Chapter V

Gaining Knowledge from Postmortem Analyses to Eliminate Electronic Commerce Project Abandonment

Gary S.C Pan and Donal Flynn
University of Manchester Institute of Science and Technology

ABSTRACT

This paper serves as a stimulus to investigators to examine the role project postmortem analyses plays in learning from abandoned electronic commerce (e-commerce) projects. While prior research has identified the importance of the review process, there has been very little research on project postmortems on abandoned e-commerce projects. The case demonstrates six critical factors to conduct successful project reviews, highlights cultural impacts that might influence their effectiveness and offers several important managerial guidelines. Finally, when analyzing mistakes and their principal causes, there is one important lesson that we should learn. That is, all organizations make mistakes and there is the potential for learning from abandonment experiences.
INTRODUCTION

After a phase of intense Internet hype, the world of electronic commerce seemed to have imploded and fallen abruptly from grace. There are many abandonment stories with only few dot-com companies left struggling to survive. Barrons (May 18, 2000) reported that 25 percent of internet companies surveyed would run out of cash within 12 months, and that 74 percent had negative cash flows. But more importantly, did companies learn anything from their failed adventures or better put “abandonment” experiences? There are many resemblances between information systems (IS) project failure and IS project abandonment. “IS project failure may be the consequence of failing expectations of the implemented system and IS project abandonment is concerned with the anticipated failure of the project prior to its full implementation. Project abandonment can be said to have occurred when the management decides to discontinue temporarily or permanently a project under development” (Ewusi-Mensah & Przasnyski, 1991). The study of abandoned e-commerce projects is no longer a taboo, but is publicly debated from time to time and interest is bound to gather momentum in the near future. It should lead to improved management of future projects. Lessons can and should be learned from one project to another, from one organization to another. The truth is if organizations want to avoid project abandonment, they need to start paying more attention to examine past mistakes and shortcomings in order to gain more knowledge, which would bring about future project success. Berghel (2001) stated that the key snag that caused the e-commerce meltdown is still with us - an over-reliance on technology in an aim to overcome the weakness of a bad business model. It shows that organizations just simply abandon their e-commerce projects without conducting any postmortem analysis or learning from past oversights. Therefore, unless blunders are re-examined and learned, project abandonment would still occur with alarming regularity.

According to Collier et al (1996), project reviews are activities carried out for the purpose of reviewing the events that occurred, evaluating not only what happened, but also why those events happened and determining the correct actions to take to improve the results of the next project. Boddie (1987) and Roman (1983) have suggested that project postmortems might be the best precaution against future failures. Formal reviews must be conducted to provide a learning experience which is needed to avert the frequent abandonment decisions experienced industry wide on e-commerce development projects (Ewusi-Mensah, 1997).

It is therefore imperative for organizations to view failures as opportunities to learn rather than uneasy incidents to forget. It is a common fault for people to hide errors rather than report and evaluate them (Gaynor, 1996). Individuals are deterred from discussing with their management on what went wrong and why in
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