

Findings: Many Understand the Public Value of IT, but Few Act on It

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A CIO round-table discussion confirms an increase in using the public value of IT for business cases, but there is an insufficient focus on portfolio management.

FINDINGS

Government organizations are still struggling to make business cases for IT projects and to measure benefits after project deployments. In particular, they rarely keep business cases alive during project implementation, to ensure that their project portfolios are balanced from the perspective of costs, resources, risks and benefits.

ANALYSIS

At a small gathering of public-sector CIOs from four European countries, it was clear that using the public value of IT to articulate the business case for government IT projects is getting traction. More and more agencies at all levels incorporate financial and nonfinancial benefits in their business cases, although they rarely rely on well-established and formal frameworks to do so. The level of maturity on tracking benefit realization is also slowly improving. Although very few have established a formal process for this, at least one of the participants described a well-thought-out process, whereby a central team is responsible for benefit reviews planned during project implementation and carried out on a regular basis (every six or 12 months) for two to three years after deployment.

What is still missing is the connection between the business case and benefit realization. None of the participants said they have a portfolio management process that requires individual projects to update their benefit and risk profiles during the implementation phase. This confirms our research, which suggests an insufficient focus on portfolio management as a key discipline to sustain attention to costs, risks and value throughout the life cycles of projects and portfolios.

Concerning risk management, participants agreed that projects in the public sector do not fail more frequently than in the private sector, but that failures are more visible due to the transparency and accountability required for public spending. There was consensus on the need to break large programs into small, more manageable chunks that provide visible results and make risk management easier.

WHAT YOU NEED TO KNOW

Ramping up on project and program management maturity is important and must be pursued to reduce the likelihood of project failure. However, government CIOs and program managers must start focusing more on portfolio management to maintain alignment between business and IT throughout the life cycles of their projects.

RECOMMENDED READING

"Worldwide Examples of Public-Value-of-IT Frameworks"

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