Teaching Note for "Data Warehousing Failures"

The literature suggests that data warehouses have failure rates as high as 70-80 percent. These references, however, seldom define what is mean by a failure. As this assignment shows, a failure can mean many different things. The cases in this assignment also identify why warehouses fail. In most cases, the reasons are organizational rather than technical, even though building a data warehouse is technically challenging. This assignment generates considerable class discussion. It is interesting to have the students identify the overarching reason for why the warehouses described in the cases failed (poor project management).

1. A failure can mean many things. It can mean that the initiative "bellied up" and was never attempted again. It can mean that the project was completed but it was either over budget, behind schedule, or failed to meet users' and organizational expectations.

2. While a few of the failures were due to technical problems, in most cases, the failures are due to organizational issues. This finding is supported by related research. You might want to read, Wixom and Watson, "An Empirical Investigation of the Factors Affecting Data Warehousing Success," *MIS Quarterly*, (March, 2001), pp. 17-41. Many of the reasons for failure are not limited to data warehousing and are often associated with large projects.

3. Perhaps the most interesting point is that even when a data warehouse failed, another warehousing project was undertaken, but perhaps with different sponsorship, development staff, and technology. The organizations still needed a warehousing capability, and the business need was strong enough to merit another effort even though the previous effort(s) had failed.

   It is also interesting that some of the companies looked at a data warehouse as simply a large database and did not understand the implications of the differences. This lack of understanding was often true of both management and the IT staff.

4. The real keys to success include having a strong business need, committed sponsorship (that doesn't run at the first sign of trouble), a capable IT staff, having a scalable architecture, user involvement, good governance (cross functional committees and processes), and strong project management.