

## Smart Grid IT Risks Drive Need for Cross-Industry Tech Expertise

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In 2008, a [landmark study](#)<sup>1</sup> found that 68 percent of IT projects fail. A [more recent study](#)<sup>2</sup> found that roughly 37 percent of current IT projects jeopardize \$74 million per year, per company, on average. In short, large IT projects are risky, yet utilities face their largest ever IT adoption as a result of Smart Grid.

### Sources of Failure

As utilities being to initiate IT efforts for support of Smart Grid, there is no substitute for experience. IT programs can be delivered in a scientific manner based on tested practices.

IT programs usually fail because of poor project and program management practices such as inadequate requirements gathering, ineffective communication between business and technical stakeholders, or a failure to deliver incremental value through each phase of a project. Poor communication and management leads to a lack of alignment between business units and IT; overly complex technology roadmaps; and poor technology acceptance among end users. Utilities, in specific, can add conflicting directives from regulatory bodies and legislatures to their risk lists.

### Keys to Success

Utilities can put themselves on a path to success by engaging strategic IT partners or consultants who have delivered complex IT programs and who are neutral in regard to technology selection. When IT projects gravitate towards specific software solutions, without first evaluating their requirements and performing neutral evaluations of available solutions, it is likely that risk, complexity, and costly billed hours will increase throughout a project. An effective strategic partner must demonstrate it can leverage and deliver mature application models from both within and outside of the Utility vertical.

Effective program management will drive specific activities that lead to success, such as:

- **Requirements Definition:** Strong requirements definition is a must, but requirements also must adapt. Business requirements are rarely the same at the end of a project as they were at the outset due to changes in the market, customers, regulations, and corporate leadership.
- **Program Governance:** Effective governance brings business and technical stakeholders together; keeps scope and goals in check; sticks to real business needs; communicates incremental value being delivered; and secures and maintains executive support.
- **Risk Management:** Many programs fail to address risk at all, much less to assess, address, and communicate risk continuously. A clear, adaptable risk plan helps eliminate the hurdles that hurt IT programs.
- **User Acceptance:** IT is about empowering people. IT tools won't work if users don't adopt them. It is important to involve the user community from any program's earliest stages and to perform acceptance testing that is measurable and encourages open communication.

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<sup>1</sup> <http://www.iag.biz/images/resources/iag%20business%20analysis%20benchmark%20-%20full%20report.pdf>

<sup>2</sup> <http://www.zdnet.com/blog/projectfailures/cio-analysis-why-37-percent-of-projects-fail/12565>

## **No Room for Guesswork**

Though Smart Grid technology is new and different, utilities can quickly achieve benefits through effective IT program management based on mature methods. Leveraging proven application architecture models, including those adopted outside the Utility market, and the expertise to deliver them successfully, will ensure success. There is no room for guesswork, experimentation, or distracted agendas as utilities work to bring Smart Grid to life.

## **About Synaptitude Consulting**

Synaptitude is an enterprise and IT systems consulting services company. We deliver **transformational solutions** to our clients' most critical business challenges. Today's business is deeply interconnected with the technology that supports it. Yet, many organizations struggle to focus their business and technological concerns on the same goals; sometimes it's as if they are speaking two separate languages.

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