

IT Risk Management Survey Results

Participants: 208 Senior Financial Executives (FEI members)

Survey Issued: May 6-9, 2001, Financial Executives Summit, Scottsdale, AZ

Q1: On a strategic information technology (IT) project, what contingency do you build into your IT services' budget for anticipated cost overruns?

28.8%	60	0 to 10%
50.0%	104	11 to 25%
15.4%	32	26 to 50%
3.8%	8	51 to 100%
1.9%	4	101% or more

Respondents 208

Q2: Which aspect of your business is impacted MOST by an IT project failure?

45.2%	94	Customer/supply chain relationships
21.2%	44	Employee effectiveness and stability
16.3%	34	Financial performance
11.5%	24	Competitive position
5.8%	12	Time to market

Respondents 208

Q3: Have you had an IT project delivered late, exceed budget, or fail?

83.7%	174	Yes
16.3%	34	No

Respondents 208

Q4: What has caused (your) IT projects to fail, be late, or exceed budget? Select all that apply:

56.3%	98	Inadequate knowledge transfer from software consultants to client
46.0%	80	Lack of clear business goals and expectations
43.7%	76	Problems with the software package
43.7%	76	Software consultant deficiencies
24.1%	42	Lack of corporate sponsorship
2.3%	4	No response

Respondents 174

Q5: How do you currently manage risks on strategic IT projects? Select all that apply:

57.7%	120	Utilize internal resources
47.1%	98	Contingency budgeting
34.6%	72	Rely on software consultants
16.3%	34	Employ payment holdbacks
6.7%	14	No response

Respondents 208

Q6: What value would you place on a standard IT services contract written to project your interests and assure accountability of software consultants?

48.1%	100	High value
41.3%	86	Moderate value
10.6%	22	Low value

Respondents 20

Q7: Would you consider purchasing an insurance policy that would eliminate your need for a budget contingency and guarantee your IT project will be delivered on-time and in-budget?

74.0%	154	Yes (assuming pricing is appropriate)
26.0%	54	No

Respondents 208

About Gladwyne Software Surety

Gladwyne Software Surety is the leading provider of information technology (IT) risk management, offering the only insurance-backed guaranty for packaged software implementations in the marketplace. Gladwyne uses the Missouri Method®, the Company's proprietary methodology for identifying and managing IT risk.

For more information, contact Tom O'Malley, Gladwyne's FEI member representative at 610-491-8181 or visit Gladwyne's Website www.itsurety.com

