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### Standish Group Report: There's Less Development Chaos Today

By David Rubinstein

**March 1, 2007** — Software development shops are doing a better job creating software than they were 12 years ago, according to figures contained in the as-yet unreleased 2006 Chaos Report from The Standish Group.

The new report, details of which were previewed with SD Times, reveals that 35 percent of software projects started in 2006 can be categorized as successful, meaning they were completed on time, on budget and met user requirements. This is a marked improvement from the first, groundbreaking report in 1994 that labeled only 16.2 percent of projects as successful; that report galvanized an industry of development tools vendors selling everything from requirements management solutions to modeling tools and turned software architecture into a cottage industry.

Further, the 2006 study shows that only 19 percent of projects begun were outright failures, compared with 31.1 percent in 1994. The 2006 report is the sixth published by The Standish Group, and chairman Jim Johnson said that with the exception of a lapse in 2004, "we've seen consistently better software projects."

Projects described as challenged, meaning they had cost or time overruns or didn't fully meet the user's needs, declined to 46 percent in 2006 from 52.7 percent in 1994.

Johnson cited three reasons for the improvement in software quality—better project management, iterative development and the emerging Web infrastructure.

"There is better project management expertise and technique," he noted. "Managers have a better understanding of the dynamics of a project." Iterative development, Johnson said, makes it easier for people to get what they want. "Part of the education process [for iterative development] is that people are better able to articulate what they want out of a project."

Finally, Johnson added that the emergence of the Web "plays a fairly significant role. The idea that you can get things out quickly and people can learn it, touch it and give feedback creates a more dynamic experience."

The 2006 report also shows what Johnson called a stunning improvement in the metric used to measure project value. If the assets of a failed project can all be considered waste, in 2006, software value was measured at 59 cents on the dollar. In 1998, that figure was 25 cents on the dollar. "You can look at that as a 24 percent compound average growth rate since 1998," Johnson said.

The 1994 report can be read at The Standish Group Web site ([www.standishgroup.com](http://www.standishgroup.com)); the 2006 report is still being completed.

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