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Managing Information Technology

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ABSTRACT

South African electricity utilities are spending billions of rand on capital expansion projects to address an aging electricity infrastructure where capacity has been outpaced by the growth in the economy. This expenditure will grow both the asset and customer bases of these utilities, resulting in the need for additional spending on information technology (IT) infrastructure. Successful IT projects require an understanding of risk factors and risk treatment strategies. Managing successful IT projects in an economic downturn requires an understanding of the critical risk factors that are essential to avoiding disaster.

This research sets out to identify which South African IT practitioners in the public sector and, more specifically, in electricity utilities determine to be critical risks in the context of an economic downturn and what the treatment strategies would be for the critical risks.

A qualitative approach, using in-depth interviews, was followed to collect data. The analysis of this data led to the extraction of the critical risks and treatment strategies and key themes in the area of IT risk management.

The key findings were that South African IT practitioners in this sector rate traditional IT project management risks as more important than newer technology risks and are still challenged by commercial processes and governance in the public sector. Furthermore, most IT practitioners agree with the literature concerning economic related risks, specifically ones that focus on economic and political contexts. Finally, IT practitioners confirm the literature about the treatment of these critical risks.

The key message for chief information officers (CIOs) and executive management is that there is a view on which IT risks are critical in this sector and, additionally, which ones are related to an economic downturn. Analysis of these risks will highlight structural problems within these organisations that need to be resolved to allow IT projects to be successful.