Management Update: Six Ways That Portal Projects Can Fail or Succeed

Many enterprises' portal development projects fall far short of being successful. Gartner identifies six ways in which a portal can fail or succeed. The distinction between success and failure is not always immediately evident.

Many CIOs and other enterprise executives are interested in guidance on how they should plan for portal deployments. Many enterprises make significant investments to develop portals, but the final offerings often fall far short of being successful. To help enterprises improve their portal offerings, Gartner identifies six ways that a portal can fail or succeed. The distinction between success and failure is not always immediately evident.

Enterprise Portal Market Facts

Although the enterprise portal market is only in the middle of its evolution toward maturity, enterprises have already accumulated much experience with portals. Since 2001, Gartner analysts have conducted more than 1,000 discussions with enterprises about portals. Based on this experience, Gartner has categorized the various modes of portal failure and success, and has estimated the frequency of the six outcomes (see Figure 4).

Figure 4

Portal Projects: Six Failure or Success Outcomes

<table>
<thead>
<tr>
<th>Type of Failure or Success</th>
<th>Description</th>
<th>Estimated Frequency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Catastrophic failure</td>
<td>Has a negative impact exceeding the cost of the portal</td>
<td>Less than 1%</td>
</tr>
<tr>
<td>&quot;Shelfware&quot;</td>
<td>Its impact is limited to the cost of the portal and opportunity cost</td>
<td>20% to 25%</td>
</tr>
<tr>
<td>&quot;Teflon&quot; portal</td>
<td>Is underutilized; often not visibly a failure</td>
<td>30% to 35%</td>
</tr>
<tr>
<td>Modest success</td>
<td>Met all goals, is well-utilized, but is not always acknowledged</td>
<td>35% to 40%</td>
</tr>
<tr>
<td>Visible success</td>
<td>Everyone knows it was successful</td>
<td>5% to 10%</td>
</tr>
<tr>
<td>Resounding success</td>
<td>Exceeding even the highest expectations</td>
<td>Less than 1%</td>
</tr>
</tbody>
</table>

Source: Gartner Research

Like the proverbial glass that could be described as half-empty or half-full, the majority of portals are at least partial failures, but the majority of portal projects are also partially successful. Few catastrophic failures (less than 1 percent) have occurred, but also few resounding successes. Nevertheless, the overall percentage of successes outweighs the failures.

Gartner

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Defining Success and Failure by Value Delivered

A portal is a general-purpose medium for communication and collaboration. A portal delivers two kinds of value to the enterprise:

- A diffuse, general value that is difficult to quantify and measure directly.
- Specific, concrete instances of value that can be measured with the usual metrics of reduced costs, increased revenue and speedy return on investment (ROI).

Gartner defines success in a portal deployment by the degree to which overlapping goals are achieved, including cost savings, increased revenue, increased productivity, increased user satisfaction, accelerated business processes, favorable ROI and, overall, a more efficiently functioning enterprise.

Gartner defines failure as a situation in which some combination of the following exists: increased costs, decreased revenue and increased dissatisfaction.

Six Modes of Failure or Success

The six modes of failure or success are:

- Catastrophic failure
- Shelfware
- Teflon portal
- Modest success
- Visible success
- Resounding success

Catastrophic Failure

Very few portal projects fail in a way that has an impact exceeding the cost of the project. A catastrophic failure is one in which the negative impact to the enterprise rises above the costs of software licenses and resources used for deployment, through some chain of circumstances that leads to bad business decisions based on incorrect information.

A failure of this magnitude is more likely to result from botched business-to-consumer (B2C) and business-to-business (B2B) portals, rather than business-to-employee (B2E) portals. Internal users can safely ignore the portal and have multiple alternatives available if the portal is not an option. As a contrast, three B2C portal catastrophic failure scenarios are:

- The enterprise may have shifted to a Web-only ordering system, and that system may not allow orders for certain products because of a requirement failure or technological anomaly.
• Poor usability design (such as a flawed Flash-based navigation with no HTML alternative) results in mass frustration.

• The system may display incorrect prices for products, resulting in financial losses or liability to the enterprise.

B2B calamities include a scenario in which one supplier obtains access to another’s data, and trust is lost all around.

**Shelfware**

This circumstance is more common than many think. Gartner estimates that at least 20 percent of portal procurements end up on the shelf. In a shelfware scenario example, the portal procurement is approved, the vendor is paid (at least in part) and the license is secured — but, for one reason or another, the project never proceeds beyond that stage.

Unfortunately, a portal on the shelf has a short shelf life. If more than four to six months elapse, it is unlikely the portal will be ever be implemented. The reasons are the rapid pace of development in the industry, where nine-month product cycles are the norm, and the dynamic nature of the portal market, which is rife with consolidation and shakeout of vendors. The primary loss to the enterprise is the license fee paid and the cost of opportunities lost for not moving forward with a portal.

Having a shelfware situation is not necessarily a bad thing. Often, software is left to languish in the early stages of a project for a good reason, such as:

• A lack of senior management support or operational management attention

• A lack of a clear vision or mission for the portal

• A less-than-optimal experience with a vendor or third-party systems integrator during the procurement process or during the early stages of the project

• Hesitancy about the strategic position of the vendor, due to release of quarterly or yearly financial statements after the software has been procured

In those situations, it is probably best that the project stalled at the shelfware stage, because the risks of post-launch failure are high. Post-launch failures would, of course, result in a much greater cost impact on the enterprise.

A variation of shelfware is a proof-of-concept deployment that doesn’t go any further. In a down economy, vendors are hungrier for new business and are more willing to undertake proof-of-concept implementations at minimal cost to the enterprise. Although a stalled proof-of-concept has less of an economic impact than fully licensed shelfware, the two share enough similarities and root causes to merit viewing them as a single category.

A portal implementation may be classified as shelfware from an enterprise’s or a vendor’s point of view. The vendor’s view includes portal licenses found in larger
software bundles. An example would be a vendor that bundles a portal server with an application server and counts those licenses as portal seats, even though the enterprise may have had no intention or awareness of implementing the portal. Those “virtual seats” are not shown in the estimated figures in Figure 4.

**Teflon Portal**

Gartner calls this most-common mode of failure a “Teflon portal” — Teflon the nonsticking coating applied to cookware — because it is the opposite of a “sticky” portal. Users pay an initial visit to the portal, but do not stick around or return. To the casual observer, the portal project may appear to be successful because it was implemented exactly on schedule, the pages look attractive, and all components that were identified in the initial requirements are in place and basically work. The portal may have even been effectively publicized to the user base, and every potential user may have heard about it or tried it out. However, users of Teflon portals do not return after the initial excitement has worn off.

The reasons for the lack of stickiness include:

- Lack of an overall clear vision and mission for the portal
- Failure to understand who the possible users are or what makes up their detailed requirements
- Poor usability design, which makes it hard for users to find what they are looking for
- Lack of organizational commitment to continually update the portal with fresh, relevant content
- No attempt to track user behavior and analyze points in the clickstream where users are dropping out
- Poor response times because of inadequate capacity or flawed architecture

Some of those are surface-level symptoms, driven by underlying causes, which include the following:

- Lack of clear vision and mission
- Lack of appropriate governance structures
- Lack of buy-in from users, so that truly useful applications are not integrated
- Lack of budget commitment or planning, so that few resources can be invested in the portal after its launch

The bottom line is that the portal investment is underutilized. Underutilization is often not immediately obvious. Analyzing usage metrics can bring this kind of failure to light. Here’s an example of a severely underutilized portal: It had a total project cost of $1 million, but attracts only
100 unique visitors per day, which is approximately 200,000 page views per year. That equates to nearly $5 per delivered page view, or approximately $10,000 per unique visitor per day.

**Modest Success**

Casual observers may have difficulty distinguishing between a modest success and a Teflon failure. Both portals might look the same and have similar functions, and they may be equally invisible to the enterprise. The way to distinguish failure from success is through analysis of usage metrics, primarily objective (such as unique visitors per day, number of page requests, common exit points), but also subjective (user satisfaction).

A modest success is one in which enough users rely on the portal to ensure the achievement of ROI thresholds, but users don't find the portal compelling or essential. The situation is not static. A modest success can — and, if left unattended, most likely will — slide into an invisible failure if insufficient attention is paid to content updates, feature enhancements and requirements tracking. The converse is also true. Often, little things can improve user productivity, such as appropriately tagged content, single sign-on or a few self-service applications.

**Visible Success**

In this fortunate situation, the portal is successful and many people in the enterprise know it. This does not usually happen by means of the content alone. A visibly successful portal usually has the following attributes:

- Makes a difference in people’s working lives by providing information that is not available elsewhere
- Includes functional integration with core business applications, plus a range of self-service portlets
- Delivers information more efficiently and cost-effectively
- Automates some tasks that were previously accomplished manually

All of these capabilities result in an aggregate ROI that is in the double digits. External observers can identify a visible success by measuring the extent to which the portal changes the way people conduct day-to-day activities or common tasks. A visibly successful portal will transform certain tasks, job roles and processes.

**Resounding Success**

A portal deployment is an unqualified, over-the-top success if it brings significant benefits to the enterprise. In this scenario, the portal forms a key part of core business processes:

- Better decisions are made, at a faster pace, with more informed content
- Teams that previously did not interact now collaborate productively
- Opportunities are seized that would have previously been invisible
• Internal logjams are broken through, and more efficient workflows are created

• Even beyond achieving cost savings, the portal enables significant new revenue from new products

Such a portal does not merely change tasks, job roles and narrow-scope workflows — it affects entire departments and large-scale processes. The enterprise’s competitive position is strengthened, and the enterprise is nearer to achieving the goal of transforming itself into a “real-time enterprise.”

To achieve this great state, all machinery in the project must mesh smoothly. The project must have a clear vision, apt strategy, judicious package selection, solid technology foundation, rational IT infrastructure, forward-looking architecture, appropriate organizational structure and synergistic team collaboration — plus a certain measure of good fortune.

Although many portal deployments in this category have a broad scope that goes beyond internally facing B2E audiences to include B2C and B2B, such a scope is not a requirement for a resounding success.

**Bottom Line**

• Enterprise portal projects have their fair share of failures — but no more than any other category of complex enterprise software.

• Nevertheless, project managers should not underestimate the difficulty of achieving success. They should realize that organizational issues are as important as technology in determining the project’s outcome.

• Some portal failures are harder to identify than failures in other kinds of deployments.

• A large part of the portal’s value is intangible, so a large part of the failure to deliver value is also intangible.

• Portal managers should identify appropriate criteria to assist in distinguishing between success and failure.

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- “Management Alert: A Road Map for Defining a Business-to-Employee Strategy,” 21 August 2002