....	177
4.1.5.4	Project Cost.....	178
4.1.6	<i>Case Study Introduction Summary</i>	178
4.2	THE PROJECT - LIFECYCLE ANALYSIS	181
4.2.1	<i>The Initiation</i>	187
4.2.1.1	Initiation: Impacts and Mitigation Observations.....	195
4.2.1.2	Project Initiation Summary	196
4.2.2	<i>The Planning</i>	197
4.2.2.1	Project Planning Summary.....	209
4.2.3	<i>The Analysis (Business and Technical)</i>	209
4.2.3.1	Project Analysis Summary.....	219
4.2.4	<i>The System Analysis And Design</i>	219
4.2.4.1	Project Design Summary.....	227
4.2.5	<i>The Build (Technical Development)</i>	227
4.2.5.1	Project Build Summary	234
4.2.6	<i>The Integration</i>	235
4.2.6.1	Project Integration Summary	241
4.2.7	<i>The Acceptance</i>	241
4.2.7.1	Project Acceptance Summary	246
4.2.8	<i>The Deployment</i>	246
4.2.8.1	Project Deployment Summary	250
4.2.9	<i>The Closure</i>	250
4.2.9.1	Project Closure Summary	254
4.2.10	<i>Lifecycle Analysis - Findings Summary</i>	254
4.3	CASE STUDY QUANTIFICATION OF UNFORESEEN/UNPLANNED COSTS	261
4.4	THE PROJECT - CASE STUDY FINDINGS SUMMARY	264
4.4.1	<i>Project Process Observation</i>	264
4.4.2	<i>Lessons Learned</i>	270
4.4.2.1	Lesson 1: Project process	270
4.4.2.2	Lesson 2: Vendor management	271
4.4.2.3	Lesson 3: People management	272
4.4.2.4	Lesson 4: Project costs and planning	272
4.4.2.5	Lesson 5: Project methodology	275
4.4.3	<i>Impact Analysis – Impacted Areas</i>	276
4.4.3.1	Impact on other projects and business activities	276
4.4.3.2	Impact on infrastructure	277
4.4.3.3	Impact on people.....	277
4.4.3.4	Impact on business and technical operations.....	279
4.4.3.5	Financial Impact.....	280
4.4.4	<i>Impact Analysis - Impact Factors</i>	284
4.4.4.1	Cost management approach	284
4.4.4.2	Lack of communication between various projects	285
4.4.4.3	Internal politics and people factors	286
4.4.4.4	Overlapping projects and lack of impact analysis	286
4.4.4.5	Lack of thorough planning	287
4.4.4.6	Lack of skills.....	287
4.4.4.7	Project/strategy process issues	288
4.4.4.8	Change in project environment	288
4.4.4.9	Vendor selection	289
4.4.5	<i>Management Analysis</i>	289
4.5	CONCLUSION	295
5	CHAPTER 5 – SURVEY ANALYSIS.....	299
5.1	INTRODUCTION.....	300
5.2	SURVEY APPROACH, STRUCTURE AND CHARACTERISTICS.....	302
5.3	ABOUT RESPONDENTS.....	304
5.3.1	<i>Respondents Age, Role and Experience</i>	304

5.3.2	<i>Respondents Organisational Involvement</i>	306
5.3.2.1	Business Strategy Involvement	307
5.3.2.2	IT Strategy Involvement	308
5.3.2.3	IT Projects: Cost or Revenue	309
5.3.2.4	Project Management Process Involvement	310
5.3.3	<i>Respondents Project Experience</i>	316
5.3.3.1	Project Manager Experience	316
5.3.3.2	Project Owner Experience.....	317
5.3.3.3	Project Sponsor Experience	317
5.3.3.4	Project Participant Experience	318
5.3.3.5	Respondent's Role and Project Experience (Cross-Reference).....	318
5.4	ABOUT ORGANISATIONS	320
5.4.1	<i>Industry</i>	320
5.4.2	<i>Organisation Size</i>	321
5.4.3	<i>Strategy Approach</i>	321
5.4.4	<i>IT Function Position</i>	323
5.4.5	<i>Project Activity</i>	323
5.4.6	<i>Project Office Function Position</i>	324
5.5	ABOUT PROJECTS	326
5.5.1	<i>Project Process (Initiation and Success Evaluation)</i>	326
5.5.2	<i>Project Process and Strategy Alignment</i>	340
5.5.3	<i>Prioritisation, Interdependencies, Impacts Management</i>	347
5.6	SURVEY FINDINGS SUMMARY	360
5.7	CONCLUSION	364
6	CHAPTER 6 – CONCLUSION	367
6.1	INTRODUCTION.....	368
6.2	THE MAIN FINDINGS	369
6.2.1	<i>Research Statement #1: Problem confirmation</i>	369
6.2.2	<i>Research Statement #2: Willingness to address the issue</i>	370
6.2.3	<i>Research Statement #3: Impact factors</i>	371
6.2.4	<i>Research Statement #4: Cross-Industry Relevance</i>	372
6.2.5	<i>Research Statement #5: Actions</i>	373
6.3	THE SUGGESTIONS	375
6.3.1	<i>Strategy and Senior Management Suggestions</i>	375
6.3.1.1	Vendor management strategy directions	377
6.3.1.2	Strategy alignment directions.....	378
6.3.1.3	Roles and responsibilities.....	379
6.3.2	<i>Business Management Suggestions</i>	380
6.3.2.1	Business impact analysis approach	380
6.3.2.2	Project success evaluation.....	381
6.3.2.3	Effective business communication.....	382
6.3.3	<i>Systems Development Suggestions</i>	383
6.3.3.1	Technical impact analysis approach.....	383
6.3.3.2	Solutions evaluation.....	384
6.3.3.3	Effective technical communication	385
6.3.4	<i>Project Management Suggestions</i>	386
6.3.4.1	Project planning and impact analysis	386
6.3.4.2	Solution evaluation	387
6.3.4.3	Strategy alignment	388
6.3.4.4	Project success evaluation.....	389
6.3.4.5	Utilisation of past experiences	390
6.3.4.6	Effective project communication	391
6.3.5	<i>Suggestions Summary</i>	392
6.4	STUDY LIMITATIONS AND FUTURE RESEARCH	394
6.5	CONCLUSION	396
	APPENDIX	398

APPENDIX 1 – ABS DATA.....	399
APPENDIX 2 - SURVEY DETAILS	405
<i>Survey Data</i>	405
<i>Survey Questions</i>	406
APPENDIX 3 – INTERVIEW DETAILS	412
<i>Data Collection Communication</i>	412
Interview Invitation.....	412
Interview Confirmation.....	413
<i>Interviewee Roles</i>	414
<i>Interview Questions – Business Analyst</i>	414
<i>Interview Questions – Business Manager</i>	415
<i>Interview Questions – Business User</i>	417
<i>Interview Questions – Corporate Lawyer</i>	418
<i>Interview Questions – Developer / Team Members</i>	419
<i>Interview Questions – Impacted Party – Business</i>	420
<i>Interview Questions – Project Manager and Deputy Project Manager</i>	423
<i>Interview Questions – Senior Business Analyst and BA Manager</i>	427
<i>Interview Questions – Senior Business Manager</i>	428
<i>Interview Questions – IT Manager and Senior IT Manager</i>	430
<i>Interview Questions – Test Analyst</i>	432
<i>Interview Questions – Test Manager</i>	432
APPENDIX 3 – INTERVIEW RESPONSES SPREADSHEET SAMPLE.....	435
REFERENCES	440
PROJECT DOCUMENTATION REFERENCES - PDR(CASE STUDY)	458

List of Figures

Figure 1 - Document Structure	xviii
Figure 2 - Chapter 1 - Introduction.....	1
Figure 3 - e-Commerce Sales Trend in US (2000-2008).....	3
Figure 4 – Australian IT Investment (hardware and software).....	24
Figure 5 – Employed Persons, ICT occupation groups (2000– 01 to 2005– 06)	25
Figure 6 – IT Employees - % of Total (2002-03).....	25
Figure 7 – Australian Industry Structure	28
Figure 8 – Australian Financial industry IT Investment (hardware and software).....	30
Figure 9 – Chapter 2 – Literature Review	33
Figure 10 – Ancient Project Activities	38
Figure 11 – Industrial Revolution and Projects	39
Figure 12 – Gantt Chart Example.....	40
Figure 13 – PRINCE 2 Process	70
Figure 14 – PMBOK Process Groups	73
Figure 15 – PMBOK Knowledge Areas.....	73
Figure 16 – PMBOK-Based Project Management Methodology.....	74
Figure 17 - The Waterfall Life Span	77
Figure 18 - Spiral Development	78
Figure 19 - A Comprehensive, IS Assessment Model: Organising the Measures.....	96
Figure 20 - Chapter 3 - Research Methodology	109
Figure 21 - Research Framework	111
Figure 22 – Case Study Analysis Process	146
Figure 23 - Chapter 4 - Case Study	160
Figure 24 - Systems Classification Within the Company.....	171
Figure 25 - Chapter 5 - Survey Analysis	299
Figure 26 - Chapter 6 - Conclusion	367
Figure 27 – Suggestions: Strategy Alignment Framework	375

List of Tables

Table 1 - Research Aim, Objectives, Question and Statements	23
Table 2 – PRINCE2 Processes and Sub-Processes	71
Table 3 - Research Paradigms Summary.....	116
Table 4 –Interpretivist Paradigm Framework and The Study	117
Table 5 - Detailed Summary Of Data And Data Sources.....	125
Table 6 - Interview Details	132
Table 7 - Interview Summary (Initiation).....	194
Table 8 - Interview Summary (Planning).....	208
Table 9 - Interview Summary (Business and Technical Analysis).....	218
Table 10 - Interview Summary (System Analysis and Design)	226
Table 11 - Interview Summary (Build/Technical Development).....	233
Table 12 - Interview Summary (Integration).....	240
Table 13 - Interview Summary (Acceptance).....	245
Table 14 - Interview Summary (Deployment)	249
Table 15 - Interview Summary (Closure).....	253
Table 16 - The Case Study Project Impacts Summary	283
Table 17 - Survey Respondents Age	304
Table 18 - Survey Respondents Role	305
Table 19 - Survey Respondents Experience	306
Table 20 - Survey Respondents Age/Experience	306
Table 21 – Respondents Business Strategy Involvement.....	307
Table 22 – Respondents IT Strategy Involvement	308
Table 23 – Projects: Cost or Revenue	309
Table 24 – Respondents IT PM Process Involvement.....	310
Table 25 – Respondents’ Business Strategy Involvement Per Role.....	311
Table 26 – Respondents’ IT Strategy Involvement Per Role	313
Table 27 – Projects: Cost or Revenue (Role Cross-Reference).....	314
Table 28 – Respondents’ Involvement in IT Project Management Process (Per Role)	315
Table 29 – Respondents’ Project Management Experience	316
Table 30 – Respondents’ Project Owner Experience	317
Table 31 – Respondents’ Project Sponsor Experience.....	317
Table 32 – Respondents’ Project Participant Experience.....	318
Table 33 – Respondents’ Project Experience (Per Role)	319
Table 34 - Survey Respondents’ Industry	320

Table 35 – Survey Respondents Organisation Size.....	321
Table 36 – Survey Respondents’ Strategy Approach.....	322
Table 37 – Survey Respondents’ Organisation IT Function Position	323
Table 38 – Survey Respondents’ Organisation Project Activity	324
Table 39 – Survey Respondents’ Organisation Project Office Position.....	325
Table 40 – Survey: Project Initiation.....	327
Table 41 – Survey: Use of Past Project Reviews	329
Table 42 – Survey: Project Success Factors.....	330
Table 43 – Survey: Successful Projects.....	331
Table 44 – Survey: Project Scope Changes (per role).....	332
Table 45 – Survey: Project Scope Changes (per role and number of projects).....	333
Table 46 – Survey: Project Unplanned Impacts (per role)	334
Table 47 – Survey: Impact Importance (per role)	335
Table 48 – Survey: Impact Importance (per industry)	336
Table 49 – Survey: Nature of Unplanned Impacts	336
Table 50 – Survey: Impact Influencing Factors	339
Table 51 – Survey: Concurrent Projects Awareness and Coordination	340
Table 52 – Survey: Adopted Project Process	341
Table 53 – Survey: Adopted Project Process Effectiveness (role-based).....	342
Table 54 – Survey: Adopted Project Process Effectiveness (process based)	343
Table 55 – Survey: Alignment Between Projects and Strategy.....	344
Table 56 – Survey: Project Process Strategy Orientation.....	344
Table 57 – Survey: Strategy Alignment and Project Evaluation.....	345
Table 58 – Survey: Strategy Alignment and Project Success Criteria	346
Table 59 – Survey: Mandatory Alignment Checkpoints and Project Process.....	347
Table 60 – Survey: Unplanned Impacts and Project Success Criteria.....	348
Table 61 – Survey: Mandatory Correlation and Project Process.....	349
Table 62 – Survey: Responsibility for Unplanned Impacts.....	350
Table 63 – Survey: Project Manager Responsibility for Alignment and Impacts.....	351
Table 64 – Survey: Project Activity and Impact on Budget.....	352
Table 65 – Survey: Post-Projects Costs Importance	353
Table 66 – Survey: Post-Projects Costs and Planning.....	354
Table 67 – Survey: Projects and Impact Costs	355
Table 68 – Survey: Multiple Systems Impact Responsibility	356
Table 69 – Survey: Project Team Participation.....	357

Table 70 – Survey: Changed Decisions Benefits	357
Table 71 – Survey: Cost Picture Improvement	358
Table 72 - Organisation Goals and Motivations.....	376
Table 73 - Research Suggestions Summary	393
Table 74 – Australian Computing Employment Statistics 2002-2003 (ABS).....	399
Table 75 – Australian Labor Market Statistics 2006 (ABS)	400
Table 76 – Australian Computing Employment Statistics 2008 (ABS).....	401
Table 77 – Australian National Income, Expenditure and Product Statistics 2008 (ABS)	402
Table 78 – Australian Investment in Hardware and Software (ABS)	404
Table 79 – Survey: Project Unplanned Impacts (per role and number of projects)	405

List of Abbreviations

ABS	Australian Bureau of Statistics
AIPM	Australian Institute of Project Management
BA	Business Analysis / Business Analyst
BCP	Business Continuity Planning
ERP	Enterprise resource planning
HR	Human Resources
ICT	Information and Communication Technology
Interview Code: BAM	BA Manager (interviewee)
Interview Code: BM	Business Manager (interviewee)
Interview Code: BU	Business users (interviewee)
Interview Code: CL	Corporate Lawyer (interviewee)
Interview Code: DM	Development Manager (interviewee)
Interview Code: DPM	Deputy Project Manager (interviewee)
Interview Code: ITM	IT managers (interviewee)
Interview Code: PM	Project Manager (interviewee)
Interview Code: SBA	Senior Business Analyst (interviewee)
Interview Code: SBM	Senior Business Managers (interviewee)
Interview Code: SITM	Senior IT managers (interviewee)
Interview Code: TA	Test Analysts (interviewee)
Interview Code: TM	Developer/team members (interviewee)
Interview Code: TMG	Test Manager (interviewee)
IP	Intellectual Property
IS	Information Systems
ISO	International Standards Organisation
IT	Information Technology

P2M	Project and Program Management for Enterprise Innovation
PIR	Post Implementation Review
PM	Project Management
PMA	Project Management Architect (P2M)
PMBOK	Project Management Body of Knowledge
PMCC	Project Management Core Competency
PMI	Project Management Institute
PMR	Project Manager Registered (P2M)
PMS	Project Management Specialist (P2M)
PRINCE	Projects in Controlled Environments
RS	Research Statement
SDLC	Software Development Life Cycle
TQM	Total Quality Management

Abstract

This thesis contributes to the body of project management and systems development knowledge, by investigating the success of a project beyond the standard criteria of project budget, objectives and timelines used to judge project performance.

This research has been conducted as part of the UTS “Doctor of Project Management” course, which encourages extension of the theoretical study of project management to a commercial environment - by investigating problems related to practical applications of project management.

This research attempts to highlight the unforeseen and unplanned impacts created by projects which are often neglected and excluded from project evaluation and strategic alignment. The goal of this study is to find ways to increase the overall benefits to organisations achieved through projects, while minimising unplanned and unforeseen negative impacts caused by projects.

To identify long-term impacts caused by projects, a case study is conducted with a real example, focusing on a large, deemed to be successfully completed project within an Australian financial organisation. The case study explores the environment, processes and events throughout project cycle and identifies various factors that influence project flow and create unforeseen impacts outside the planned project actions and outcomes. The case study analysis showed that some crucial decisions made about the project would have been different if some of those unplanned impacts were discovered earlier, for example during the discovery stage of the project. The unplanned impacts resulting from this project were manifested through extended timeline, additional costs and numerous post-project systems interdependencies. Since the original decisions about the way in which the project was implemented were largely based on financial factors, these impacts would have been highly relevant to project planning and could have changed some important decisions crucial to the conduct of the project by the organisation. The case study is representative of how projects are managed in the case study organisation.

The findings from the case study are further extended through a mini-survey of 123 professionals, who confirmed that unplanned impacts created by projects are worth considering and managing. The survey respondents indicated that projects in their organisations were mainly concentrated on short-term, often isolated business needs and had little alignment with the overall strategy and coordination with other projects and initiatives. While organisations are aware of the problem and keen to improve management of unforeseen impacts and associated post-project costs, their efforts so far are largely informal. Both the case study and survey indicated the need for a formal way of managing the post-project impacts and alignment between projects and strategy within organisations.

Based on the literature review, case study and survey results, the research arrived at a set of findings and suggestions.

The suggestions are articulated through an organisational strategy alignment framework, covering four management areas: strategy and senior management, business management, systems development and project management. The main focus of the recommended actions is around effective management of vendor relationship, strategic alignment and unforeseen project impacts.

The recommended actions are grouped around the management areas as follows:

- Strategy and Senior Management Suggestions
 - Vendor management strategy directions
 - Strategy alignment directions
 - Roles and responsibilities
- Business Management Suggestions
 - Business impact analysis approach
 - Project success evaluation
 - Effective communication
- Systems Development Suggestions

-
- Technical impact analysis approach
 - Solutions evaluation
 - Business and vendor communication
 - Project Management Suggestions
 - Project planning and impact analysis
 - Solution evaluation
 - Strategy alignment
 - Project success evaluation
 - Utilisation of past experiences
 - Effective communication

The findings and resulting suggestions of this research contribute to:

- Project management theory
- Project management and systems development practice
- Project management, strategic and IT management practice

The main focus of this research is the identification of factors that cause unforeseen impact caused by projects on the IT environment and organisations. While the study provides a number of suggestions to improve the effective management of these factors, the detailed analysis of the recommended actions is not within the scope of this study and is suggested as an area for further research.

The Document Structure

The document is organised under the following structure:

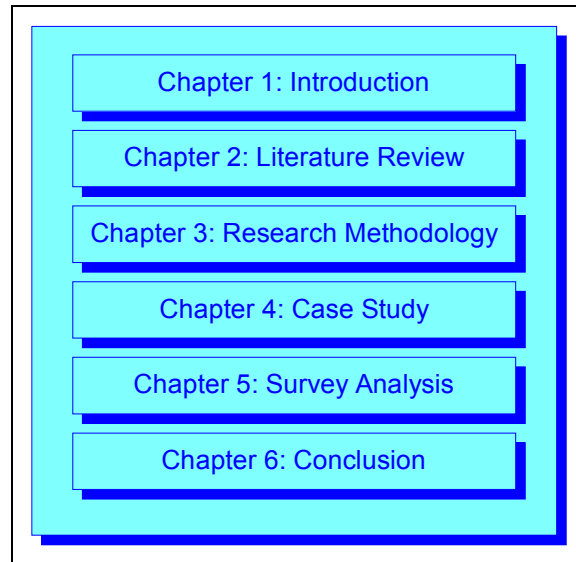


Figure 1 - Document Structure

Chapter 1: Introduction. The first chapter starts with the introduction into the research topic, project management background, project success and impacts on the existing environment within organisations. It then concentrates on the problem: unforeseen and unplanned impacts created by projects, impacting people, infrastructure, business, technology and finally costs. The research question and related statements are presented. The importance of the study (which is conducted primarily around information technology projects within the Australian financial industry) is stressed.

Chapter 2: Literature Review. The second chapter presents the review of the relevant literature, concentrating on topics around project management and the application of project management in the areas of information technology projects, strategy and financial industry. The literature review establishes the basis upon which the research topic is further analysed through the case study and survey.

Chapter 3: Research Methodology. The third chapter describes the research methodology that is applied to this study, namely the methods utilised for the case study and survey data collection and analysis. Data sources, data types and general approach to

collection and analysis of data are also described.

Chapter 4: The Case Study. This chapter contains the main body of the research and analysis, covering the project case study and related observations. The case study is aimed at analysing in detail one typical information technology project within an Australian financial organisation, with the goal at identifying the unforeseen and unplanned project impacts and the factors behind those impacts. Some of the case study findings are then further evaluated through survey.

Chapter 5: Survey Analysis. This chapter covers the analysis of data collected throughout the survey, which concentrated around the case study findings and the elements related to research statements. The goal of the survey analysis is to add additional perspective to the case study findings and help establish the case for possible patterns of behaviour and impacts across other projects, organisations and industries, while addressing the research statements.

Chapter 6: Conclusion. The final chapter presents the summary of the main findings, reflection on the overall research and the validity of the research statements, as well as the suggestion for further studies on the same topic.

References and Appendices. All referred sources are acknowledged. The appendices contain research data, interview and survey questions, as well as relevant forms required for research consent and data privacy assurance.