

## Insideview

# Productivity and Quality in IT Projects within the Financial Services Industry

INTERVIEW WITH HANS-JÜRGEN PLEWAN

**In the past few years, business intelligence has become more and more important in the financial services industry. What are current challenges that IT projects are facing in the financial sector?**

In the light of important regulatory requirements such as Basel III and IFRS 9, many projects are currently ongoing in the bank management sector. Such projects require business intelligence. There are some technically and functionally sophisticated solutions on the market, but they need to be carefully integrated into the bank's application and system landscape.

**How would you define productive IT projects and what are major determinants?**

There are two main determinants for the productivity of IT projects. Firstly, IT projects must create real added value for the business. This primary productivity factor concerns what technical and economic benefits are obtained through the result of an IT project. The second

aspect of productivity is the execution efficiency of IT projects. We also talk about the "performance productivity" of a project and the question how large the result is that you get for a specific amount of input. This topic is particularly gripping since the performance productivity of comparable projects typically varies by a factor between one and eight.

**What is the role of the human factor in successful IT projects and what are the key ingredients to assure high quality in IT projects?**

The project team is definitely the most important factor of success and the main productivity driver in any project. What is needed here are well-defined hard and soft skills, as well as high levels of motivation and a performance-enhancing project culture. The skills and quality orientation of the employees are also important prerequisites for high quality in IT projects. Above all, early and continuous quality assurance must be guaranteed. Professional IT takes cost reduction and quality improvement into



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account by means of early reviews and tests carried out on the documents, concepts, and code.

**Is IT project management in the financial services industry different from other industries, and if yes, in which respect?**

Yes and no. On the one hand, IT projects for project management have similar challenges and factors of success in all industries. On the other hand, in the financial services industry there is a greater tendency towards the systematization and professionalization of project management than in other sectors.

**The financial services industry has sharpened its cost awareness. Offshore projects become more and more attractive to cut costs. Is there a future for projects "made in Germany"?**

Offshore development generally only works for highly industrialized processes. In practice, there are lots of predetermined break points

along the process chain, especially at the interface between requirements engineering and implementation. It's then a matter of dialogue, and that's usually the critical point in the case of offshore projects. The cost benefits are quickly eaten up and quality doesn't benefit either. In contrast, there are also IT companies in Germany that are so professionally organized that they are able to industrialize parts of the value creation chain within an IT organization and take on these parts for calculable costs.

**What does the industry require from software developers in terms of skill sets and how can universities contribute to these requirements?**

In addition to fundamental training in technology and methodology, soft skills should not be underestimated in the world of software development. Software development requires team work and usually takes place on behalf of a customer. Both of these factors require sound communication skills and leanings.

**Thank you for this interesting interview.**