

Perceptions regarding the value of feasibility studies conducted for Information Technology projects in the South African financial services sector

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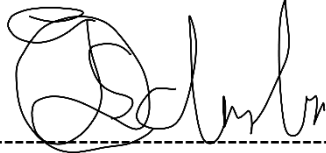
**A research report submitted to the Faculty of Commerce, Law and Management,
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degree of Master of Business Administration**

ABSTRACT

The use of technology can be a critical differentiator for an organisation in the financial industry. Successful implementation of IT projects is hence important for financial services companies. Project Management methodology encourages conducting a feasibility study to enable successful implementation. This study explores the perception of the value of feasibility studies conducted for IT projects in South African organisations within the financial industry. In depth semi-structured interviews were used to gather the perception of these feasibility studies with people working as IT consultants, project managers or those in strategic positions in financial services organisations. The main findings were that a feasibility study for IT projects is considered as optional, due to time and budgetary constraints. Though technical feasibility still needs to be established, it is extrapolated from prior similar experiences. IT consultants and organisations are working towards overcoming these constraints and to conduct the feasibility study to the required detail, so that IT projects are successful.

DECLARATION

I, Jonathan Schreiber, declare that this research report is my own work except as indicated in the references and acknowledgements. It is submitted in partial fulfilment of the requirements for the degree of Master of Business Administration in the University of the Witwatersrand, Johannesburg. It has not been submitted before for any degree or examination in this or any other university.

A handwritten signature in black ink, appearing to read 'Jonathan Schreiber', is written over a horizontal dashed line.

Jonathan Schreiber

Signed at Wits Business School on the 29th day of May 2015

ACKNOWLEDGEMENTS

I would like to thank the following people for their support:

- My supervisor Antony Soicher,
- The respondents who provided valuable insight into the Information Technology projects' decision making process
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1 CHAPTER 1: INTRODUCTION

1.1 Purpose of the study

The purpose of this research was to explore the perception of the value of feasibility studies in Information Technology (IT) projects in the South African financial sector, specifically looking at the engagement process with a view to ascertaining the impact on business strategy. According to Porter and Miller (1999), successful IT projects have transformed the way value activities are performed and the nature of their linkages across the business value chain.

1.2 Context of the study

Feasibility studies form part of the conceptualisation phase in Project management (H. R. Kerzner, 2013). The purpose of feasibility studies is to undertake preliminary studies to determine and document project viability (Jaffe, 1967; H. R. Kerzner, 2013; Satzinger, Jackson, & Burd, 2007).

Due to the nature of Information technology (IT) being dynamic (Bitner, Brown, & Meuter, 2000) and volatile (Bahrami & Evans, 2000), project management (PM) is a key tool used to plan, instruct, monitor and control large amounts of data quickly and accurately to facilitate problem-solving and decision making processes (Rory Burke, 2013; Sunindijo, 2015).

The failure rate of IT projects is astounding (Whittaker, 1999). According to Standish Group's 2012 report, the results of Project success (Project completed on time and on budget with all features and functions originally specified) was at 39 per cent, project failure (cancelled before completion) was at 18 per cent, projects challenged (completed and operational, but over budget, over the time estimate, and with fewer features and functions than initially specified) was at 43 per cent (Chaos, 2012).

Feasibility studies are conducted at the concept phase (H. R. Kerzner, 2013), and hence it would be valuable to explore the engagement process (IT consulting)

element of IT projects. Steele (1981) pg. 2 defines management consulting as follows: "... any form of providing help on the content, process, or structure of a task or series of tasks, where the consultant is not actually responsible for doing the task itself but is helping those who are."

1.3 Problem statement

1.3.1 *Main problem*

To explore the perceptions of the value of feasibility studies conducted for IT projects in the South African financial services industry

1.4 Significance of the study

The significance of the study is to show that the feasibility study forms an integral part of the conceptualisation phase and will benefit IT projects' overall contribution to the organisation (Hoagland & Williamson, 2000). Porter and Miller (1999) identified IT as an integral part of business strategy, therefore IT projects play a pivotal role in executing the organisation's strategy goals.

1.5 Delimitations of the study

- This study is limited to information technology (IT) projects in the South African financial industry, as the research interviews will be conducted in the South African business-to-business environment.
- This research is aimed solely at Business-to-business projects and is focused on the Initial engagement process and, more specifically, the engagements in the concept phase of project management life cycle. Figure 1: PMBOK (Wideman & Wideman, 1991)
- The focus of the study is on all stakeholders (PM, consultant, CIO, business analyst, etc.) involved in the engagement portion of IT projects. They hold the

skills and knowledge and their perceptions are critical in the overall engagement process.

- The focus is on the feasibility studies portion of the concept phase in IT projects.

1.6 Definition of terms

Information Technology (IT) is defined by (Orlikowski & Robey, 1991) pg. 3 as follows “Our usage of information technology is to be interpreted broadly, and we mean it to apply to the use of any computers (that is, hardware and software) deployed within organizations to mediate work tasks. Our only qualification is that the computers are sufficiently general-purpose so as to be capable of modification through systems design and programming.”

IT Consulting is the traditional role of an IT consultant, which is to bridge the gap between a company’s in-house IT capability and the range of IT suppliers that it must deal with (Kubr, 2002a).

Feasibility Studies is a controlled process for identifying problems and opportunities, determining objectives, describing situations, defining successful outcomes and assessing the range of costs and benefits associated with several alternatives for solving a problem (Thompson, 2003).

Feasibility studies have similar requirements in any methodology used by such as; cost benefit analysis, risk management, environmental analysis, marketing

analysis, to name a few. There can be variations on these requirements, depending on the type of project methodology used (Thompson, 2003).

Project management methodologies all follow the same life cycle e.g. Figure 1: PMBOK (Wideman & Widerman, 1991) and Figure 2: PRINCE2 (Dalcher & Brodie, 2007) are as follows:

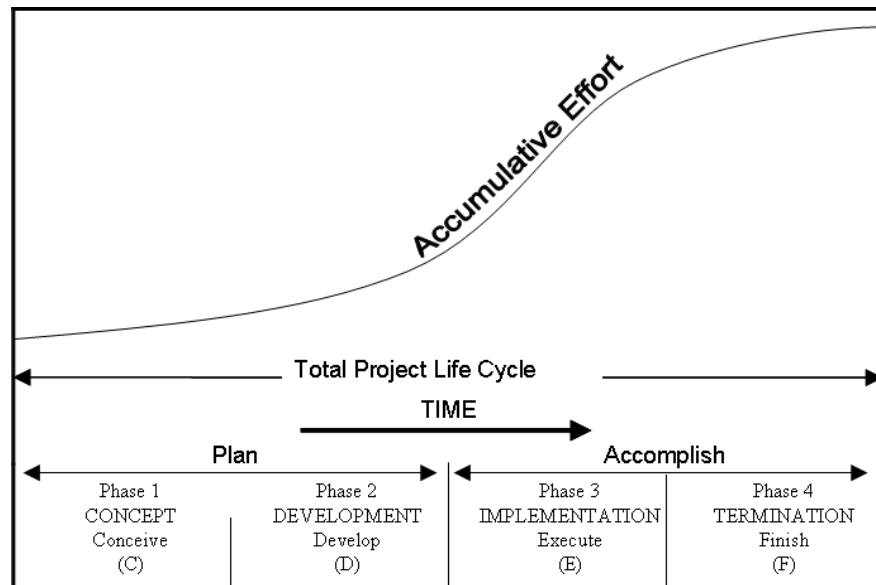


Figure 1: Project Life-cycle [generic] developed from PMBOK series, volume 1(Wideman & Widerman, 1991) Pg. 111-112

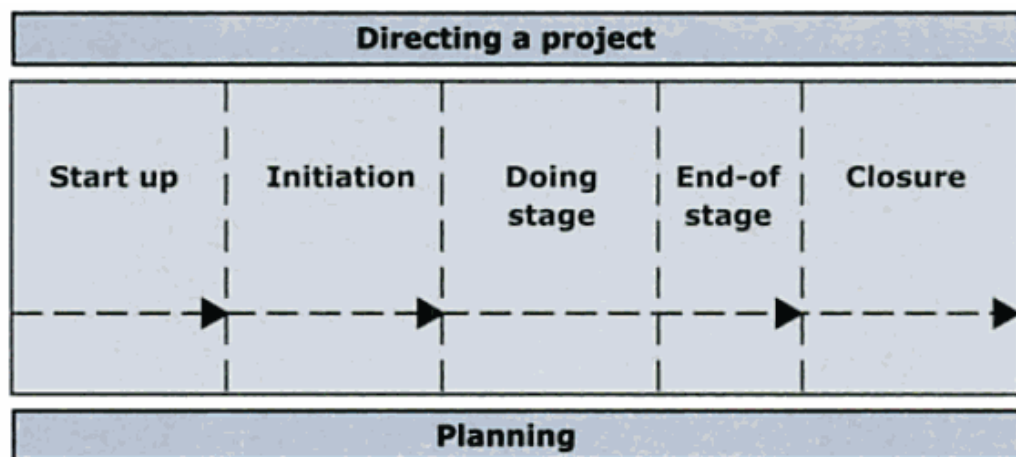


Figure 2: The PRINCE2 project management lifecycle process (Dalcher & Brodie, 2007)

This shows that the process lifecycles of various project management methodologies follow the same pattern and is generally used as a guideline when creating a methodology for an organisation (Dalcher & Brodie, 2007). Therefore the conceptualisation phase (design phase/ initiation phase) remains the same in any of the methodologies used by the project team(Rory Burke, 2013).

CHAPTER2: LITERATURE REVIEW

2.1 Introduction

The following literature review explores the value of feasibility studies performed in the conceptual phase of IT project in the South African financial industry. The emphasis is on the consultants' or project managers' perspective of feasibility studies and their importance on meeting strategic goals and outcomes.

2.2 Background discussion

When top management decide to implement or enhance their Information technology (IT) products or services in an organisation, the strategic intent is to either gain competitive advantage or differentiate themselves from their competitors (Porter & Millar, 1999).

This leads to IT being a useful tool in strategic decision-making for businesses (Orlikowski & Robey, 1991). An organisation decides to take on an IT endeavour with a clear understanding that the improvements would meet their strategic goals (Porter & Millar, 1999). When strategic goals change due to industry change or new strategic positioning (Porter, 2002), Project Management (PM) tooling would be useful to deal with the change (Cleland & Ireland, 2006) as PM deals with any ad hoc undertaking that is unfamiliar or unique (Cleland & Ireland, 2006).

Within the project management life cycle (Figure 1), the focus area of this study is to understand the concept (initial) phase and, in particular, the feasibility studies processes of the phase(Rory Burke, 2013).

Management consultants are used in the conceptual phases of projects as they have learned to understand change in the environment and identify common causes of problem with a good chance of finding appropriate solutions; and also to see and seize new opportunities (Kubr, 2002b). Consultants play a vital role in the

feasibility studies and benefit-to-cost analysis as they have the expertise, skills and knowledge (H. R. Kerzner, 2013).

As IT projects failure in organisations generally means losing revenue on time cost and effort spent (Rory Burke, 2013), one of the key aspects identified for the failure are weak business cases that do not justify the business needs or poor estimation or weak definition of terms (Whittaker, 1999).

There are times that a project commences without feasibility studies; however the main risk identification process is conducted at this stage and if not done, there is no way to track the risks thought the entire life of project (Remenyi, 1999). Without tracking the project's risk, there is a higher probability of project failure than if one did track the risk. It is always maintained that the better the risk identification, the better the risk management will be.

2.3 Exploring the perception of the value feasibility studies in IT projects

2.3.1 *Reasons & Value for executing feasibility studies in IT Projects*

There are various parts to feasibility studies outlined in literature, such as, market environment, operating requirements, competition and many more. However, the three most prominent areas that have been used are as follows (Thompson, 2003):

a. *Benefits-cost analysis*

The most widely used method to determine the outcomes of feasibility studies is the future cost estimations in comparison with the expected benefits (benefit-cost analysis) when entering into an IT-related project with a customer. One of the deliverables of the consultant is to perform such tasks in order to determine whether to proceed with a project or not (Rory Burke, 2013). There are several techniques used for the analysis. The three most prominently used, per Anandarajan and Wen (1999) are:

- 1) Return On Investment (ROI),
- 2) Net Present Value (NPV)
- 3) Internal Rate of Return (IRR)

The reasons behind these are as follows:

- 1) Estimate and evaluate cash flows,
- 2) Recognize and discount for the time value of money,
- 3) Establish whether incremental benefits exceed incremental costs, and
- 4) Provide a number which indicates the extent of project viability (Anandarajan & Wen, 1999; Rory Burke, 2013).

b. ***Risk assessment***

Kerzner (H. R. Kerzner, 2013) explains that when assessing feasibility studies from a technical and/or commercial viewpoint, which are generally based on the expressed and unexpressed requirements of external and/or internal customers, the risk stage needs to be identified upfront and managed throughout the project life-cycle (Lock, 2007; Remenyi, 1999). However, the undertaking of feasibility studies are not only limited to identification, but also to ensuring the recognised risks are avoided and /or mitigated as early as possible in the project (Westland, 2006).

c. ***Business strategic opportunity***

Duncan's (1996) view is all projects should be supportive of the performing organisation's strategic goals and the strategic plan of the organisation should be considered as a factor in project selection decisions. By using the environmental business analysis that forms part of feasibility studies, the decision making process will look at the external factors such as business vision, strategy and objectives for the short, medium and long term timescales (Westland, 2006).

The fundamental criteria of feasibility studies is firstly, to investigate if the solution is achievable, and secondly, to assess the likelihood of the alternative solution(s) options achieving their benefits. These benefits are outlined in the business case (Rory Burke, 2013; Harrison & Lock, 2004; Westland, 2006).

Hopfstrand and Holz-Clause (2006) Pg 2 & 3 highlight some reasons that are given not to conduct feasibility studies:

- “We know it’s feasible. An existing business is already doing it.”
- “Why do another feasibility study when one was done just a few years ago?”
- “Feasibility studies are just a way for consultants to make money.”
- “The feasibility analysis has already been done by the business that is going to sell us the equipment.”
- “Why not just hire a general manager who can do the study?”
- “Feasibility studies are a waste of time. We need to buy the building, tie up the site and bid on the equipment.”

“The reasons given above should not dissuade you from conducting a meaningful and accurate feasibility study. Once decisions have been made about proceeding with a proposed business, they are often very difficult to change. You may need to live with these decisions for a long time.” (Thompson, 2003). In the subsequent section, some of critical dependencies (Project planning phase) that rely heavily on the feasibility studies outcome, will be noticed.

2.4 The impacts of not conducting a feasibility in studies IT Projects

Hopfstrand and Holz-Clause (2006) note that at certain times “Project leaders may find themselves under pressure to skip the “feasibility analysis” step and go directly to building a business. Individuals from within and outside of the project may push

to skip this step.” The following points will highlight some of the impacts that can potentially occur if feasibility studies are not conducted.

2.4.1 Alignment with strategy & business objectives

All Project objectives should be tied up to the mission, goals, and strategy of an organisation (J. R. Meredith & Mantel Jr, 2011). In the conceptualisation phase, while conducting the feasibility study, if there is a misunderstanding of the nature of the problems, opportunity or technology of the organisation (Remenyi, 1999) pg 33., it could potentially lead to wrong decision-making on the project and add no value to the business. Vice versa, if the strategy of the organisation is wrong then feasibility studies could be incorrectly conceptualised. This could impact the project in its entirety (Noy, 2001).

Kerzner (2005) Pg 357 goes on to say that since each application is unique, If selection of a project that does not have a sound basis, or forces a change when the time is not appropriate, this could lead to immediate failure. Finally, not understanding the true need of the organisation could lead to stakeholders jumping to a quick solution, decreasing the chances of selecting the best solution (Izod, 2009; NetoAlvarez, 2003, p. 9). Clearly defined goals are imperative to the success of the project (Jang & Lee, 1998).

Hence, literature suggests that the alignment between the feasibility study and the company's strategic objectives and goals is critical to the outcome of any project undertaken.

2.4.2 Cost constraints and influencing factors

When considering any business endeavour, cost is the main driver of all projects realised (Anandarajan & Wen, 1999; Rory Burke, 2013). Understating or underestimation of the costs of projects will later result in major repercussions where either additional funding is required to complete the project or that it will fail to generate the return projected and ultimately lead to the project stopping/failing due to cost constraints (Remenyi, 1999) . This can directly impact the organisation's

short, medium or long term goals that were envisioned in the company's strategy (Westland, 2006).

Depending on the size of IT projects identified, there could be substantial amounts of money used to feasibly explore the risks, benefits and strategy of these endeavours (Lock, 2007). This is a risk on its own merit and can deter customers from approving the task (H. R. Kerzner, 2013).

Even though financial analysis is the central tool used for feasibility studies, there are instances where projects are authorised to proceed even though there will be no visible return on investment (Harrison & Lock, 2004). This could potentially be for internal or strategic purposes.

In developing countries, such as South Africa, managers need to make sure that the investment in IT is economically sound and justifiable. Especially in South Africa, the need for the highest return needs to be achieved to maintain economic growth (Lubbe, 1999). Thus, one of the main challenges is to control the costs of projects (Molina, 2003).

2.4.3 *Lack of scope feasibility*

There are times when starting an endeavour, that not enough details are available to clearly define the scope of a project. The potential impact of unclear scope may occur midway through a project with the realisation that the project is not feasible. This could lead to project delay or even failure (Snedaker, 2005).

2.4.4 *Risk management implications*

Together with cost-benefit-analysis, risk identification and mitigation/avoidance are the most fundamental tasks undertaken in feasibility studies (Hopfstrand & Holz-Clause, 2006; Thompson, 2003). If risks are not mitigated or avoided upfront in the conceptualisation phase, then inherently risks could occur throughout the project and potentially impact it to such an extent that failure can occur (Remenyi, 1999) .

There are instances that organisations become too conservative with risk when undertaking strategic projects. This effectively could lead to strategic goals not being realised in a sophisticated industry (H. R. Kerzner, 2013).

So overall there needs to be a balance between risk aversion and risk taking to ensure overall success of the project. Feasibility studies help identify the risks and hence support this decision.

2.4.5 Time constraints and influencing factors

Time delays are inevitable and play a crucial role in project management. Due to certain tasks that need to be put in place such as project definition, feasibility and organisation before detailed implementation can start (H. Kerzner, 2001), strategic timing is important to ensure high impacting projects are correctly allocated the relevant resources (H. Kerzner, 2001).

2.4.6 Difficulties of documenting feasibility studies

Harrison and Lock (2004) pg 17 highlight that “lengthy feasibility studies can result in the distinction between two different strategies being confused. Thus it is important right from the start to give different strategic options a unique identifying code or case numbers. Then if a decision is made to proceed with the project, there should be no doubt about which case has been chosen.” This highlights the fact that without a clear beginning to the scope of a project, the latter part of the project can easily go astray (J. Meredith & Mantel Jr, 2003) .

2.4.7 Stakeholders and skills problems

Most companies know that skilled people make the critical difference between success and failure (Patterson, Personnel, & Development, 1997; Welch & Welch, 2005). Sometimes organisations use an outside consultant or subject matter expert (SME) to assist with feasibility studies and benefit-cost analyses when specific skills are required. Generally the project managers, and sometimes even the functional support teams, may not be assigned to the project until after the feasibility studies

are completed. This could be detrimental to the project as the skills and expertise of the organisation are not being used. This sometimes leads to inaccurate outcomes of feasibility studies. Resistance then follows from the functional “experts” within the organisation as they were not involved in the development of the feasibility studies (H. R. Kerzner, 2013). Organisational stakeholder involvement is critical to project success (Harrison & Lock, 2004).

Many organisations err by initiating too many projects at one time without realising or evaluating their resource availability and capability. Generally this leads to work overload and poor outcome for those projects (Whittaker, 1999). The result of this on the project would be time slippage, lower productivity, lower anticipated profits and never-ending (time consuming) project conflicts (H. Kerzner, 2004).

2.4.8 Business engagement challenges of feasibility studies in IT projects

Since consultants are seen as subject matter experts (SME) to organisations, they are heavily driven by top management to perform and deliver their expertise (Kubr, 2002b). When consultants are in an engagement with the client, the only plausible outcome is that unless the consultant meets the promises they agreed on; the engagements will not be considered a success (McLachlin, 2000).

a. Consultant money vs. feasibility

There has been an on-going debate on whether consultants are money hungry or whether they are there for the good of the customer. There is a fine line that some consultants may be attracted by large incentives even though their expertise and ethics would tell them that the project was not feasible. Organisation sometimes “dangle carrots” in front of consultants to attract their services knowing full well that the project is doomed (Liebowitz, 1999).

Experiences show that some consultants are more interested in making money than serving the client’s needs (Smith, 2001).

b. ***Troubleshooting***

These are the most common problems in engagement:

- Imposing tight and unrealistic timescales: This includes those imposed by the organisation and the consultancy to win the deal, or those that are external due to market pressure
- The need for significant capital and non-capital investment
- The expectation of significant returns on investment: This might be imposed by the organisation through investment appraisal hurdle rates. It is expected, because of one or two high profile and well publicised successes within the organisation or stated as achievable by the consultancy wanting to win business.
- The use of leading edge technology which was untried and unproven, but sold
- The dependence of the future of the business on the success of a project: Business critical projects that have to succeed at any cost.
- Dependant on top management involvement for project success.
- Right to left project planning: this impacts quality and actual project management methodology as the end dates are decided first and then the project plan is built to cater for it. This approach may end up compressing the various phases. Hence the feasibility study's results are then either of poor quality or are skewed to ensure approval to proceed with the project/programme.

c. ***Communication***

In IT, the language spoken between the consultant and the customer are sometimes very different. The customer generally has difficulty in asking the right questions and the consultant has difficulty answering those questions. This stems from the client not having proficiency in the consultant's area of expertise. The customer may think that the questions he/she are asking are relatively simple, however the consultant could view them as complex (Driscoll, 1988) . In order to close the

language gap, consulting activities and client objectives cannot occur without project outcomes that are clearly understood by both parties and the importance of good communication is stressed. One solution could be for a consultant to guide/coach the organisation's strategic projects; right up to the implementation phase. However, some consultants fail to educate sponsors and project teams about the pitfalls and tactics of managing projects, using lessons learnt from previous experiences (Smith, 2001).

Another crucial mistake made by consultants is that since they are extremely proficient in the field in which they are consulting, the consultant as an experienced IT guru advising a banking institute would technically know what he wants and how he will solve the department/organisation's problem, but he confuses the customer by overcomplicating the scenario or solution he wants to undertake. The benefit of using the valuable information of the customers' input is then overlooked. This could lead to a project or opportunity not materialising as the customer had hoped for (Izod, 2009).

d. ***Working Secretly***

Open communication is a big factor in investigation or development of a new endeavour within an organisation. As an example, Lock (2007) shows that "an organisation was working secretly with a consultant on a MIS project and at the same time the IT department were working on the same investigation." This caused effort, time and cost duplication and outcome of ventures could be very different. This leads to conflicting prognosis of the project to be commenced. This can also lead to the consultant neglecting the participation of the client. The success of the projects are very much reliant on the collaboration developed between the consultant and the customer (Jang & Lee, 1998).

It can be assumed that in the course of a consulting project, the consultant will receive deep insight into the structures and developments of the customer's company, hence also into its risks and weaknesses. Because of the reality of opportunistic behaviour, the company will see itself confronted with the possibility

that the consultant will use this insight for him/herself and against the customer's interests (Ploetner, 2008).

2.5 Conclusion of Literature Review

In this literature, it is shown how feasibility studies are critical to organisations undertaking information technology (IT) projects as part of their strategy (Whittaker, 1999) by drilling down and identifying the key problematic components of feasibility studies that manifest themselves in the achievement of the organisation's strategic goals and objectives.

There are several internal and external factors that influence feasibility studies; namely the process and procedure itself, the consultant's input and the organisation's prowess in conducting the study.

All three factors lead to the demise of IT projects and as most projects are aligned with the strategy, they influence the organisations' ability to be competitive in their respective markets (Porter & Millar, 1999).

Although the problematic issues have been mentioned in the this literature review, the understanding of the consultant's perception and lessons learned are vital to future IT projects (H. R. Kerzner, 2013).

So far there has not been enough literature to explore the dynamics in the feasibility study segment of the IT project. The research study conducted reflects the positive value of feasibility studies to IT projects. The following problematic areas mentioned are influential in the success of conducting feasibility studies and indirectly impact the success of IT projects as a whole and the following propositions flow from the literature review-.

2.5.1 Proposition 1:

Comprehensive feasibility studies for specific IT projects are perceived as optional (Hopfstrand & Holz-Clause, 2006), (Harrison & Lock, 2004)

2.5.2 Proposition 2:

Feasibility studies that are conducted upfront contribute to an increased success rate of projects (Jang & Lee, 1998), (Remenyi, 1999)

2.5.3 Proposition 3:

Time and budgetary constraints are primary contributors to the lack of execution of feasibility studies (Lock, 2007),(Molina, 2003), (H. Kerzner, 2001)

CHAPTER 3: RESEARCH METHODOLOGY

This section describes the methodology that was followed to address the propositions that have been put forward as possible explanations for the problems in the Literature Review section.

3.1 Research paradigm

The Semi structured in-depth interview

The advantages of in-depth qualitative research on relatively small samples are well documented in the social science literature when the intention is to generate information about complex social dynamics which cannot be accessed using quantitative survey questionnaires (Miles & Huberman, 1994).

Qualitative research is pragmatic, interpretive, and grounded in the lived experiences of people (Marshall & Rossman, 2006).

Table 1: Structured interviews basics (Leedy & Omrod, 2001) pg.158

Advantages	The researcher can shift focus as new data comes to light.
Disadvantages	The researcher, by nature of his or her presence, may alter what people say and how events unfold.

Rossman and Rallis (2003) say there are five characteristics of qualitative research:

- It is naturalistic
- Draws on multiple methods that respect the humanity of participants in the study
- Focuses on context
- Is emergent and evolving

- Is fundamentally interpretive

The characteristics of a qualitative researcher are that she

- Views social phenomena holistically
- Systematically reflects on who he/she is in the inquiry
- Is sensitive to her personnel biography and how it shapes the study
- Uses complex reasoning that is multifaceted and iterative

Assumptions of a qualitative research

- Knowledge is not objective truth, but is produced inter- subjectively
- The researcher learns from participants to understand the meaning of their lives, but should maintain a certain stance of neutrality
- Society is reasonably structured and is orderly

The company consultants, project managers and business partners were interviewed using structured In-depth interviews. These interviews covered the rationale behind the programme development and what factors they considered to be important regarding feasibility studies. Why these factors are seen to be important was subsequently compared with what has been found in the theory and the literature review.

3.2 Research Design

This study intended to explore the perception of IT consultants and internal stakeholders regarding the value of feasibility studies so that it may be used as “lessons learned” for future IT projects endeavours. The nature of the study is qualitative rather than pure quantitative. The intention of the study is to answer questions on past and present experiences that the IT consultant or internal

stakeholders may have gone through in consulting to organisations or working within them.

The questionnaire used for this study takes a holistic approach in order to explore the possible categories of variables within the context of this study. The sample size is small and selected on a convenience basis and the interview schedule seeks articulation of individual experiences and perceptions. These characteristics require a qualitative research approach (Leedy & Omrod, 2001).

3.3 Population and sample

3.3.1 Population

The population for this study was all individuals involved with IT project management in the South African financial services industry. All potential respondents formed part of the population for this study.

3.3.2 Sample and sampling method

The sample was drawn from financial services companies or banks within South Africa. The individuals were contacted and those in agreement formed part of the structured interview. The researcher drew participants for the study from known information technology (IT) consultants, senior consultants and business partners, CIO, project managers, business analysts from organisations who have implemented IT projects. This was a convenience sample based on people known to the researcher or identified by references provided by colleagues.

A minimum sample of twenty in-depth interviews were carried out for the purposes of obtaining data for this study.

Table 2: Profile of Interviewees

Role	Candidate	Organisation
Consultant	IT Senior Business Partner	IBM

Strategy	Strategic IT consultant	IBM
Strategy	Corporate Business strategy IT consultant	IBM
Consultant	Organisation change IT consultant	IBM
Consultant	Project manager	Standard Bank
Consultant	IT Business analyst - Vendor	Standard Bank
IT	IT Business analyst	Standard Bank
IT	CIO	MTN
IT	IT Manager	MTN
Consultant	Programme manager	Standard Bank
IT	IT Manager – Vendor	Standard Bank
Consultant	Project manager	ABSA
IT	IT Business analyst - Vendor	ABSA
Consultant	Project manager	Ned Bank
IT	IT Business analyst	Ned Bank
Consultant	Project manager	Rand Merchant Bank
IT	IT Business analyst - Vendor	Rand Merchant Bank
Consultant	Project manager	Bidvest
IT	IT Business analyst	Bidvest
IT	IT Business Analyst - Vendor	Investec

3.4 The research instrument

The interviews conducted were an hour long and consisted of open-ended questions and responses. The responses were recorded and important notes are documented in the next chapter for interpretation.

The questions that are part of the schedule in Appendix A were directed in terms of the propositions identified:

- Necessity of feasibility studies
- Impact on project success

- Cost and time constraints affecting feasibility studies

3.5 Procedure for data collection

The participants were contacted telephonically or via electronic communication. They were requested to indicate their willingness to participate in the study. A follow up letter was sent inviting them to participate in the study and an explanation of the purpose of the study was included. An appointment was set up for the in-depth interviews with those consenting to participate in the research.

Focused interviews with consultants, senior consultants and business partners using a structured interview schedule were carried out. All information volunteered by participants was used for analysis.

Perception of consulting IT projects, in particular feasibility studies, was probed and attitudes towards the existing IT services based marketplace of consultants, senior consultants and business partners was analysed.

All interviews in the Gauteng area were conducted in person. Those key players outside Gauteng were interviewed telephonically with electronic mail follow-up.

The interviews were either recorded or taped with permission of the interviewee. If that was not possible, extensive notes were made directly after the interview to record in as much detail as possible, the salient points made during the interview.

The interviews were based around the questions in annexure A.

The code of ethics was followed and maintained throughout the interviews in line with the guidelines provided in An introduction to Qualitative Research (Flick, 2009) which highlights the following points:

Informed consent – study where participants have agreed to partake on the basis of the information given to them by the researcher. (Flick, 2009) The participants were all given the consent letter present in Annexure A.

- Non-maleficence – researchers should avoid harming participants. (Flick, 2009)
- The anonymity of the participants has been maintained throughout the research and will remain so.
- Autonomy or self-determination – Research participants values and decisions should be respected.

3.6 Data analysis and interpretation

Transcripts from the in-depth interviews with respondents were content analysed. Important statements (called key fact statements) from each interview were grouped and documented as part of the respondent's profile. Three profiles were considered for analysis – the IT consultant, the project manager and the people in strategic roles

Each response was assessed and any patterns or trends that the data reflected were grouped together within the respondent's profile. These groups are interpreted and reported on in as complete and unbiased a way as possible. The results were subsequently connected to the propositions. These either support and confirm existing theory or do not confirm theory as in the literature review.

Besides the above mentioned factors that were collected and analysed in terms of meaningfulness or evaluated in terms of the theory, the researcher found other factors needed to be studied after scrutinising the data. These were also incorporated into the results and discussion of the results. Additionally, the suggestions for further research section was based on these factors

Creswell's data analysis spiral was used as described in (Leedy & Omrod, 2001)pg. 161. The following steps were taken:

1. The data was organised into tables, breaking down into sentences or units called key fact statements.

2. The data was perused several times in order to get a larger picture. Possible categories and interpretations were noted.
3. General categories, themes or groupings based on propositions were noted as well as sub-themes or categories if they emerged. This indicated patterns or “what the data means”.
4. Data was then integrated and summarised. The categories were grouped for questions and organised to relate back to propositions.

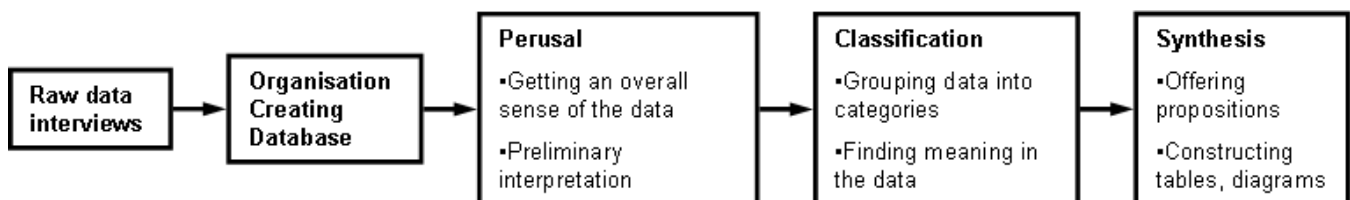


Figure 3: Data analysis spiral based on (J. Creswell, 1998)

3.7 Limitations of the study

The study was limited to knowledgeable people residing in South Africa and involved with IT project management in the financial services industry. The consequence of this limitation is that the perception of IT project’s feasibility study cannot be generalised as valid for financial services industries within any other country. Additionally, the results of this study cannot be considered as valid for any other industry within South Africa besides the financial services industry.

3.8 Validity and reliability

“In a qualitative study, the interpretation of the data will inevitably be influenced by the researcher’s biases and values to some extent, reflecting the notion of researcher as instrument” (Leedy & Omrod, 2001) pg.162.

There may be multiple perspectives held by different individuals, each having validity and truth. One goal of the qualitative study is to reveal the nature of the multiple perspectives.

The analysis of the data looks for patterns in complex phenomena and the researcher may bring subjectivity to his or her observations, as is often the case with social scientists.

In order to minimise the extent of prior expectations and opinions that the researcher may have in the analysis, multiple and varying perspectives on feasibility studies' value to IT projects were obtained.

These perspectives ranged from consultants to senior business partners within the IT consulting field. Any evidence that contradicts the propositions was actively probed and recorded. There are many varying opinions on what the preventative methods are, and varying reasons why feasibility studies are or are not conducted and their value and the researcher endeavoured to represent all these differing views fairly, wherever these have surfaced in the study.

3.8.1 *External validity*

External validity ensures that the findings can be generalised (Leedy & Omrod, 2001) and the study could be applied in other areas. This implies that the sample is representative of the population (Leedy & Omrod, 2001). However, the intent for qualitative research is not to be able to infer the findings onto the population. Rather, it is an attempt to interpret the event from a unique perspective (I. Creswell, 1994). The validity criteria to be used in this research are that it is cogent and plausible. In addition, the external validity of this research is enhanced in that it takes place in "A real-life setting" (Leedy & Omrod, 2001) pg.105.

CHAPTER 4: PRESENTATION OF RESULTS

4.1 Introduction

This chapter summarizes the result of in-depth interviews conducted for this report. The results are presented by a list of key fact statements that pertain to responses to each of the discussion points. The discussions around the propositions were not limited to each proposition therefore the respondents were allowed to refer to previous propositions or make statements that are referred to in the following propositions.

This unstructured nature of the discussion allowed for the possible listing of repeated statements in multiple propositions and each proposition being linked with responses across multiple questions. These key fact statements are recorded against the role of each respondent rather than their position or title within the organisation. The key facts statements for each question that pertain to respondents' responses are grouped together per proposition. Respondents have repeated statements that other respondents have stated and these repeated comments are not included in the presentation of results.

These key fact statements are directly quoted from the respondents and hence may not always be grammatically accurate or may use a phrase not considered as correct. The statements are not altered in any way to compensate for those inaccuracies and even though not explicitly indicated with quotation marks in tables below, the key fact statements are documented exactly as they were stated. However, any reference to a specific organisation or person is masked to retain anonymity. If there is a requirement to add words to indicate intent or context of any statement, it is done within brackets.

4.2 Profile of respondents

The planned number of respondents was determined to be twenty with an even split of respondents from project management and IT consulting fields. The demographic profile of the respondents included nine respondents (Table 2: pg.21, 2 x IBM, 3 x Standard Bank, 1 x ABSA, 1 x Ned Bank, 1 x Rand Merchant Bank, 1 x Bidvest) in the field of IT consulting, nine respondents (Table 2: pg.21, 2 x Standard Bank, 2 x MTN, 1 x ABSA, 1 x Ned Bank, 1 x Rand Merchant Bank, 1 x Bidvest, 1 x Investec) in banks and other financial service providers. Two of the respondents (Table 2: pg.21, 2 x IBM) were in a strategic role that was involved with decision making but not necessarily involved with daily project management activities. They did, however, have a background in project management and were accepted into the selection with the intention that they may provide greater insight into how a feasibility study influences the strategic decision making activities. It was ensured before the interview that the respondents had sufficient knowledge regarding IT projects and feasibility studies and none of the people in entry level positions were interviewed.

4.3 Results pertaining to proposition 1

The discussion centred on the definition and perception of a feasibility study conducted for an IT project. Question 1 ascertains various views about the definition of feasibility study while question 3 and question 5 enquire about its perception vis-à-vis organisation strategy and project goals. Question 7 tries to unravel if comprehensive feasibility studies are necessarily performed or if only certain portions of the study are conducted where deemed necessary.

The responses to respective questions are listed below.

Results for question 1 – respondent's opinion about feasibility study

The question posed to respondents was “In your opinion describe what a feasibility study is?” Their responses are tabulated below:

Table 3 Results pertaining to question 1

Responses from people in IT consulting roles	Responses from people in project management roles	Responses from people in strategic roles
Feasibility study means different thing to different people. It can mean whatever you want it to mean at particular time	Traditional view was - old day's business case. It was heavily assumption based and fairly theoretical	Feasibility studies are done to see if Business Case is held up (i.e. can be achieved)
It (feasibility study) should allay the fears of what are you doing and if it meets the business case	IT needs to do technical feasibility as well. IT side is pretty good at doing technical feasibility	Feasibility study is used only for what we have never done before

	It (feasibility study) is not often used at my company	Components (of feasibility study) and value depends on what type of project is considered. Based on previous projects, you know what was done and benefits. Still you may do it (feasibility) to understand if you need to go in again (for a similar project)
Responses from people in IT consulting roles	Responses from people in project management roles	Responses from people in strategic roles
	It could be that business uses it (feasibility study) for launching banking products but not for IT projects If you launch a product, you want to support it with Business Case but in IT you just do a pilot.	Worthwhile for the project to do a cost benefit analysis. Primary purpose is to be in a position to decide whether or not to go ahead with the project. The project must fit into a business case
	It (feasibility study) can be interpreted as Proof of concept - if it would fly but	(feasibility) study is conducted to understand Is it going to be worth

	not a pilot which is the next step.	spending on this project and determining that the risk of investment is going to give the return in project
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Results for question 3 – role of IT in an organisation’s strategy

The question posed to respondents was “Describe the role of information technology in an organisation’s strategy? (Tangible/Intangible)” Their responses are tabulated below:

Table 4: Results pertaining to question 3

Responses from people in IT consulting roles	Responses from people in project management roles	Responses from people in strategic roles
IT is your basic requirement and then there is an opportunity for IT to become partner to business. Most organisation don’t get there and hence IT is not a partner but provider	Huge challenge is to be swamped with data and not able to differentiate between data and information. IT helps you with that differentiation.	Role of IT is as an enabler of Business Strategy

Techies are quite a big resource to make things better but mostly business would drive IT IT should come to table as partners	Some companies feel that IT is the necessary evil	IT has a direct impact on time to market Indirect impact is seen as improving efficiency and effectiveness
IT has good insights to offer but is there any facility for you to make that suggestion; No!	depends on what type of org e.g. in bank- IT is critical You cannot do strategy of an organisation without IT	Making staff more efficient, making people's life easier
Responses from people in IT consulting roles	Responses from people in project management roles	Responses from people in strategic roles
Dependent on where the business is in terms of maturity. Also depends on Industry Mining - it is the brick or enabler Banking - it is a key factor in driving where business is going towards	Depends on Industry e.g. Banking - absolutely important and you should have a CIO at board level making those decisions on tech direction for enablement - top down. More important is the bottom up approach- we have this technology and it is available. We have to	

In telecom - it is the business itself	do a feasibility study on what does that open up for us in business e.g. content on PDA	
	Technology is strategic in maintaining critical aspects that save your face, saves people's lives	
	Technology is enabler to do better business but it needs to be integrated and implemented correctly else it is worth nothing We gain competitive edge by use of technology - shorter sales cycles, improve cash flows and productivity	

Results for question 5 - key factors of respondent's involvement in the engagement process for IT projects

The question posed to respondents was "Describe the key factors of your involvement in the engagement process in IT projects" Their responses are tabulated below:

Table 5: Results pertaining to question 5

Responses from people in IT consulting roles	Responses from people in project management roles	Responses from people in strategic roles
We are not quite hung up on costs. We don't get involved at the same level as other teams. They are more for accounts team who make sure we stay in budget We would concentrate our time on technical specifications and its feasibility	In the current feasibility proof of concept, because we did not spend enough time and effort to check all the things, project failed. We just did the basic things and assumed that since the other pieces are not so risky and come as established software we did not check them. later on when phase 1 and phase 2 went live, we realised it was impossible to continue with that software	(We check) Do we have a track record or experience? People who have spent time delivering this can tell you feasibility
The solution design we do is actually feasibility. I review these things as SME for each proposal	Why was our system used properly? Because we did feasibility We applied methodology that works. I put all the loose bits under one	

	umbrella and managed it. It is tracking and controlling	
	Sponsor does ask to override and deliver the project even if it is not feasible. It forces us to relook at assumptions within feasibility study and introduces a healthy tension	

Results for question 7 – specific areas of focus within feasibility study

The question posed to respondents was “Does your organisation focus on certain area(s) of the feasibility studies? If yes, what?” Their responses are tabulated below and investigate the opinion that comprehensive feasibility studies are not performed.

Table 6: Results pertaining to question 7

Responses from people in IT consulting roles	Responses from people in project management roles	Responses from people in strategic roles

Feasibility studies are done to catch deviations early - when you are 10% over the budget, it is already too late to fix it.	Feasibility study was not done in some depth (only basic feasibility done) and the project failed	If you launch a product, you want to support it with Business Case but in IT you just look at a pilot since IT is just a part of overall business decision
Approach and components of feasibility depends on who is the sponsor e.g. if CIO has huge drive on SOA then look at technical feasibility	In beginning we had a guy very qualified to do that but he was leaving and ran out of time at the end. So we did not do comprehensive feasibility study	We don't really do a feasibility study - we reserve it for things that are complex or risky or those that haven't been done before and kind of unknown
Responses from people in IT consulting roles	Responses from people in project management roles	Responses from people in strategic roles
	(Feasibility study should present) What is at stake, the short comes, milestone and pitfall information across in a succinct manner	You assume you are dealing with professional people so you expect them to know (the feasibility). You would not cross check that

	Biggest fault of feasibility is in collection and dissemination of information (which is not done in succinct manner)	
	focus components are- Cost effectiveness, benefits, SWOT analysis, implementation timeframes and if it is going to pay back	

4.4 Results pertaining to proposition 2

This proposition explores the relationship between feasibility studies and the success rate of IT Projects. The discussion was centred on the relationship between a feasibility study and management of IT projects. Question 4 attempts to establish if standard project management methodologies are used for IT projects while question 7 tries to understand if the entire scope of the feasibility study is considered or if only certain areas like technical feasibility are covered. Though question 7 was also included within proposition 1, only relevant statements are included with each proposition, i.e., the response table is not duplicated for this proposition but only those key fact statements are picked out that pertain to proposition 2. Lastly, question 8 explores whether there is any perception that links success of a project with the feasibility study. The responses to respective questions are listed below.

Results for question 4 – role of project management in implementing IT projects

The question posed to respondents was “Describe the role project management plays in implementing IT in organisations. “ Their responses are tabulated below:

Table 7: Results pertaining to question 4

Responses from people in IT consulting roles	Responses from people in project management roles	Responses from people in strategic roles
Project Management (PM) is about balancing quality, time and cost. You sacrifice one for the other	Project role is key to make sure you do find the time and money to do the feasibility study	Project Management is key. You need collaborative project managers from both business and IT side.
Responses from people in IT consulting roles	Responses from people in project management roles	Responses from people in strategic roles
IT is always managed as projects. It comes up as a business case and decision is made if it is worth it	What tends to happen is it (project management) becomes a barrier rather than enabler. You start	PM would be more effective in hierarchical organisation rather than in Matrix.

There are both formalised projects with a set of requirements and non-formalised projects' Formalised project are easier as they come with a sponsor.	jumping through hoops for governance	In hierarchical organisation they do not follow the process but the end result.
You need not do all the steps required in project management - you need to tailor the method to the nature of the project	We started the project but later on when we saw the product; we knew it would not work. Backing of our sponsor was critical to creating the solution we actually put in	You don't always have the insights when you are starting out. That is advantage of feasibility study as you find out that these groups of technologies are not compatible. You can find it in POC save yourself time later
Responses from people in IT consulting roles	Responses from people in project management roles	Responses from people in strategic roles
IT projects follow SDLC (Software Development Life Cycle) point of view so they follow something tried and tested Project Management gives structure and	Project Management brings in a structure. It brings in controls You must have mind-set of being a control freak and being result driven	You need to understand scope, risk management and how to communicate. When you put the Gantt Chart, it is not once off exercise you need to

means for implementing IT Benefits come out at the end of the line even though if you put proper project management and it takes longer time		know who does what and when
Culture in organisation is most difficult to change, especially from Project Management point of view. What type of culture is there in organisation and how conducive these people are to doing things in a structured way	(The role Project Management plays) Depends on project manager. In some organisations, Project Manager is not even involved in conceptualization phase	Project management could be too bureaucratic. I don't believe it is always required. If you put PM on business as usual activities, it hampers them
Responses from people in IT consulting roles	Responses from people in project management roles	Responses from people in strategic roles
Project Manager in implementing IT projects is make sure profitability of project is highest, especially if you are an external vendor.	If you follow the methodology, even if you are an idiot - you will still not fail.	PM there to ensure sure project is profitable. Feasibility study is to make sure project is profitable. Feasibility is about taking the best guess what that

		profitability is going to be - value vs. cost. Then you get a project manager to act on that Feasibility study is strategic plan for the project - PM is more a contributor to feasibility study
90% of projects fail due to change management and making sure that the organisation is ready as well	PM is not an SME, BA, Tester or coder but to make sure project is profitable. If there are in-house project – it is how well you’ve used internal costed resources. It is about cost containment	
Responses from people in IT consulting roles	Responses from people in project management roles	Responses from people in strategic roles
Do not make the PM an admin person; it should be managing all aspects of Pricing. Projects need proper PMO (Project Management Office). Very few clients	depends on scope - if small thing needs to be done, a Project Manager is enough but if it is a brand new programme, you would need that (feasibility study)	

understand important of PMO	Some projects are taking more time than they should	
	It (Project Management) is the body that actually drives the realization of the dream, i.e., PM forces the project to go in. Cons – it can make the thing complex Guard against doing tick-list project management and not producing the value	
	IT project managers should have IT knowledge. Had a project manager who had very strong management certification but struggled to deliver the IT project	

Results pertaining for question 7 - specific areas of focus within feasibility study

The question posed to respondents was “Does your organisation focus on certain area(s) of the feasibility studies? If yes, what?” This question was also linked with the previous proposition. The responses to that question that are pertinent to the current proposition are tabulated below:

Table 8: Results pertaining to question 7

Responses from people in IT consulting roles	Responses from people in project management roles	Responses from people in strategic roles
(Organisation has) Huge focus on Business Case In IT (projects) - focus is on POC	Area used the most - Cost is one, technical feasibility (is it possible) – pilots. Big one is am I going to get to the numbers, if its costs x, i will hold you to it.	If it makes the project release you were supposed to. it is much worse than running over budget. That's why we do a POC
Responses from people in IT consulting roles	Responses from people in project management roles	Responses from people in strategic roles
We do due diligence when client is interested in us. If it is a new client then that is done.	If you can prove it works (with feasibility study), they are not worried about if it ran over time or over cost. But if it would not work then board gets worried.	(We look at) Do I believe enough work is being done to justify costs or of they will blow up

	(We look only at) Summary page should have everything on it - Revenue, GP, Costs, ROI/NPV etc.	(We look at) Does the return on investment makes sense, is it true
	We see if feasibility study has done proper risk assessment, designed what is possible - envisioning what it would look like	Technically - "can we use it in this org the way they say we will use it?"

Results for question 8 – respondents experience with feasibility studies

The question posed to respondents was “What was your experience with feasibility studies used in IT projects? And how were they successful or unsuccessful?” Their responses are tabulated below:

Table 9: Results pertaining to question 8

Responses from people in IT consulting roles	Responses from people in project management roles	Responses from people in strategic roles

Feasibility study does have a role to play from a business perspective	(People) Read the document and forget about it	Uses of the study (are)--- - expectation management, communication, benefits realization
IT is trying to do a joint feasibility with business	Feasibility study was forgotten. Nobody goes back to say why something changed and what differed	There is huge divide between business and IT. You get technical bit right but not the business connection. e.g. SOA implementation. Piloting is done in purely technical space but not how you structure the business to deal with that change
Responses from people in IT consulting roles	Responses from people in project management roles	Responses from people in strategic roles
It is just a waste of money, feasibility study	It is used incorrectly	Lot of people are jaundiced about feasibility study and

		believe it does not make sense. It is because the whole experience around feasibility study is in cost save promised vs. realised
We should do post implementation reviews of feasibility and how to do them better in future Learning component should be built into feasibility.	So much easier to find mistakes early on (when you do feasibility) so it saves you tons of time, effort and money	Generally you check if vendors have done it before. Unless you specifically want to do something for the first time and they learn on the job
A lot of people will challenge the value of doing it (feasibility study).	if you miss something in technical feasibility, it is a costly mistake	There (in feasibility study) we would go out and see if it is viable to do that or Is it worth outsourcing this?
Responses from people in IT consulting roles	Responses from people in project management roles	Responses from people in strategic roles
Client executives go out and sells it (the project) and then it goes to client	Sponsor is most important– it is his baby	(Feasibility study helps us understand) What is this project going to achieve,

support executives and we look at it then at technical solution feasibility	and he wants to run no matter what	not just in terms of IT but business. People get baffled to articulate that
They are not focused on risks (in feasibility study) e.g. data privacy. we want to take on outsourcing deal of 50 people with the bank and this is what we do	I only did them (feasibility study) in building industry projects but not in IT projects.	Need right people to do the feasibility study - you need sceptical mind, paranoid people, very risk averse with a thick skin. You need an auditor to do this
Don't think about costs but only revenue when they fight for new projects	In all my career I am yet to see anyone do a proper feasibility study.	We don't do feasibility study for IT alone, we do it for entire business problem. IT is just one of the enablers to drive the business solution
Responses from people in IT consulting roles	Responses from people in project management roles	Responses from people in strategic roles
They talk about doing it (feasibility study)	We used to do feasibility study when I was in xxxx company but it was something that we just	

	went through because we were supposed to do it.	
challenge in feasibility study should be linking the project and what project is going to do / feasibility of project with what business wants If you can't do that, don't even do a feasibility study. What aspect of business imperative is this project achieving - e.g. if not lower cost, then is this attached to efficiency of delivery, or opening markets	People will set a hurdle rate - we don't look at anything which does not give an internal rate of return less than x. Then what people do is to play around with feasibility study to get the IRR of x. That's the last you hear of it (feasibility)	
Responses from people in IT consulting roles	Responses from people in project management roles	Responses from people in strategic roles
Feasibility tests become a big fat hoop to jump through. Are we getting	Not learning from mistakes (is a problem with current approach) two big projects have	

ourselves into some seriously hot water?	failed and yet we use the same methodology.	
Feasibility study was fine but new stakeholders came with different agendas and beliefs that derailed project	Am yet to see a successful feasibility study performed	
Since most of the projects are now sponsored by CFOs (Chief Financial Officer) rather than CIOs (Chief Information Officer), feasibility is important	Someone might just prefer a small business case rather than complete study which contains aspects of feasibility	
I do a lot of feasibility studies but it differs from client to client	We got feasibility & huge benefits were predicted. Stakeholder changed & then project faltered	
Responses from people in IT consulting roles	Responses from people in project management roles	Responses from people in strategic roles
My projects are SAP. They are very big investment so people are willing to do the feasibility study	Different agendas and beliefs came up (after conducting feasibility) and that derailed project	

We got the benchmarking information available and can quickly put in the value parameters into feasibility	Feasibility study 9 times out of 10 drives board decisions	
A lot of people have been burnt doing bleeding edge solutions so for these cases, people are willing to do feasibility		
They don't go for typical one man shop for feasibility but go for recognizable name from industry. They may go for that (one man shop) in implementation		
Responses from people in IT consulting roles	Responses from people in project management roles	Responses from people in strategic roles
We sometimes do that (feasibility) as an investment as you want to get the foot in the door.		

We do it (feasibility study) for nothing.		
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4.5 Results pertaining to proposition 3

The discussion was centred on identification of significant factors responsible for not conducting a comprehensive feasibility study for IT projects in financial organisations. Question 2 asks if there are any challenges in conducting a comprehensive feasibility study to identify any common challenges across respondents. Question 6 focuses on areas of improvement to understand the perception of how these challenges impact the feasibility study. The responses to the respective questions are listed below.

Results for question 2 – key challenges in conducting feasibility study

The question posed to respondents was “What are the key challenges of conducting a feasibility study?” Their responses are tabulated below:

Table 10: Results pertaining to question 2

Responses from people in IT consulting roles	Responses from people in project management roles	Responses from people in strategic roles
Feasibility studies are assumption based and	(Challenge is) Interpretation of feasibility study - lack of clarity on	We are deskilling at a rapid pace and then the need for this (feasibility study) becomes crucial.

hence (it is) difficult to be objective	what is meant by feasibility	It gives a certainty that you are going through a process wisdom built into it When we compress timelines, we skip it
IT PM gets wind of projects too late and they play catch up. Then there is no time to do proper feasibility	(There is) lack of formality doing feasibility studies even in organisations with strong project management practices.	Big challenge is the divide between business and IT. Business conducts feasibility study and throws it over the wall to IT. And IT makes more assumptions and they contradict
(Challenge is) Business drives scope out and IT tries to rein that in.	don't have money and time to do feasibility	stakeholder involvement is key since one or two people can actually stop the project
Responses from people in IT consulting roles	Responses from people in project management roles	Responses from people in strategic roles
Both business and IT will make the call (to do a project) but not do that much of feasibility. They would do the numbers	(Organisations)Leave vendors to do feasibility study and hence it is biased.	Scope always seems to bite you. (We) Begin to understand the depth of

and then throw them at the wall		issues only after the work starts.
Cost time and scope are most important. I have seen 2 person years to 30 person years just to do feasibility study.	Where do they cut in time - it is here in feasibility study where costs are taken out. They start making assumptions which is very unhealthy	Time is fixed, cost is fixed and then the strategic alignment. Competition has taken up major of my market, here is a million Rand to do this
As timelines become intense, people are throwing out feasibility and going to RAD and JAD to manage delivery but that is not what RAD and JAD is about	You can run over time anyway, new technology always has something that you have not done before and that delays you. Time is always an issue	The reason i am doing this project is compliance to something so project has to be done
Some client say you have 2 weeks to do feasibility study and some 6 months	We don't have the luxury of nine months to do the study	
Responses from people in IT consulting roles	Responses from people in project management roles	Responses from people in strategic roles
Can you conduct study within certain timeframe and budget	First thing people came up with is cost but even if you lose money, strategy	Information is not available or not in right format

	gets the project even if cost is lost	
What is the answer for feasibility study - Yes or No or is it the implementation plan	Feasibility study for ad hoc project is waste of time as they are the demand for that moment	
Cost and time are the two main ones that I expect. You have got to finish in 3 months. It is fixed cost that I am giving you	The other constraint is time. Because you need agility in business, the time to respond to market changes should be quick and you don't have the luxury to do feasibility study	Feasibility study hence become more infrastructure focused rather than individual projects - e.g. should we have SOA so that the focus is on agility Then we have feasibility inherently in everything to do. You do not find it in case by case basis but it should be in the platform Strategic things would need to be done in areas
Responses from people in IT consulting roles	Responses from people in project management roles	Responses from people in strategic roles
stakeholder commitment - if he is not part and	Incremental portion of feasibility study - final may be 10-15 years from	

parcel of feasibility study, then it won't happen	now but how do it in incremental feasibility portions	
Key challenge is Cost. Client says why I should do that. We do feasibility and absorb some costs. If you sign us for implementation - we will smoothen cost into implementation	People are not willing to spend 1 Rand out of 100 to do feasibility study but are willing to spend 300 Rand later to fix the problem.	
People are adverse to sharing information to protect their indispensability	good operating model but then big estimations with unexplained assumptions	
feasibility means change and there is a lot of hostility in the initial meetings. People worry about is my job still safe	We got the feasibility and huge business benefit. Stakeholder changed and then implementation faltered	
Responses from people in IT consulting roles	Responses from people in project management roles	Responses from people in strategic roles
Sometimes we battle to get proper metrics from	Because of recession, wrong people are being	

client of tangibles and intangibles customer is unwilling as it is too much of an effort to find out or it does not exist	sent to conduct feasibility study	
We have to spend money upfront (in feasibility study) and then you would know if you would get some money out of it (the project)	Global roll outs of solutions even though business is running well in current software is one reason. We need to go into SAP and dictate coming from overseas due to global template It is directive based towards standardizations driven from overseas	
	You do it (feasibility) now and we can implement it in 3 years – it is too late and things have changed	

Results for question 6 – areas of improvement in the feasibility study

The question posed to respondents was “What parts of the feasibility study can you improve upon?” Their responses are tabulated below:

Table 11: Results pertaining to question 6

Responses from people in IT consulting roles	Responses from people in project management roles	Responses from people in strategic roles
A better approach than business case is Benefits realisation. It is continuous monitoring to reap the benefits	There are feasibility studies but critical stakeholders do not have visibility of it	Whole communications element - giving business and IT to sit around the same table and do the planning
Feasibility Study should be done just about where the sale is to align what you are selling with what the client needs	Feasibility Study should have Project definition workshop	Solution must fit the problem but don't do extra if you don't need it
They are there to sell. Anything was sold but then technical solution is designed. Feasibility should be part of sell	Feasibility study was forgotten. Nobody goes back to say why and what differed	Fully understanding the requirement- understanding a need vs. a want
Responses from people in IT consulting roles	Responses from people in project management roles	Responses from people in strategic roles
Engage with the client early to understand what they want - What is	Let us just throw out the whole concept of feasibility study and just	

imperative and what is nice to have	chunk up the delivery in 3 week buckets So your feasibility study becomes delivery approach.	
If you use assumption based approaches, make sure you got up to date data e.g processing time or cost reduction - access to relevant set of data is a challenge	They tend to rely on vendors and consultants which are not right. Because they do not have the ownership of the problem	
Hypothesis based approach needs to be brought into feasibility study and aligns with interim presentation on how far are you in proving your hypothesis	Team should present (the feasibility study) to all critical stakeholders where they would be grilled to the point to make everyone comfortable with the project. It tests rigour of feasibility that's needed	
Responses from people in IT consulting roles	Responses from people in project management roles	Responses from people in strategic roles
You should create a centre of excellence around feasibility studies	I have seen a lot of misuse of consultant and vendors. (Vendors say)	

but I have not seen that anywhere.	Let me know what you want to prove and I will prove it for you.	
People are reluctant to pay for feasibility studies so it must be costed intelligently We want to hide the cost of that study so that customer pays but does not realise	depends on who won the project - if company owns it and does it ok if person doing the work is doing the study they will force it to pass to do the work and hence get biased behaviour	
	In a big project, you have a lot of things to worry about so the report should be simple and easy to disseminate / communicate	
	End of project, the final loop back into feasibility study is usually missing	

4.6 Summary of the results

The results contain many ideas and these ideas have been shared between the respondents. Most of the respondents were in agreement with each other regarding the perception of feasibility studies in IT projects. Several common themes emerged in these responses that are discussed and compared to the available research literature in the next chapter.

The number of respondents in a project management role was more than any other and hence they have more responses recorded when compared with other roles. Similarly, because the respondents in strategic roles were least (only 2), there are fewer key fact statements associated with them.

The second and third questions brought about many more responses as this may have been the result of respondents becoming more comfortable with the line of questioning and the topic of the research. Once the respondents became more comfortable, they were afforded the opportunity to come back to any question where they believed that they did not provide sufficient detail. The responses for the eighth question was more for people in IT consulting roles probably because of frequent exposure to diverse projects across multiple South African companies.

Most of the respondents bifurcated feasibility study in IT Projects into two parts – technical feasibility and business feasibility. Technical feasibility was considered almost synonymous with a pilot or proof of concept while business feasibility was considered synonymous with a business case. All respondents agreed that a feasibility study has a positive impact of project success but also conceded that a comprehensive feasibility study is seldom performed. Besides time and budgetary constraints, stakeholder involvement was also listed as an important parameter contributing towards lack of performing a comprehensive feasibility study.

CHAPTER 5: DISCUSSION OF THE RESULTS

5.1 Introduction

The aim of this chapter is to explain the results in Chapter 4 and how they compare to their literature review in Chapter 2. The respondents' profile is analysed with the response that they have provided. This is done to understand if there is any dissimilarity in the perception of a feasibility study for the same role. Also variance in perception of a feasibility study across the three roles is discussed

5.2 Profile of respondents

The planned sample was targeted to be an even split between IT consulting and project management professionals. The expectation was that the project management professionals would have an opinion about perception of a feasibility study within the company while the IT consulting professionals would bring the vendor's point of view. Two respondents in strategic roles, e.g., CIO or project portfolio management were included in the study to give inputs regarding perception of IT projects' feasibility study and its alignment to overall organisation strategy.

Since no entry level roles were interviewed, it was expected that the respondents are familiar with the subject of a feasibility study in IT projects and were part of those studies in the past. The familiarity with the subject matter was adequately demonstrated during the interviews by all respondents and hence everyone who was interviewed was included in the study. There was consistency in views expressed within each group.

5.3 Discussion pertaining to proposition 1

Proposition 1: Comprehensive feasibility studies for specific IT projects are perceived as optional.

Analysis of the responses and a comparison with literature

The literature suggested that the fundamental criterion of feasibility studies is firstly, to investigate if the solution is achievable, and secondly, to assess the likelihood of the alternative solution(s) options achieving their benefits, which are outlined in the business case (R Burke, 2003; Harrison & Lock, 2004; Westland, 2006).

This was in agreement with the respondents' views. All respondents agreed that the business case was the primary component of IT project's feasibility study and was utilized in the decision making process. The investigation regarding whether the solution is achievable also had a component of technical feasibility. That was performed by executing either a proof of concept or pilots, for projects that had components of new or unproven technology.

Hopfstrand and Holz-Clause (2006) Pg 2 & 3 highlight some reasons that are given not to conduct feasibility studies:

- "We know it's feasible. An existing business is already doing it."
- "Why do another feasibility study when one was done just a few years ago?"
- "Feasibility studies are just a way for consultants to make money."
- "The feasibility analysis has already been done by the business that is going to sell us the equipment."
- "Why not just hire a general manager who can do the study?"
- "Feasibility studies are a waste of time. We need to buy the building, tie up the site and bid on the equipment."

Hopfstrand and Holz-Clause (2006) notes that at certain times “Project leaders may find themselves under pressure to skip the “feasibility analysis” step and go directly to building a business. Individuals from within and outside of the project may push to skip this step.”

All respondents agreed with the point of view mentioned in the literature review irrespective of their role. For the IT projects that used technical components that have been successfully implemented by previous projects, the technical feasibility was assumed. Hence for projects that are based on previously executed projects, feasibility study is considered optional. Additionally for projects driven by compliance requirements (e.g. legal or security) or due to market compulsions (e.g. competitor offering solution that required that implementation); a business case is also considered optional. In the before mentioned scenarios, there is no choice of implementation. Ideally a technical feasibility and business case document is prepared either when it is a piece of new technology being implemented or when there are multiple similar options. The respondents were also of the opinion that if the feasibility study is mandated solely by program governance, it becomes more of a hurdle to cross or a check box to tick. In those cases, the numbers are sometimes tweaked to achieve the hurdle parameter e.g. Internal Rate of return should be greater than 8%. A comprehensive feasibility is ignored. Stakeholder perception is also very important to the conduct and usage of the feasibility study as indicated by Hopfstrand and Holz-Clause (2006).

However, the literature review did suggest that, “The reasons given above should not dissuade you from conducting a meaningful and accurate feasibility study. Once decisions have been made about proceeding with a proposed business, they are often very difficult to change. You may need to live with these decisions for a long time.” (Thompson, 2003).

In essence, this was also agreed by respondents. However, primarily the respondents from strategic roles mentioned that these feasibility studies are performed for projects that are expected to run for a long duration or those with high investment requirements. It was also mentioned by the respondents that this could

be because these projects are funded from the CFO's (Chief Financial Officer) office rather than the CIO's (Chief Information Officer) office.

Additionally, Kerzner (2005) Pg 357 mentioned that since each application is unique, if selecting a project that does not have a sound basis, or forcing a change when the time is not appropriate, this could lead to immediate failure. If we examine that statement from a technical feasibility point of view, it was considered by the respondents that rather than doing technical feasibility for each project, it could be performed at a strategic level for each technology platform or packaged solution. As an example, rather than for individual projects, a technical feasibility would be performed for Service Oriented Architecture platform or for SAP packaged solution within the bank. Then the individual projects that utilize the same platform or technology can proceed as technically feasible. This implies that from a technical feasibility perspective, each IT project is not considered as unique as long as it is on the same strategic technical platform or package, e.g. SOA or SAP.

Literature also suggested that there are instances where projects are authorised to proceed even though there will be no visible return of Investment (Harrison & Lock, 2004). The respondents agreed with this statement and mentioned three reasons for doing this. The reasons indicated were due to legal and regulatory compliance requirements or due to direct strategic need to respond to market forces or as requested by a key sponsor (probably due to a perceived strategic need).

No other factor for feasibility was mentioned explicitly besides technical feasibility and financial feasibility (i.e. a business case) that were examined for an IT project. However, one of the respondents did mention that it was important to examine cultural or political feasibility as well since projects fail due to cultural misalignment. She also mentioned that, based on her experience, this was seldom done within an organisation.

5.4 Discussion pertaining to proposition 2

Proposition 2: Feasibility studies that are conducted upfront contribute to an increased success rate of projects

Analysis of the responses and a comparison with literature

Many organisations make the error of taking on too many projects at one time without realising or evaluating their resource availability and capability. Generally this leads to work overload and poor outcome of projects (Whittaker, 1999). The respondents agreed that performing a feasibility study upfront helped them understand the complete impact of the project within their company. Feasibility study enabled them to decide if they would be able to implement a particular project within defined timelines and with available resources. However, the respondents also conceded that these feasibility studies are heavily based on assumptions, which are likely to change during the lifecycle of a project. This is a concern for projects that run over a period of time or involve huge investments. They also mentioned a need for these feasibility studies to be unbiased to improve the decision making process.

The literature suggested that as IT projects failure in organisations generally means losing revenue on time cost and effort spent (R Burke, 2003), one of the key aspect identified are weak business cases that do not justify the business needs or poor estimation or weak definition of terms (Whittaker, 1999) .

The respondents agreed that the project management methodology is critical to project success and the project manager is responsible for ensuring profitability. One of the items checked by respondents in strategic roles within feasibility study was if the work proposed for the project is justified in cost projections or if the costs are likely to shoot up. Some respondents had the opinion that the cost and effort overruns are not really considered as IT project failure but if the implementation did not work, the project is considered as failed. Hence, the point of divergence between available literature and respondents' opinion was that the respondents believed that technical feasibility was much more important for IT projects than the business case. As the tangible requirements of a technical feasibility study are far

more quantifiable than a business case. Once technical feasibility is established, the business case was considered. This perception was shared across the three roles, i.e., the IT consultants, project managers and people in strategic roles.

The literature also suggested that there are times that a project commences without feasibility studies; however the main risk identification process is conducted at this stage and if not done there is no way to track the risks throughout the entire life of the project (Remenyi, 1999). Without tracking the project's risk, there is higher probability of project failure than if one did. The literature always maintains that the better risk identification, the better the risk management will be (R Burke, 2003; H. Kerzner, 2004).

The respondents agreed that a risk assessment is performed even when there is no formal feasibility study. The risk assessment could be in the form of a technology pilot or advice from a subject matter expert. One of the respondents particularly mentioned that once they did not perform the required assessment of the software product and the project failed.

The result of not understanding the feasibility upfront would be time slippage, lower productivity, less anticipated profits and never-ending (time consuming) project conflicts (Kerzner, 2004). All respondents agreed with this perspective. They mentioned that the business need, business case and technical feasibility should be understood in great depth by all stakeholders, including project managers, to ensure project success. However, they also mentioned that a formal feasibility study was not necessarily the source for this information. For IT projects, the perception of feasibility was also based on expert advice or prior similar experiences.

5.5 Discussion pertaining to proposition 3

Proposition 3: Time and Budgetary constraints are primary contributors to the lack of execution of feasibility studies.

Analysis of the responses and a comparison with literature

The literature suggested many reasons for missing feasibility study e.g. lack of clarity of goals (Jang & Lee, 1998); cost (Remenyi, 1999), lack of scope (Snedaker, 2005), risk management (Remenyi, 1999), time constraints (Kerzner, 2005), difficulty in documentation (Harrison & Lock, 2004) and stakeholders or skills issues (Welch & Welch, 2005). The primary intent of this proposition was to examine if time and cost emerge as the common theme while discussing constraints.

This was in agreement with the respondents' views as they mentioned all the above mentioned parameters during the interview. The factors were well understood by all roles interviewed. It was also observed that all roles mentioned cost or time as a major issue while conducting a feasibility study. One respondent who was a project manager said "People are not willing to spend 1 Rand out of 100 to do feasibility study but are willing to spend 300 Rand later to fix the problem", which illustrates the fact that people are willing to take the costly risk of failure later yet are unwilling to spend some money upfront to mitigate it. The respondents mentioned that the project is always running short on time which makes the team consider only bare minimum items for feasibility and a comprehensive study is not performed. There is an uncertainty regarding the time available to do the feasibility study.

Depending on the size of IT projects identified, there could be a substantial amounts of money used to feasibly explore the risks, benefits and strategy of these endeavours (Lock, 2007). This is a risk on its own merit and can deter customers from approving the task (H. Kerzner, 2005). To quote a respondent, "Some clients say you have two weeks to conduct feasibility study and some say six months". Another respondent mentioned that the challenge in conducting a feasibility study was that companies have to spend money upfront even before the start of the project to understand its feasibility. Respondents in general concurred with these challenges and mentioned that their companies are exploring means to overcome them.

The people in strategic roles mentioned the importance of stakeholder involvement and also a need for a feasibility study to be easily readable. One of the pitfalls of doing a comprehensive study is that it becomes unusable due to its length or complex nature. It is one of the reasons why feasibility studies are compressed to incorporate only what is really important for decision making purposes.

An interesting point mentioned by respondents in IT consulting roles was that they sometimes do the feasibility study for free or at a fraction of the cost and then spread the remaining cost over the duration of the actual IT project if they get the contract. This is done to enable companies to conduct proper a feasibility study as well as to provide an entry point for those third party vendors. In developing countries, such as South Africa, managers need to make sure that the investment in IT is economically sound and justifiable. Especially in South Africa the need for the highest return has to be achieved to maintain economic growth (Lubbe, 1999).

This however, would cause a skew in project costs where the feasibility phase costs would be less and the implementation phase cost more than the actuals. Alternatively, it could also imply a squeeze of project gross margins for the vendors. Also since this is done before commencement of the project, the timeline pressure is lower. Some respondents also mentioned that they get specialists and reputed vendors to perform the feasibility study while they consider a larger pool for sourcing people for implementation. This mitigates some of the risks.

As mentioned in both the literature review and respondents' interviews, one of the reasons for the feasibility study is to provide a number which indicates the extent of project viability (Anandarajan & Wen, 1999; R Burke, 2003). This number was referred to by respondents as a "hurdle rate" which was achieved by manipulating the assumptions. It was perceived that vendors would indulge in this manipulation to win a project. If there is an in-house team, stakeholder bias would sometimes creep into calculations. A suggestion for improvement was made to create a centre of excellence within an organisation for performing these studies in an unbiased manner.

IT consulting vendors are still looking at innovative ways to help clients overcome the time and budgetary constraints in conducting the feasibility study while winning more business for them. Since IT vendors are successfully using this strategy, it can be inferred that though companies understand the importance of feasibility study in IT projects, time and costs are major factors hindering them to conduct the actual study. They rely on vendors to do that bit even though they understand that it may be biased

5.6 Conclusion

In conclusion, the responses from the people interviewed were similar to the research attained in the literature. They both have identified that though conducting a feasibility study upfront improves the chances of the success of IT projects, it is seldom conducted completely due to time and budgetary constraints.

All professionals from IT consulting, project management and strategic roles completely agreed with each proposition. Yet each role also provided its own unique perspective to feasibility study. While people in strategic roles focused on summary and return rates; people in project management roles were concerned with the implementation success within defined budget. IT consulting professionals were searching for innovative ways to help client conduct a feasibility study and also win more business for themselves. They had most opinions about how the current feasibility study can be improved and the shortcomings.

The point where the respondents slightly differed from what was mentioned in the literature review was that IT project cost and returns were not as major concern as was the technical feasibility. The cost benefit based business case was primarily developed for the business process or business solution. Since IT was only an enabler to the solution, it was considered sufficient to demonstrate technical feasibility. Literature review suggested that the business case was the driver for project decisions.

CHAPTER 6: CONCLUSIONS AND RECOMMENDATIONS

6.1 Introduction

This chapter summarises the findings of the research and compares it to the objectives set out in the beginning of the research paper. The summaries also attempt to provide a recommendation for conducting feasibility studies for IT projects in the South African financial industry. The research proposes some suggestions for future research that may add more insight into the subject.

6.2 Conclusions of the study

The study attempted to understand the perceptions of the value of feasibility studies conducted for IT Projects in the South African financial industry. The study also attempted to validate three propositions derived from a literature review; first that the feasibility studies are considered as optional. Second, there is a perception that projects which perform a feasibility study upfront are more likely to be successful. Third, major challenges to conduct a comprehensive feasibility study were linked to time constraints and costs involved. The findings of the study were the same as the expectations of the literature review and mentioned in the propositions.

The methodology of the research was to interview professionals in South Africa who are associated with the IT projects in the financial industry. In order to understand their experience and their perceptions along with any variations based on their roles, participants were divided into three groups, viz. the IT consultants or vendors, the project managers within the organisation and people in strategic roles. The propositions proved to be a common theme running across each of the roles, though the roles also provided some unique perceptions of their own not found in other groups.

The findings of this research compare well to historical findings. The first proposition derived from the literature review mentioned that comprehensive feasibility studies were considered as optional. It was echoed in the opinion of the respondents as

well. They provided logical reasons why this was the case and also sometimes projects fail due to lack of a feasibility study document. This perception supported the second proposition that the projects which conduct feasibility study upfront are likely to be successful. The main reason mentioned for skipping the feasibility study was that feasibility of the current project could be extrapolated from a similar project done in the past, or technical feasibility of the technology platform performed at a strategic level or since the IT project is only an enabler of overall business functionality required, the feasibility would be already have been done for the business idea.

The shortcoming of using feasibility studies in such a manner is that it makes them susceptible to manipulations in order to achieve the desired result, as mentioned by respondents. The constraint make the feasibility study a function to be performed by IT vendors rather than in house even though respondents that belonged to roles internal to company agreed that vendors would tweak feasibility to win the project contract. Either way, the feasibility study becomes biased.

The final proposition derived from literature and verified in this study was that time and budgetary constraints are the primary reasons for not performing a feasibility study. It was mentioned by respondents that the feasibility study was considered as a cost incurred even before commencing the project. In case the project was not found as feasible, the cost would have been perceived as an unnecessary expenditure. This supports the view mentioned in previous paragraphs that the feasibility of current projects was extrapolated from success or failure of similar IT projects undertaken in the past by the company. The respondents also mentioned that projects driven from strategic initiatives or as a response to competition in the marketplace required quick turnaround time and hence the feasibility study was skipped. Hence in conclusion, all propositions created to explore the problem statement were validated by respondents.

6.3 Recommendations

Based on the data collected and synthesised with the literature, a number of recommendations can be drawn to achieve the research objective. The objective was to understand the perception of a feasibility study for IT projects in the South African financial industry. It was concluded that the feasibility studies were considered optional due to various constraints even though it was understood that they contributed to project success. The recommendations that can be derived from this study are listed below.

The first recommendation is that a feasibility study should be preferably performed and it should be done in house unless there is a specific rare skill required. This is said because the respondents generally perceive third party vendors to be biased as well as the requirement for stakeholder involvement during conceptualization phase to ensure everyone is in agreement with the project commencement.

The second recommendation is that there should be a centre of excellence that performs these feasibility studies across the organisation. This function should not be closely associated with the project in order to be unbiased yet it should not be so very disconnected that it does not possess any ownership of the project delivery. The solution mentioned by the respondent is one that combines the benefits of using external vendors with the advantages from utilizing internal resources for conducting the feasibility study.

The third recommendation is that project methodology should dictate the nature and extent of the feasibility study performed rather than the individual stakeholder or sponsor. This would ensure that feasibility studies are utilized in a proper manner during the entire lifecycle of the IT project.

6.4 Suggestions for further research

Further research will need to be done to identify if any similar perception exists for non IT projects in the South African financial industry as were discovered for IT

projects in this research. This would ascertain if the perceptions were due to organisation culture or due to the nature of the project being a technology project.

Another requirement from future research is to examine the innovative solutions being considered to overcome the challenges in conducting a feasibility study like the unique pricing and implementation methodology applied by IT consultants or vendors and its impact on the overall project.

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APPENDIX A

Actual Research Instrument

Jonathan Schreiber MBA Research Interview Schedule

Interview guidelines to acquire the perceptions of individuals that are impacted by feasibility studies in IT projects

1: In your opinion, describe what a feasibility study is?

(Specifically: The primary purpose, value, key components, significance and relevance)

2: What are the key challenges of conducting a feasibility study?

(Specifically: Cost, time, scope, stakeholder Involvement, communication, experiences and expertise)

3: Describe the role of information technology in an organisation's strategy? (Tangible/ Intangible)

(Specifically: How is the organisation affected by the IT projects? bearing in mind tangible and intangible aspects)

4: Describe the role of project management plays in implementing IT in organisations.

(Specifically: What are the key challenges in the conceptualisation Phase? What are cons of project management? What are the pros of Project management?)

5: Describe the key factors of your involvement in the engagement process in IT projects.

(Specifically: How are you involved in the feasibility study? Do you use project management techniques? Describe the techniques. What are the challenges? What are the lessons that can be learnt?)

6: What parts of the feasibility study can you improve upon? (What projects have you been involved/ heard of in the past that you experienced problems/failures? Do you have an example of a good and bad alignment from the feasibility study to the end product? (Picture in Annexure to questionnaire)

7: Does your organisation focus on certain area(s) of the feasibility studies? If yes, what? (If not, why not?)

8: What was your experience with feasibility studies used in IT projects? And how were they successful or unsuccessful? (What were the benefits or disadvantages?)

Jonathan Schreiber MBA Research Interviews Ethics Letter

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November 16th 2009

Dear Sir/Madam

RE: RESEARCH - JONATHAN SCHREIBER

This is to confirm that Jonathan Schreiber, student number 0708107F is registered as an MBA student at the Wits Business School, University of the Witwatersrand, Johannesburg, South Africa. It is a requirement for the completion of the MBA degree that the student conduct research in an area relevant to the business scene, in South Africa.

As such, we would really appreciate your assistance in conducting his research by giving some of your valuable time for interviews. The results of this research will be for the benefit of the wider marketing profession and will assist the further development of the profession; this ultimately is of benefit to industries, including consulting services.

All the responses given to this research will be anonymous and all information received will be treated in the greatest confidence.

Thanking you in anticipation.

Yours sincerely

Antony Soicher

Lecturer in Information Management / Research Supervisor
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Annexure to interview schedule

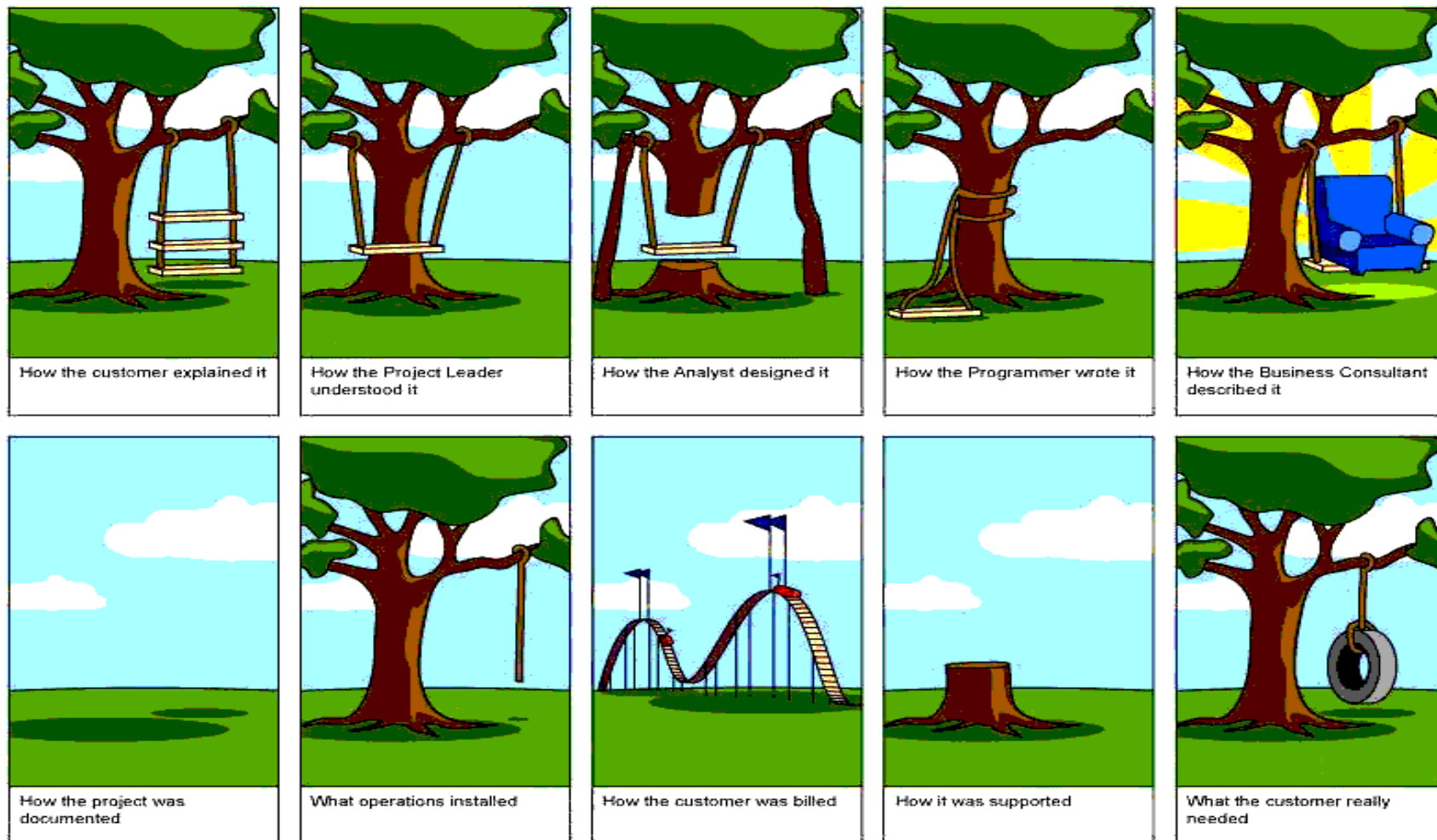


Figure 3: How Projects Really Work (version 1.5) (www.projectcartoon.com, 2006)

Appendix B

Table 12: Consistency matrix

Research problem is to explore the perceptions of value of feasibility studies conducted for IT Projects in South African financial services industry					
Problem	Literature Review	Propositions	Source of data	Type of data	Analysis
To explore the perceptions of value of feasibility studies conducted for IT Projects in South African financial services industry	- The failure rate of IT projects is astounding (Whittaker, 1999) - Feasibility studies forms part of the conceptualisation phase in Project management (H. Kerzner, 2005) - Consultant's play a vital role in the feasibility studies and benefit-to-cost analysis as they have the expertise, skills and knowledge (H. Kerzner, 2004). - Information technology (IT) products or services in an organisation the strategic intent is to either gain competitive advantage or differentiate themselves from their competitors (Porter & Millar, 1999).	Proposition 1: Comprehensive feasibility studies for specific IT projects are perceived as optional. Proposition 2: Feasibility studies that are conducted upfront contribute to an increased success rate of projects.	In-depth interview	Narrative	Interview responses, grouping common categories and themes.

Research problem is to explore the perceptions of value of feasibility studies conducted for IT Projects in South African financial services industry					
Problem	Literature Review	Propositions	Source of data	Type of data	Analysis
		Proposition 3: Time and Budgetary constraints are primary contributors to the lack of execution of feasibility studies.			

