Assessment of the Success Factors of CORE Banking System project in Commercial Bank of Ethiopia

This Project Work is submitted to the Department of Business Administration and Information Systems Presented in Partial Fulfillment of the Requirement for Masters of Arts Degree in Project Management

By WerkinehZenbabaKurfa

Student ID GSD/7535/10

Advisor; Dr. Dakito A.

Assessment of the Success Factors of CORE banking system project in Commercial Bank of Ethiopia.

By: WerkinehZenbabaKurfa

Approved by Board of Examiners

Project Work Advisor

Name	Signature	Date
_____	_____	_____

Internal Examiner's

Name	Signature	Date
_____	_____	_____

External Examiner's

Name	Signature	Date
_____	_____	_____

Statement of Certification

This is to certify that **WerkinehZenbabaKurfa**has carried out his project work on the topic entitled "Assessment of the Success Factors of CORE banking system project in Commercial Bank of Ethiopia" is his original work and is suitable for submission for the award of Masters of Arts Degree in Project Management.

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(Advisor) **Dakito.A (PhD)**

June, 2022

Declaration Statement

I, the undersigned, hereby declare that the work contained in this project work is my own original work and that I have acknowledged all additional sources I have used and/or quoted directly.

Name	**Signature**	**Date**
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ABBREVIATIONS

ATM	Automated Teller Machine
BPR	Business ProcessReengineering
BOD	Board ofDirectors
CBSO	CoreBanking Solution
CBS	CoreBanking System
CORE	Centralized Online Real-time execution
COBOL	Common Business oriented language
CSF	Critical Success Factor
IT	Information technology
LMTS	Local Monty Transfer system
NBE	National Bank ofEthiopia
PMO	Project Management Office
POS	Point of sale
ROI	Return onInvestment
SPSS	Statistical Package forSocial Sciences
STP	Straight-Through-Processing
SMS	Short Text Message

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Abstract

ThemainpurposeofthisstudywastoidentifyCriticalSuccessFactorsforCBSselection andimplementationin EthiopiaLCBsandtodefineaframework,whichcouldbeusedby theLCBstomaketheir CBSprojectssuccessful.

Thesurvey questionnairewasdistributedamong50individualsidentifiedassample population across IT departments.Outofthe50 all of themrespondedandresponses of allCBS projectexperiencedrespondentswereidentifiedforfurtheranalysis.

Followingnoteworthyfindingswere observed on analysis of surveydata. Most ofthe respondentswereof theviewthatimprovedefficiencyandendusersatisfactionwas the most importantprojectgoaltoachieve,relatedtoCBSprojects.Timely implementationor implementingwithinallocatedbudgetwasnotconsideredasimportantbytherespondents.

Outofthe17successfactors inthequestionnaire,7havebeenidentifiedasCriticalSuccess Factors(CSFs). Outofthe17,sixwererelatedtotheCBSselectionprocessand11were relatedtotheimplementation process.

BasedontheidentifiedCSFs, aframework forCBSprojectshasbeendevelopedanda comprehensivesetofguidelineshavebeenproposedforthe Commercial bankLCBs,whichcould beusefulforthesebanksintheirfutureCBSProjects.

Chapter One

1.1 Introduction

Core banking is a general term used to describe the services provided by a group of network bank branches; bank customers may occur their funds and other simple transaction from any of the member. Thus Core Banking Solution is a move towards enhancing the customer services through Any-where and Any-time banking (Manjushree, 2014). Simply put, core banking helps customers to remove temporal and spatial constraints, and utilize networks and telecommunications technology to transfer resources (money) in banking system (Heidarpour&Tahmasbi, 2009).

Following the implementation of the NBE's National Payment System (NPS) in 2011, a platform which integrates all electronic inter-bank money transactions, all Ethiopian banks were required to deploy CORE banking solutions. With the aim of establishment of a nationwide electronic payment system in Ethiopia, the National Bank of Ethiopia (NBE) instructed all commercial banks in the country to adopt core banking solutions in July, 2011 (NBE, 2011).

Various types of CORE banking services Internetbanking Internet has greatly affected electronic banking. There is no temporal and geographical constraint through the application of internet banking. Internet banking is an electronic payment system which enables customers to conduct financial transactions without referring to the bank, just through their PCs or communications networks (Taghavifard et al., 2012).ATM Automated teller machine (ATM) is an electronic telecommunications device that enables the customers of a financial institution to perform financial transactions. ATMs are often located inside a specific place which may be accessible 24 hours a day. They are also considered as a branch of the bank, since they provide different services offered in the bank (Maleki&Akbari, 2010). POS Point of sale (POS) is the place where a retail transaction is completed. It is the point at which a customer makes a payment to the merchant in exchange for goods. At the point of sale, the retailer would calculate the amount owed by the customer and provide options for the customer to make payment. Telephones or network communications may be utilized to conduct transactions through POS (HabibZadeh&Mirmajidi Hashjin,2011).

Mobile banking Multidimensional services such as GPRS which are accessible through mobiles enable customers to conduct financial transactions like getting account balance and financial statement, requesting check, and transferring from one account into other accounts (Farnoud, Soltani&Zarabiye, 2008, p. 356). Telephone bankingConducting small transactions between a customer and its bank can be possible through telephone banking which can be through three different methods: audio transaction, voice recognition, and pre-planned telephones (HabibZadeh&MirmajidiHashjin, 2011). Electronic money Electronic money involves the use of internet or other networks to store or transmit money. This type of money can be stored on smart cards or computer's hardware. Electronic money falls into different types as follows: electronic card, electronic wallet, electronic check, digital money, and virtual card (Maleki&Akbari,CORE banking in today's competitive environment, centralized and highly interlinked computerized information systems usage has played a key role in the business success model. Commercial bank of Ethiopia take as main system integration focused on improving the efficiency of their operational business while maintaining, or even extending the flexibility necessary to stay competitive in the market. Measures to implement these efforts include the digitalization to each customer of the country on different products and standardization of operational business processes such as transaction banking.

CORE banking can support almost every financial product and instrument being traded on any market in the world. This functional breadth means so that commercial bank of Ethiopia can enter new business areas, or handle rapid growth in existing areas, confident in the knowledge that CORE banking will provide the full support required to service the business effectively and maximize revenues in the longer term. Similarly, Commercial Bank of Ethiopia, the biggest and state bank of the country has been trying to adopt various properly selected and manageable up-to-date technologies in order to make its financial business run in an efficient, effective, and competitive manner both domestically and internationally. Such moves of technology adoption endeavors in order to meet it business objectives are expected to be implemented/executed successfully.

While, CBE is creating inalienable effort on enhancing resource/deposit mobilization, provision loans and advances and other related major services, the bank have been striving in

order to support its financial business activity by various up to date cross-functional enterprise systems. Consequently, CBE has been implementing different state-of-the-art ways of delivering of its major financial it requires proper, fast, reliable, secure, and services. Such systems most importantly expected to tailored in a manner that is aims to meet customers' needs/expectations is mandatory enough in order to keep CBE's current promising business growth momentum in terms of its profit status in highly competitive business environment.

1.2 Statement of the Problem

The Commercial Bank of Ethiopia (CBE) has a vision to become World Class Commercial Bank by the year 2025, in alignment to the Ethiopia's aspiration to become the middle earning country within the same year. by taking into account CORE banking success in commercial bank of Ethiopia its integration with other organization like Water and sewerage Ethiopian Electric Power Ethiotelecom and etc

Commercial bank of Ethiopia passed through so many challenges by manipulating for the customer account interest calculation salary payment other related activities gradually the COBOL operating system come to existence to serve on the customer accounts including loan interest calculation and data handling side by side access data base to some of minor calculation then after still migration to branch power database for 36 braches within the city of Addis Ababa the rest braches started to use the Smart Bank data base only at branch level LMTS database for the local transfer then after on the year 2012 migration done to the central data base of CORE banking data base by investingnearly 6 million US dollars on May, 2012. (Capital, 2012) and have managed to interface with the Ethiopian Automated Transfer System (EATS) and modernize the banking system to international standards. Although, the original schedule for completion of the project was June 2010, CBE indicated that the launch would be delayed until the end of December, 2011 and further delaying for another five months and become operational in May, 2012 (Capital, 2012).

Thecorebanking systemalsoenabledthebanktostrengthenandextenditsrelationswithcredit card providers such asVisa andMaster Card aswellasrolloutnew mobile andInternetbanking services.Therefore, the studytried to assess determinants of critical success factors in Core

BankingimplementationofCommercialBankofEthiopiaby addressingthe following research questions:

1.3 Basic Research Questions

In addressing the above goes through problem statement, it is tried to put the followingfive major research questions.

1) What is the level Top management support as to a project success factors?
2) What are levels of vendors support on the critical success of CORE banking?
3) What is the users' involvement as a project success factor to the project implementation of the CORE banking system?
4) What is the level of risk management on the critical success of CORE banking?
5) What are the levels clear goals and objectives to project success factor?

1.3.1 General objective of the study

The overall objective of the study is to assessment on the success factors of the CORE banking system project in Commercial Bank of Ethiopia.

1.3.2 Specific objective of the study

Whereas, in addressing the above overall objective and aiming to responded the above research questions, the study has focused on answering the following specific objectives.

- Assessed level of the Top management support as a project success factors.
- Assessedthe vendors support on the project success.
- Determinedtheinfluenceofendusersinvolvementontheimplementationofcorebanking system project inCBE.
- Assessed the risk management of the project on the critical success of CORE banking?
- Investigated the clear goal and objectives to the project success factors.

1.4 Significance of the study

Besides academic application to fulfill the prerequisite of the post-graduate study program in Project Management, given the fact that, though there are too many factors that may

determine the successful implementation of CORE banking system project, decision makers at the Bank (CBE) can be especially benefited from this project work outcomes, as it aims identified the key critical factors that matter most to the successfully execution of CORE banking projects in CBE and other similar organizations in Ethiopia.

Lastly another important significance of the project work is that, the result can be used as an input for other researchers to further study. In other words, given series of serious and related concerns mentioned within the above conceptual framework of this project work, exploring key CSFs to CORE banking projects execution is already considered as an important choice of research or project work title.

This is important given the fact that CORE banking system projects are one of the most costly investment decisions and one of a very few major strategic proportions to big financial institution of service providers and/or organization, and similarly getting them implemented is majorly a challenging task by itself.

1.5 Delimitation/Scope of the Study

Overall, it would have been great to conduct a study of its kind by exploring critical factors that matter most the successful implementation of CORE banking system project the case of Ethiopia, yet this project work will restrict itself to Commercial Bank of Ethiopia. This is because, this project work is an exploratory study type it would have been great to extract may be many country wide key success factors or even across different sector of the bank industry.

The other key concern of this section of the project work is that the outcomes of this project work demand careful explanation, it is due to the fact that, this project work examines the perceived success factors of CORE banking projects implementation team members of the Bank (CBE) rather than determining the real success derived from the goal related measures of successful CORE banking projects implementation.

1.6 Definition of Terms / Concepts /constructs

- **Operational Definition of Terms**:

By taking the emergent use of advanced recent technology by integration of servers WebSphere browsers oracle database and security features that commercial bank of Ethiopia started the full functionality of CORE banking system. This system nowadays take all the financial activities related to each Government and Non-Governmental organization public and private individual's salary payment started to handle by CBE.

Even CBE on the way to create cashless society any selling and buying activities to goes through transfer from account to account by using the digital products available due to the existence of the CORE banking system with many features and integration.

1.7 Organization of the Project Work

The project work will structure in five major chapters. The first chapter to gives a general background or highlights about the problem and its concerns or approach. The second chapter to present a detail review of related literature which was related to the study. Chapter three to include of detailed research methodology that will employ for this project work. The fourth chapter will consist of Data Presentation, Analysis and Result Interpretations. The last chapter of will be used to finalize the study by providing summery of Result Summaries and Conclusions and Recommendation.

Chapter Two

2.1 Literature review

2.1.1. Overview

Projectsincommercialbanksarefocusedtowardsservingcustomersmoreefficiently and effectively andreducecosts.Delay ofsuchprojectswillthereforeimpactnegatively onthe customersas theydo not get what theyshould climaxingto business loss and customer inconvenience(Stephen&Patricia,2017).Hence,Corebankingprojectdelivery isasensitive phenomenon in the bankingindustrydueto digitization and technological changes.

Acorebankingsystemisessentially theheartofallthesystemsoperatinginabank.Itcanbe labeledasthecoreofabank'sITplatform.Withtheadvancementoftechnology,core systems tendtocovermoreandmorefunctionalities,providing thebankwithanintegratedsolutionfor mostofitsoperationsinvariedbusinesslines.Acorebanking systemresidesintheheartofa bank's datacentre and provides a central operational databaseof customers' assets and liabilities. It enables afull view ofacustomer's relationship with thebank (Rohan&Megha, 2013).

2.1.2 The concept of CORE banking

Corebanking systemistheplatformwherecommunicationtechnology and informationtechnology aremergedtosuitcoreneedsofbanking suchashandling depositsand lending(Chairlone&Ghosh, 2009 cited in Negalign&Lisanwork, 2016).

Corebankingsystemstypically includedeposit,loanandcreditprocessingcapabilities,with interfacestogeneral ledgersystemsandreporting tools.Strategicspending onthesesystems is based onacombinationofservice-oriented architectureandsupporting technologies thatcreate extensible andagilearchitectures(Chairlone&Ghosh,2009citedinNegalign&Lisanwork, 2016).

Core banking is a banking service provided by a group of networked bank branches where customers may access their bank account and perform basic transactions from any of the member branch offices. It is often associated with retail banking and many banks treat the retail customers as their core banking customers. Businesses are usually managed via the corporate Banking division of the institution.

2.1.3. CoreBankingServices and Products

CoreBankingproductsandservices suchas AutomaticTellerMachines,ElectronicFund Transfer, Mobile Banking,online banking,Electronic DataInterchangeandtelecommunication servicesaremethodsusedby bankingorganizationstocarry outtheirtransactionsatacenter through centralized bankingservices (Negalign&Lisanwork, 2016).

2.1.4. Benefits of Core Banking

Corebanking increasedrevenuesincethebank willbeabletoreachmorecustomers,improved customersatisfactionsinceserviceswillbe readilyavailableandfastintheirprovision,cost reductionbecauseitwillnothavetoincurheavywagebill,reducedspacerequirementsand hencereducedrentorlease payments.Otherbenefitsincludeincreasedefficiency since automation enables themto do more with less input, increased level of output and employeesatisfaction and motivation (Negalign&Lisanwork, 2016).

Corebankingenablesbanks:toraise asset yieldwithinexistingbusiness;moveintomore profitable marketsand segments;toextracteconomiesof scale; and tocutcostssustainably (Robinson, Chris, Walker, &Caldeira (2012).

2.1.5. Challenges of Core Banking

In almostallinstances, bankscannothaveany benefit withoutincurringcostorfacingchallenges. Potential customers do nottrustbankssite:TheInternetallows mom-and-pop websitestolookjustas good-maybeevenbetterthanthewebsitesoflargecorporations.All potentialcustomersarewellawareofthisandthey willbeindifferent by asophisticatedlayout andaprofessionallogo.Potentialcustomersdonottrustthesitethey havejustarrivedat,andit mustbe banksconsciousdecisiontodowhatittakestomake themchange theirminds (Mahadevan&Venkatesh, 2000 cited in Negalign&Lisanwork, 2016).

Security concerns, thesitemay be attackedbyhackerswhomay use theorganization's website todefraud existingandotherpotentialcustomers. Cost ofacquisitioninstallationand maintenance is

alsoanotherissuethatrequiresthecommitmentofhuge resourcesto acquirethesystem,tocontinuously updateitand repairin case ofbreakdown. Banks also have toinvestinemployeetrainingoralternativelyhirequalifiedemployees w h o a r e usually expensive. Resistancesby customerstoadoptthenewtechnologysincemosttraditional customers arestillshyoftechnology(Negalign&Lisanwork, 2016).

2.2. EmpiricalLiterature

Young&Jordan(2008)demonstratedthattopmanagementsupportwasacriticaldeterminant of eventualprojectsuccessorfailure.Accordingtothestudyresult,projectsthatenjoyedfull support from the top management succeeding whereas thosewith littleto no support from thetop managementfailedmiserably.The study result also supported by Nwakanma et al. (2013) as the study indicated top management is one of the important factors for the success of IT projects in Nigeria. The study further discovered that, this critical success factor ensures top level interaction among project team members and project steering committee members and vendors to facilitate successful implementation.

Davis(2014) adopteda setof themesinorder todescribe successfactorsofprojects:cooperation andcommunication,timing,identifyingobjectives,stakeholdersatisfaction,acceptanceanduse of finalproducts,costaspects,competenciesoftheprojectmanager, strategicbenefitsof the projectandtopmanagementsupport.However,thestudy was basedontheoreticalpointofview andconsideredperceptionsofsomeseniormanagement,projectcore teamandprojectrecipient stakeholdergroupsandthestudy lacksofagreementinperceptionsofprojectsuccessfactors betweenthesegroups,highlighting discontinuity betweenthem.Thus,empiricalresearchinto multiple stakeholdergroups'perceptions of project success needs to be conducted.

Ioana&Emil(2015)presentedanoverviewonthetopicofprojectsuccessandidentify main success factorswhendealing with projects using aquantitative research. The studyoutput showedthat,successfactorsdeterminethepositiveoutcomesofimplementing projects.They have to be identifiedbefore projects'implementation,fromtheconceptionphase.However, the study didn'tclearly identifywhichspecificfactorsdeterminethepositiveoutcomesof implementingprojects.Inaddition,projectsenvironmentsaredynamic,sosuccessfactorsmight changetheir levelofinfluenceintime,thestudydidn'tconsider the dynamic natureof projects

andthelevelofinfluenceofsuccessfactorsintime.Thus,apermanentmonitoringofthese factorsisneededandwhenevernecessary theprojectmanagershouldinfluencecertainfactorsin order to increasechancesof accomplishingsuccess criteria.

Musau (2015) conducted a study to determine the influence of human resource management, project scope, project risks management, and vendor selection on the implementation of core banking system and establish the factors influencing successful implementation of core banking system in Kenya.Thestudy concludedthathumanresourcemanagement,projectscope management,riskmanagement,andvendorselectiongreatly influencescorebankingsystem implementation in Kenya.

Seife&Mesfin(2015)intheirfindingsonthestudy ofcorebanking systemimplementation frameworkintheEthiopianbankingindustry proposedthat,thecriticalsuccessfactorsidentified such as: product selection, top management support, product evaluation, project management and vendorcommitmentwereusedtodesignanimplementationframeworkforcorebanking system inEthiopianbankingsystem.Thestudy ofSeife&Mesfin(2015)furtherformulatedaguideline onhowtoexecutethecriticalfactorsandemphasizedonthenecessity ofthesecriticalfactors towards a successful core banking system implementation. However, the study didn't investigateandextensively validatedtheinfluenceofthefactorsconsideredinthedesigned framework onthe implementation of corebankingsystem project in Ethiopia.

Mangwandaetal.(2016)soughttoevaluatethefactorsinfluencing implementationofTemenos T24corebankingsysteminRwanda.Thestudy clarifiedsignificanceof:dependenciesbetween organizationstructures,human resource factors, technicalcompetencies andprojectrisk management.Thestudyresultindicatesthatthereisacorrelationbetweenthefactorsinfluencing implementationofT24core banking systemsuchasorganizationstructures,humanresource factors, technicalcompetencies and projectriskmanagement and implementation of T24 core banking system.However,successfulprojectsarenotonly dependingonorganizationstructures, human resourcefactors,technicalcompetenciesandprojectriskmanagementbutalsovarious determinants including complexity, durationofdevelopment,available budgetand the desired qualityof theproject.

AccordingtoNegalign&Lisanwork(2016)study findings;securityissues,empowering

employeestousethenewsystem,vendorcapabilitiesandcredentials, riskofthesoftware capabilityto meetbanks requirements and expectations, unavailabilityofthe diverseskills requiredanddatamigrationwerethechallengesbanksfacing intheprocessofnewcorebanking systemdevelopmentinEthiopia.Inaddition,lackofsuitablelegalandregulatory frameworkfor corebankingandelectronicpaymentisanotherimpedimentfortheadoptionofnewtechnology intheEthiopiabankingindustry (Negalign&Lisanwork,2016).However,Thestudy focused only onthedevelopmentandchallengesofcorebankingsystemprojectimplementationin Ethiopiaand did not identified thefactors influencingtheimplementation ofcorebanking system project.

Stephen&Patricia(2017)intheirstudyconcludedthat,projectmanagementisemergingtrend asoneofthekey strategiesforcreatingadigitalbanksetting,qualificationintermsof professionaltraining inprojectmanagementwouldfurtherboosttheoveralleffectivenessofthe team, user participation is important in early stages of system development as a way of increasing lateracceptanceofthefinalproject,topmanagementsupportneedstobefocusedon therealizationofbenefitsfromallITprojectsratherthanthenarrowly definedprojectactivities. However,thedeterminantsconsideredinthisstudyarenotexhaustiveand,furtherstudiesneed bedonetounearthotherdeterminantsinfluencing implementationofinformationtechnology projects.

2.2.1. Review of Factors Influencing Project Implementation

Successfactorsareinputstoprojectmanagementpracticewhichcanlead directlyorindirectlyto projectsuccess.Itencompassesmany elements,which havetobesynchronizedtoensurethe projectdeliveryontime(Zarina&Yusof,2014).Thesuccessinprojectsissomethingmuch morecomplexthanjustmeeting cost,deadlinesandspecifications(Montequina,Cousillas, Alvareza,&Villanuevaa,2016).

Froma ProjectManagementperspective,successfactors are characteristics,conditions,or variables thatcanhavea significant impactonthesuccessoftheprojectwhenproperlysustained, maintained,ormanaged(Zarina&Yusof,2014).Successfactorscanbe perceivedas mainvariablesthatcontributetoprojects'success,asleversthatcanbeoperatedby project managerstoincreasechances ofobtaining thedesiredoutcomes(Westerveld,2003).A combinationof factors determinesthesuccessorfailureofaprojectandinfluencing thesefactors

at the right timemakes success moreprobable(Savolainen, Ahonen,&Richardson, 2012).

Different studies have identified different success factors and a lack of consensus of opinion among researchers on the criteria for judging project success and the factors that influence that success (Zarina&Yusof, 2014). From the previous study, a number of variables influencing the success of the project implementation were identified. Pinto &Slevin (1987) discovered ten factors that they felt to be crucial to successful project implementation. These are project mission, top management support, project plan, client consultation, personnel recruitment selection and training, technical tasks, client acceptance, monitoring and feedback, trouble shooting and communication.

Davis(2014) studiesprojectmanagementsuccessinliterature from1970stopresent,classifying theevolutionofsuccessfactorsintodecades. According tothisstudy,approachesofsuccess factorsevolvedfromfocusingontheoperationlevelofa projectin1970stoembracinga stakeholder focusedapproached after2000s(Davis,2014).Asa resultofthenumerousstudies thatapproachedthetopicofprojectsuccess,severallistsofsuccessfactorsexist.Zarina&Yusof (2014) suggested that success factors can be grouped under five main categories. These include human-related factors, project-related factors, project procedures, project management actions and external environment. Variables within each group can influence a variable in others, and vice versa (Zarina&Yusof, 2014).

2.2.1.1. Top Management Support as a Project Success Factor

Top managementsupporthelpsineffective decisionmaking,managingrisk,andinauthorizing businessprocesschanges.Itisnecessary fortopmanagerstogetbehindtheprojectandmake cleartoallinvolvedintheprojectthattheyanticipateasuccessfulcompletionoftheproject (Pinto &Slevin, 1987).

2.2.1.2. VendorInvolvement as a Project Success Factor

Most ofbankprojectsarehandlesbyexternal vendors whosellsystemtothebank (Stephen& Patricia,2017). Vendor'sinvolvementinimplementationbecomes critical for project to bedelivered within the stipulated time lines.

2.2.1.3. User Involvement as a Project Success Factor

Manyreasons have been giventoinvolve users ininformationtechnologyimplementation projects.User involvement is predicted to increase usersatisfactionandacceptanceby: developing realisticexpectationsaboutsystemcapabilities,providing anarena forbargainingand conflictresolutionabout designissues,leadingto systemownership by users, decreasing user resistancetochangeand committing users to the system (Casanovas, Esteves, & Pastor, 2004). By involving end-users in decisions relating to implementation, workers may become more invested in the success of the implementation and more satisfied with the system (Stephen & Patricia, 2017).

2.2.1.4 Risk management as a project success factor

A project is a unique thing which is totally depends on time, cost and customer satisfaction Kahnemanand Tversky (as cited in Otieno, 2013). Proactive risk managementisakey tosuccess.AccordingtoSchwable(ascitedinOtieno,2013),risk identificationprocessbeginsby reviewingthe projectdocumentation, mostrecentand historicalinformation.Asithasbeenstated(Otieno,2013) riskanalysisisincludes analyzingtheriskandmeasuringitsvulnerability anditsimpact. Aprojectsponsorand manager incollaboration can implementrisk controllingtechniques (Ritter, ascited in Otieno,2013).AccordingtoRitter,riskcanbeanalyzedintwoways:firstbrainsstorm the probable risksand secondlydo sensitivityanalysis.

2.2.1.6. Clear Goals and Objectives as a Project Success Factor

Goalsandobjectivesoftheprojectshouldbeclearlyunderstoodbothby theprojectteamandby theorganization(Pinto&Slevin,1987).Oneofthemostimportantprojectmanagementcritical successfactorsisclearandrealisticobjective(Nwakanmaetal.2013).Clearlyestablishing goals,objectives,outcomesand benefitsexpectedfromthe projectavoidsaccepting unrealistic deadline fromvendors andpurchasing software thatdoesn’tmeetthebank’srequirements.Ifa bank clearlyidentifies which functionalitiesare tobeperformed byacorebanking system, it will notexperience scopecreep.Hence,one of thecauses for projecttimeandbudgetrun willbe avoided (Seife&Mesfin, 2015).

2.2.1.1 Project Success Criteria

Sinceprojectsaretemporary innature,thesuccessoftheprojectshouldbemeasuredintermsof completing theprojectwithintheconstraintsofscope,time,cost,quality,resources,andriskas approved between the project managers andsenior management. To ensurerealization of benefitsfortheundertakenproject,atestperiod(suchassoftlaunchinservices)canbepartof thetotalprojecttimebeforehanding itovertothepermanentoperations.Projectsuccessshould be referred to thelast baselines approved bythe authorized stakeholders (PMI, 2013).

ProjectSuccesscriteriaaredefinedby Muller&Turner(2007)asvariablesthatmeasureproject success.Initially,projectsuccesswasreferredtoasreachingtheobjectivesandtheplanned resultsincompliancewithpredeterminedconditionsoftime,costandperformance(Ioana& Emil,2015).Projectsuccessmeasurementistheresultofclearlyidentifyinggoalsandobjectives atthe 'projectformulation' phase.Whenbanksalignprojectimplementationwiththeirgoals,the successrateoftheprojecthighlyincreases.Therefore,banksshouldhaveaprojectsuccess measurementcriteria defined (Seife&Mesfin, 2015).

The classic view of project management defines three main criteria of project success – time, cost and scope. These criteria well known as The "Iron Triangle" cover a particular part of the project objective missing to take into consideration the organizational objectives. Since projects have an organizational purpose the criteria of project success should consider their fulfillment (Ivanov, 2012). Projects are said to be successful if the iron triangle criteria are met: delivered on time, within budget and meeting the predetermined quality measures (Ivanov, 2012).

Projectsuccessmeasurementistheresultofclearlyidentifyinggoalsandobjectivesatthe 'projectformulation' phase. When banksalign projectimplementationwiththeir goals,the successrateoftheprojecthighly increases.Therefore,banksshouldhaveaprojectsuccess measurementcriteria defined (Seife&Mesfin, 2015). Otherauthors determinethe qualityofthe projectmanagement process andthe satisfaction ofthe project stakeholderasanadditional componentofthe"Iron Triangle"and theinternalview of projectsuccess(Kernzer, 2009). A varietyofmodelsformeasuringprojectsuccess were developedformeasuring success with different underlying assumptions (Dvir, Raz&Shenhar, 2003).

2.2.1.2. Core Banking Projects ImplementationFramework

Aprojectisconsideredtofailwhenitdoesn'tbring theexpectedresultsandwhenthe implementationteamisunable tomeetthe requirementsof time andbudget(Hashmi,2006cited in Seife&Mesfin, 2015). Aproject is successful if it satisfies theneeds of theintended customers (Kerzner, 2009).

Most core banking system implementations face challenges midway through the project. This can happen due to lack of coordination and communication between the vendors and the bank's project management team. Inadequate information gathered during the requirement phase, inability of the banks to identify the important requirements, and scope changes are additional challenges faced during a core banking system implementation (Rohan&Megha, 2013).

By embeddinganapplicationsoftwarepackagelifecyclemodelforapplicationspurchasedfrom vendorsoutlinedby OracleandTemenos,Seife&Mesfin(2015)designedaframeworkfor successfactorsandformulatedaguidelineonhowtoexecutethecriticalfactorsfora betterand effectiveimplementationofacorebankingsystemforEthiopianbankingindustryasoutlinedBelow :

2.2.1.3 ProductSelection

"Goals,objectivesandexpectationsshouldbestudiedbythebankthoroughlyforaperiodof time.Thispaintsaclearimagetothebankontheworktobedoneinternally beforeselectingor implementing the corebankingproduct, whetheritisformulatingorupdating necessary strategies(businessorIT)oridentifying therequirementsofthebank.Futureinterfacing with othersystemsandservicedelivery methodsshouldalsobeidentifiedthoroughly''(Seife&Mesfin, 2015).

2.2.1.4 Product Evaluation

"Vendorsshouldinstallaprototypeoftheircorebankinganddemonstrateproofofconceptto thebank.Concernedendusers,projectmanagers,andprojectteammembersshouldparticipate

inthe proof of conceptdemonstration.Attendeesofthe demonstrationshouldaskallthe necessaryquestions during the demonstration, identify gaps andevaluatethecorebanking productthoroughly againsttheirrequirementsthoroughly''(Seife&Mesfin,2015).“Before finalizingtheevaluationprocess,banksshould thoroughly searchthesuccessorfailureofthe vendor in previousprojects. All theabove factors shouldinfluence the banks' decisionin selectingandevaluatingacorebankingproductanditsvendorthoroughly''(Seife&Mesfin2015).

2.2.1.5. Vendor Commitment

“Vendorsshouldbecommittedtofinishingtheimplementationoftheprojectsuccessfully.The contractbetweenthevendorandthebankshouldclearlystatetheroleofthevendorinthe projectinorder toavoidmisunderstandingsdownthe road.Vendors shouldbeattentive tothe requestsraised fromthebanksince itplaysa vitalrole inthesuccessoftheproject'' (Seife&Mesfin, 2015).

2.2.1.6. TopManagement Support

“Topmanagementshouldalsoresolveissues,whichneeda higher leveldecision,inaneffective andtimely manner.Topmanagementshouldalsoresolvedisagreementsbetweenvendorsand projectteammembersinan efficientway.Top managementshouldcompose the projectsteering committee,withthe businessusers,projectteammembers, projectmanager andthe necessary seniorofficials.Topmanagementshouldcarry outattendanceinsteeringcommitteemeetings. Becauseimportantdecisionsregarding thesystemsare giveninthemeeting,alltheproject steeringcommitteemembers should always attend the meeting” (Seife&Mesfin, 2015).

2.3. ConceptualFramework

Inthisstudy thedependentvariableissuccessfulcorebankingsystemprojectimplementation whiletheindependentvariablesarethe determinants ofcorebanking implementationwhichare: Project Scope Managementi.e. clearrequirementandspecifications,user acceptance test; Risk Management, Stakeholder managementi.e. vendoranduserinvolvement; clear goal and objectivesandTopManagement Support.The factorswere selectedaftercarefulreviewofseveralarticlesandadaptingtheworkofStephen&Patricia (2017)

andNwakanmaetat (2013)

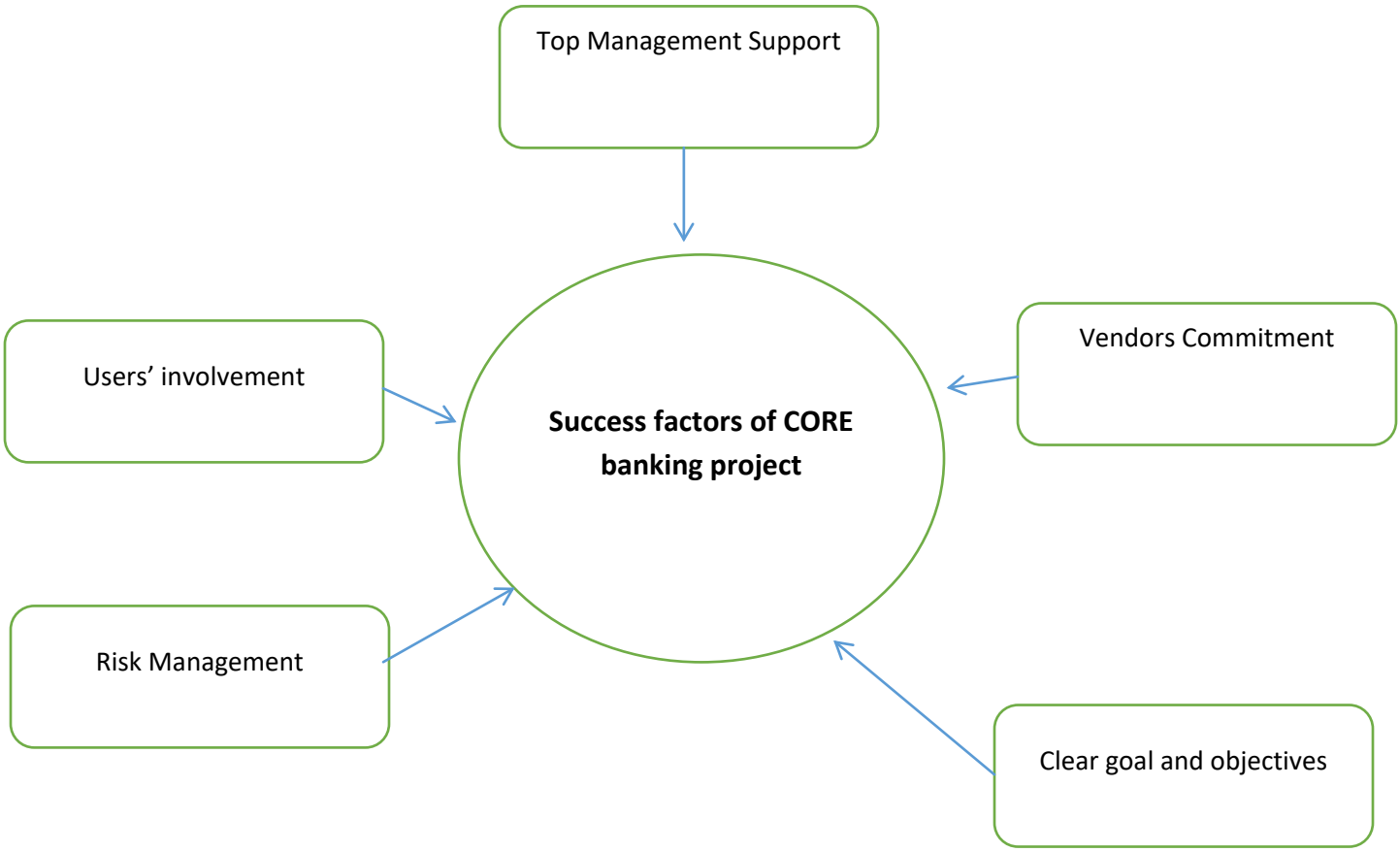


Figure2.2 Conceptual Framework

Chapter Three

3.1 Research Methodology

Astheoverallaimofthestudy has investigatedthefactorsinfluencingthesuccessful implementationofcorebankingsystemproject,thestudyinvolveda cross-sectionalsurvey methodologicalapproachasdatawasgatheredfromindividualswho participated in T24 core bankingsystem project implementationin commercial bank ofEthiopia.

3.2. TargetPopulation Sample

CommercialBankof Ethiopia hasanestablishedProgramManagementOffice (PMO) headedby adirectorandreportdirectly tothepresident.TheresponsibilitiesofaPMOcanrangefrom providingprojectmanagementsupportfunctionstoresponsibilityforthedirectmanagementof IT

projects.

TheoverallresponsibilitiesofthePMOare:planning, scheduling andimplementationofIT projects;followupITprojectsactivitiesandtakecorrectivemeasureasrequiredorescalate timely tothePMO'ssponsororpresident;ensurethatallpersonnelinvolvedintheproject understandtheproject's backgroundobjectives, scope,timescaleandapproach;ensurethe properknowledgetransferismade totheinformationservicesstaffontheITprojects implemented; and ensurethat consultant inputs and advices areimplemented accordingly.

Thetargetpopulationofthestudy comprises projectmanagementexpertsandprofessionalswho areactively involvedinT24CoreBankingsystemprojectimplementationinCBE.Accordingto the dataobtainedfromPMO,a totalof200employeesconstitute thetargetpopulationofthe study.Therefore,because of manageablesize of thetargetpopulationtheresearcher incorporated 50 ofthese projectmanagementprofessionals.Sothesample size is 25 percent of the total population

3.3 Data Type and Source

Basedontheobjectivesofthestudy,thestudyusedbothqualitativeand quantitativetypeofdata toinvestigatethefactorsinfluencing theimplementationofcorebanking systemprojectinCBE. Thestudymainlyused primary datasource.Employeesofthebankwhoareactively participated in theCore Bankingimplementation process werethemain sources for theprimary data

3.4. DataCollection Techniques and Procedure

3.4.1.DataCollection Methods

Toachievethestudy purpose,personally administeredstructuredquestionerusedbasedonthe factorsidentifiedreferring tothepreviousliteratureandbasedonobjectiveofthestudy.This study iscarriedoutusingstructuredquestionnaire.Asstatedby Sekaran(2003)"questionnaireis apopularmethodofcollectingdatabecauseresearcherscangatherinformationfairly easily and the questionnaireresponses are easilycoded".

3.4.2.DataCollection Procedures

Thestructuredquestionnaireseeksdatainrelationtothevariablesofthestudy namely:clear

organizationalgoalsandobjectives,Risk management vendor and user involvement, and top management support.

Thestudy askedparticipantsresponseonthesuccessofcorebanking systemproject implementationinCBEbasedontheidentifiedprojectsuccessmeasurementindicatorsandon thefactorsinfluencingthesuccessfulimplementationofcorebankingsystemprojectbasedon the identified factors usinganominal scale suchas"Yes"or "No".

Inaddition,therespondentsareaskedtoratethedegreeoftheiragreementordisagreementon thefactorsidentifiedforsuccessfulcore banking systemprojectimplementationbasedonafive point scale. The rating scale was as follows: 5= Strongly Agree, 4=Agree, 3= Neutral,2=Disagree and 1=StronglyDisagree.

The targetrespondentswere Projectmanagementofficers,projectmanagementexperts,project managers, IT technical staffsandprojectmanagementteamleaders,sincethey aredirectly involvedwiththecore banking system.

3.5. DataProcessing and Analysis

3.5.1.Data Processing

Priortodataanalysis thedatacollectedthroughquestionnaire arecarefully edited,coded, classified, tabulatedandchecked forconsistency

3.5.2. Data Analysis

Thestudymainlyemployedquantitativemethodofdataanalysis.Thequantitativeanalysisofthe study employedbothdescriptiveandinferentialanalysis.Asapartofdescriptivestatistics, measuresofcentraltendency andmeasuresofdispersions(frequency,percentage,meanand standard deviation)areused as a preliminaryanalysis.

Asapartofinferentialanalysis,regressionisused.Finally,inordertoensure error free computation, Statistical Packagefor Social Sciences(SPSS)version 26softwareisused.The justificationofthismethodologyisbasedonthefactthatstudypapersavailablewherethe factorsconsideredinthisresearchhavebeenestablished (See:Nwakanmaetal.,2013;Mangwanda et al., 2016; and Stephen &Patricia,2017).

3.6. ModelSpecification

The factors influencing the implementation of core banking system project have been analyzed and studied usingvarious empirical models in theprevious literature. So as to understand whether project success (completed within original cost, delivered within the planned time, and meet the desired benefits) can be predicted based on the identified project success factors (top management support, vendors support, users involvement, Risk identification and clear organizational goals and objectives), the study employed binary logistic regression econometric model.

3.7. Reliability and Validity

Toensurethevalidity ofthedataobtainedfromthequestionnaireandtobring meaningful conclusionfromthecollecteddata,thestudy testedthevalidity ofthemeasurementinstruments. Hence,toensurethereliability ofmeasurementinstrumenttheresearcherperformedfirst standardize the instrumentandthen, distributedthe same toallrespondentsandwasnotchanged fromonepersonorsituationtoanother.

Besides, the researcher believed that this study is valid in that the all respondents are selected based on their past experience on IT project implementation in general and core banking systemproject implantation in particular. Hence, their response was expected to be credible and applicable to independent researcher.

CHAPTERFOUR
4. DATAPRESENTATION, ANALYSIS ANDINTERPRETATION

4.1. Introduction

Thepreviouschapters threediscussedtheresearchdesignandmethodology usedtoconductthe study.Inthischapter,theresultofquestionnairedistributedtoCore BankingSolution implementationproject technical team at Debreworkbulding especially those working at core processing customization and user management departments including those to auxiliary interview responseobtainedfromprojectManagersat ProjectManagementOffice (PMO) and Managers team leaders of both business team and technical team of CORE banking implementationofprojectatCommercialBankofEthiopiaare presented.Thestudy attemptedtoassesscriticalsuccess factorsinimplementingCore Banking Solution implementation project at commercial Bank ofEthiopia.

Thechapterhassixsections.Thefirstsectionofthechapterdealswiththe analysis of general profile of respondents.The second analysisofcriticalsuccessfactorsof CORE bankingimplementationproject Support of Top Management thirdly analysisofcriticalsuccessfactorsof CORE bankingimplementationproject about Vendors

Support fourthly at fifthanalysisofcriticalsuccessfactorsof CORE bankingimplementationproject users involvement and support lastly analysisofcriticalsuccessfactorsof CORE bankingimplementationproject Risk Managementthelastsectionofthischapterpresentsdiscussionof the findings.

InordertodeterminethecriticalSuccessFactorsofCORE bankingprojectimplementationatotal of50 questionersweredistributed.Outofatotal,38questionersweredistributedto CORE banking implementationprojectteamandtheremaining 12 Technical team at commercialBankofEthiopia contact cente. Theresponse47(94%) questionnaires wereobtainedvalidand used for analysis. To assesscriticalsuccess factors ofCore Bankingimplementation project at CBE.

Table 4.1:RateofResponses by Respondents

Questioners	CORE banking project implementation Team		Technical team at Contact center		Total	
	Respondents	Valid percentage	Respondents	Valid percentage	Num.	%
Returned	38	100%	12	100%	50	100%
Not-returned	0	0%	0	0%	0	0%
Total	38	100%	12	100%	227	100%

Table 4.2 General Profile of respondents

Gender

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	40	80.0	80.0	80.0
	Female	10	20.0	20.0	100.0
	Total	50	100.0	100.0	
Age					
Valid	20-25 Years	3	6.0	6.0	6.0
	26-35 Years	26	52.0	52.0	58.0
	36 or above Years	21	42.0	42.0	100.0
	Total	50	100.0	100.0	

Educational Background

	Frequency	Percent	Valid Percent	Cumulative Percent	
Valid	Undergraduate degree(Bachelor's degree)	26	52.0	52.0	52.0
	Graduate degree(Master's degree) or above	24	48.0	48.0	100.0
	Total	50	100.0	100.0	

Role in the implementation

Respondents role in CORE banking implementation

Valid	Business Team	6	12.0	12.0	12.0
	Technical Team	42	84.0	84.0	96.0
	Data Migration Team	4.0	4.0	100.0	
	Total	50	100.0	100.0	

Your Experience in the banking industry

	Frequency	Percent	Valid Percent	Cumulative Percent	
Valid	Less than 5 years	14	28.0	28.0	28.0
	5 to 10 Years	14	28.0	28.0	56.0
	10 to 15 years	9	18.0	18.0	74.0
	Above 15 years	13	26.0	26.0	100.0
	Total	50	100.0	100.0	

Number of instances respondent involved

Valid	None	1	2.0	2.0	2.0
	Once	34	68.0	68.0	70.0
	Twice	5	10.0	10.0	80.0
	More than twice	10	20.0	20.0	100.0
	Total	50	100.0	100.0	

Table4.3: Factors in Measuring Success ofa CBSImplementationProject

Factors measuring success of CBS Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Improved Efficiency	50	0	1	.86	.351
Reduced complexity	50	0	1	.60	.495
End-user satisfaction	50	0	1	.56	.501
Low cost of ownership	50	0	1	.10	.303
Timely implementation	50	0	1	.28	.454
Implement within budget	50	0	1	.16	.370
Valid N (listwise)	50				

From The above factors measuring success of CBS implementation project we can easily find that improved efficiency as a greater success factor with mean .86 and standard deviation of .551 even the rest failed to be success measuring factors especially those implementation within budget scored mean .16 and standard deviation .370 then project timely implementation also with mean of .28 and standard deviation of .454 so that improved efficiency nominated as factors measuring success of CBS,

Table 4.4 Factors influence Final Decision on CBS Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
end user	50	0	1	.28	.454
Consultants	50	0	1	.26	.443
Corporate Management	50	0	1	.68	.471
IT Department	50	0	1	.48	.505
Specific individuals	50	0	1	.04	.198
Vendors	50	0	1	.24	.431

As can be easily revealed on the table corporate management as a successful factor of influencing final decision making of the rest with mean value .68 and standard deviation of .471 all the rest standard deviated from central tendency so that failed to be as success full factor for CBS implementation

4.2 Descriptive Analysis of DataCollected

4.2.1AnalysisofSuccess factors Relatedto TopManagement Support

There were 5questionsrelatedtoTopManagementSupport.PartII first five Questions,1-5 w e r e designedtoascertaintheresponseofthepopulationonsuccessfactors,which were designedtoidentify theleveloftopmanagementSupportrequiredduringtheCore Banking implementationprocesses**.** Asindicated inthe belowmentioned table Top Management support is crucial for successful timely completion of the implementation process is identified as critical success factor with mean of 4.44 and standard deviation of .812 whereas, Top management unreserved support on implementation process highly fruitful to the outcome of the project. With mean 4.180 and standard deviation of 1.082 unreserved support on implementation, Top Management guidance is crucially to successful completion of theproject implementation process with mean 4.30 and standard deviation of .863, Top management actively engagement in recruiting project team members and Top management support initiative of IT System projectfail to identified as critical success factors.

Table4.5TopManagementsupport

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Top management unreserved support on implementation process highly fruitful to the outcome of the project.	**50**	**1**	**5**	**4.18**	**1.082**

Top Management support is crucial for successful timely completion of the implementation process	**50**	**1**	**5**	**4.44**	**.812**
Top Management guidance is crucial to successful completion of the project implementation process	**50**	**1**	**5**	**4.30**	**.863**
Top management actively engages in recruiting project team members	**50**	**1**	**5**	**3.46**	**1.147**
Top management support initiative of IT System project	**50**	**1**	**5**	**3.74**	**1.006**
Valid N (listwise)	**50**				

4.2.2 AnalysisofSuccess factors Relatedto VendorCommitment

Vendor supportandcommitmentisone of the mostimportantfactorstocomplete implementationofCBSprojectsuccessfullyQuestionno.6and11ofsectionII ofthe questionnairedesignedtoidentifythecriticalsuccessfactorsrelatedtovendorsupport and commitment.

Vendor support and commitment is a key for successful implementation selected as critical successful factors with mean 4.28 and standard deviation of .784 and Vendor train the trainers and trainers train the end fails to be successful factor for CBS implementation with mean value 3.76 and standarddeviation of .969.

Table 4.6Analysisof success factor related to vendorsupport andcommitment

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Vendor support and commitment is a key for successful implementation	**50**	**1**	**5**	**4.28**	**.784**
Vendor train the trainers and trainers train the end	**49**	**1**	**5**	**3.76**	**.969**
Valid N (listwise)	**49**				

Source: SurveyresultNovember2022

Based SomersandNelson,(2001)andAkkermansandHelden(2002)in theirresearch haveidentified vendor supportandcommitment as aCSFforthe success of ERPprojects.Enduserstraininginknowledgetransferby vendortotheselectivetrainers whointurnwouldtraintheendusers.Transferringknowledgetotheenduseriscritical in implementingCBSprojectssuccessfully.

4.2.3 AnalysisofSuccess factors Relatedto USERSinvolvement and support

Questions 7, 8, 9,10 and 12 of section II were designed to identify the critical success factors related to the analysis of users involvement as a success factors during the CBS implementation process. User Training is important factor for implementation successis identified as critical success factor with the mean value of 4.44 and standard deviation of .907 and Dedicated users are mandatory to achieve successful implementation of a core banking system, Some training handled internally by Bank staff will follows by mean 4.22,3.960 and standard deviation of .996,.791 respectively.

Table 4.7 users involvement Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Dedicated users are mandatory toachieve successful implementation of a core banking system	50	1	5	4.22	.996
User Training is important factor for implementation success	50	1	5	4.44	.907
End users actively involved or participated adequately in the system project implementation	50	1	5	3.64	1.156
Representative users from different processes and sub-processes were participated in the system project implementation	50	1	5	3.72	.927
Some training handled internally by Bank staff.	50	1	5	3.96	.781
Valid N (listwise)	50				

4.2.4 Analysisof Success factors Relatedto Risk management

Questions 13, 14, 15 and 16 of section II were designed to identify the critical success factors related to the analysis of risk during the CBS implementation process. Both Proper analysis of risk on implementing Core Banking Solution is a critical success factor and Having risk management plan is important in implementing successful Core Banking Solution is identified as critical success factor with the mean value of 4.24 and standred deviation of .870 .. The

problem occurred during implementation most of the business and technical teams resigned because the market needs their skill. Schultz, Slevin and Pinto (1987) clearly identified analysis of risk for successful implementation of the project.

Table 4.8 Risk analysis and management

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Risks were identified at the outset (beginning) of the project	**50**	**1**	**5**	**3.44**	**.951**
Risk management related activities were done from an organization perspective	**50**	**1**	**5**	**3.66**	**.895**
Proper analysis of risk on implementing CoreBankingSolution is a critical success factor	**50**	**1**	**5**	**4.24**	**.870**
Having risk management plan is important in implementing successful Core Banking Solution.	**50**	**1**	**5**	**4.24**	**.870**
Valid N (listwise)	**50**				

4.2.5 Analysisof Success factors Relatedtoclear organizational Goals

Questions 17, 18, and 19 of section II were designed to identify the critical success factors related to the analysis of Organizational goal and objectives The proper requirements preparation will guide the institution to select the best suited software solution, capable of meeting the business requirements and goal is on implementing Core Banking Solution is a critical success factor with the mean value of 4.40 and standard deviation of .72

So the rest Clear Organizational goals should always be defined in place before considering change of system and Clear Organizational goals should always be defined in Place before considering a change of system fail to be critical successful factor.

Table 4.9 Analysis related to clear organizational Goals

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Clear Organizational goals should always be defined in place before considering change of system.	**50**	**1**	**5**	**4.36**	**.921**
The proper requirements preparation will guide the institution to select the best suited software solution, capable of meeting the business requirements and goal.	**50**	**1**	**5**	**4.40**	**.728**
Clear Organizational goals should always be defined in Place before considering a change of system.	**50**	**1**	**5**	**4.42**	**.883**
Valid N (listwise)	**50**				

4.8Major Findings

In this section to do discussion based on resultsdrawn fromthe data analysis .Discussion involves CORE bankingimplementationprocessessuccessmeasurementcriteria and critical success factors identifiedin previous section. As per the survey result let me mesummarize

findings as follows.

Table 4.10 Major findings

SN	Cases to see of Criticality	Is it critical successful factor or not (Yes/No)	IS it selected YES/NO
1	**Improved Efficiency**	**Yes**	**Yes**
2	Reduced complexity	No	No
3	End-user satisfaction	No	No
4	Low cost of ownership	No	No
5	Timely implementation	No	No
6	Implement within budget	No	No
7	end user	No	No
8	Consultants	No	No
9	**Corporate Management**	**Yes**	**Yes**
10	IT Department	No	No
11	Specific individuals	No	No
12	Vendors	No	No
13	**Analysis of Success factors Related to Top Management Support**	**Yes**	**Yes**
14	**Analysis of Success factors Related to Vendor Commitment**	**Yes**	**Yes**
15	**Analysis of Success factors Related to USERS**	**Yes**	**Yes**
16	**Analysis of Success factors Related to Risk management**	**Yes**	**Yes**

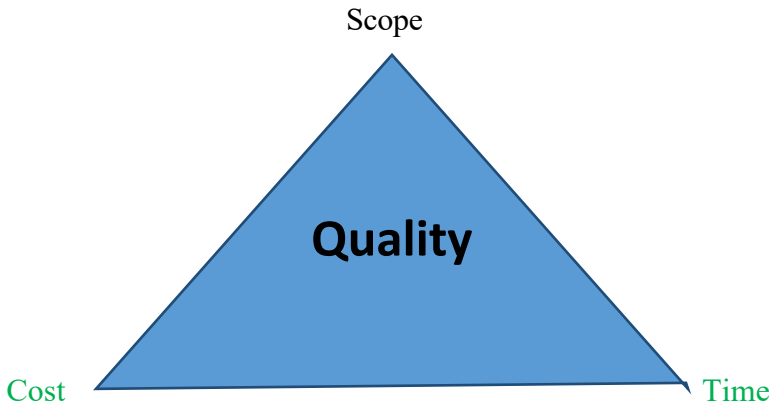
17	**Analysis of Success factors Related to clear organizational Goals**	**Yes**	**Yes**

4.6.1.1 Evaluation of Project Success Criteria

As per the literature reviews sinceprojectsaretemporary innature,thesuccessoftheprojectshouldbemeasuredintermsof completing theprojectwithintheconstraintsofscope,time,cost,quality,resources,andriskas approved between the project managers andsenior management.

ProjectSuccesscriteriaaredefinedby Muller&Turner(2007)asvariablesthatmeasureproject success.Projectsuccessmeasurementistheresultofclearlyidentifyinggoalsandobjectives atthe 'projectformulation' phase.Whenbanksalignprojectimplementationwiththeirgoals,the successrateoftheprojecthighlyincreases.Therefore,banksshouldhaveaprojectsuccess measurementcriteria defined (Seife&Mesfin, 2015).

The classic view of project management defines three main criteria of project success – time, cost and scope. These criteria well known as The "Iron Triangle" cover a particular part of the project objective missing to take into consideration the organizational objectives.



Sinceprojectshave an organizational purpose the criteria of project success should consider their fulfillment (Ivanov, 2012). Projects are said to be successful if the iron triangle criteria are met: delivered on time, within budget and meeting the predetermined quality measures (Ivanov, 2012).

4.6.1.2 Top Management Support as a Project Success Factor

Itisnecessary fortopmanagerstogetbehindtheprojectandmake cleartoallinvolvedintheprojectthattheyanticipateasuccessfulcompletionoftheproject (Pinto &Slevin, 1987).

4.6.1.2 Vendor Involvement as a Project Success Factor

Most ofbankprojectsarehandlesbyexternal vendors whosellsystemtothebank (Stephen& Patricia,2017). Vendor'sinvolvementinimplementationbecomes critical for project to bedelivered within the stipulated time lines.

4.6.1.3 User Involvement as a Project Success Factor

User involvement is predicted to increase usersatisfactionandacceptanceby: developing realisticexpectationsaboutsystemcapabilities,providing anarena forbargainingand conflictresolutionabout designissues,leadingto systemownership by users, decreasing user resistancetochangeand committing users to the system (Casanovas, Esteves, & Pastor, 2004).

2.2.1.4 Risk management as a project success factor

A project is a unique thing which is totally depends on time, cost and customer satisfaction Kahnemanand Tversky (as cited in Otieno, 2013). Proactive risk managementisakey tosuccess.AccordingtoSchwable(ascitedinOtieno,2013),risk identificationprocessbeginsby reviewingthe projectdocumentation, mostrecentand historicalinformation.

4.6.1.6. Clear Goals and Objectives as a Project Success Factor

Goalsandobjectivesoftheprojectshouldbeclearlyunderstoodbothby theprojectteamandby theorganization(Pinto&Slevin,1987).Oneofthemostimportantprojectmanagementcritical successfactorsisclearandrealisticobjective(Nwakanmaetal.2013).Clearlyestablishing goals,objectives,outcomesand benefitsexpectedfromthe projectavoidsaccepting unrealistic deadline fromvendors andpurchasing software thatdoesn't meetthebank'srequirements.Ifa bank clearlyidentifies which functionalitiesare tobeperformed byacorebanking system, it will notexperience scopecreep.Hence,one of thecauses for projecttimeandbudgetrun willbe avoided (Seife&Mesfin, 2015).

CHAPTERFIVE

5.1 Summary, Conclusion and Recommendations

5.1.1 Summary ofthemajorfindings

Many conclusions related to the outcome of the research were drawn based on the research outcome. Existence of the issues raised under problem statement has been established in this chapter. After finding out critical success factors of the questions completion of project with in original cost, deliver time and level of meeting desired benefit or quality can be predicted and identified based on Top management support, Vendors support, dedicated users and involvement, risk identification managements philosophy and clear organizational goal and objectives toward the project properly identified.

In this chapter I am going to finalizetheresearchstudyby summarizingkey findings.Thestudyconducted questionerswiththecommercialbankofEthiopia core bankingsolutionproject implementationprojectmanager, teamleaders, technical staffs and business staffs. Besides,survey questionnaire distributedtoallCorebanking Solutionimplementationteammembers above. Thisresearchaimedatidentifyingcorebanking systemimplementationprojectcriticalsuccessfactorsandsuccessmeasurementcriteria ofCommercial Bank ofEthiopia.

5.1.2 Themajor findings of thestudywere:

- Thestudy identified,17 cases to seeCriticalSuccessFactorsinrelationto CORE bankingimplementationprojects.

Out of 13 cases below listed 7 critical success factors under consideration

- Top Management Support
- vendorsupport andcommitment
- Users involvement
- Risk Management
- Clear organizational goals and objectives

- Corporate Management and
- Improved efficiency

Thestudycriticallyevaluated theselected CSFs andtheirimpacts on the project. Furtheranalysishasbeenmadeonthesuccessfactors,whichhavenotbeen selected ascritical and their impact on theproject.

- Inadditionsuccessfactorssuccessmeasurementcriteriaareidentifiedinthis studywereimprovedefficiency,Endusesatisfactionandreducedcomplexity of operation.

5.2 Conclusion

The researchaimedatidentifyingcore bankingsystemimplementationproject critical successfactorsandsuccessmeasurementcriteriaofCommercialBankofEthiopiaTo find answers tothesequestions,a literaturereview wasconductedtogether with administeringsurvey questionnaire.

Thisprojectimplementationattributedtomany factors.Inthisstudy,thesefactorsare assessed by categorizingthemundermajorfactors.Moreover,amongmany,7most influentialdeterminantsclassifiedunder projectsuccesswereidentifiedamong17criticalsuccessfactors.our factors asimportantfor the successof CBSprojects,buthave notbeenidentifiesasCSFsby therespondentsincludes;properanalysisofrisk, interferenceoftopmanagement, prioritizingdelivery ofbusinessrequirementsbasedon projecttiming,adopting theproposed systemwithminimumcustomization.Ontheother hand, the factors identified 7critical factorsrelated tothe CBSimplementationproject ofcommercialBankofEthiopiacoveringthekey perceptionsandaspectofattributethe keyperception and aspects of attributes.

Generally, it can beconcluded that literaturereviews inthe fieldofprojectmanagement

generatelistsofcritical successdeterminantsprojectsuccess.Therefore,investigating determinantsof projectimplementationsuccessisa fruitfularea toachieve onamuch larger scale.Itiswell-knownthatnotonly whatdeterminantsareimportantfor achieving anoutstandingprojectoutcome,butalsohowthey areinterrelatedandinfluencethe project implementation success arecrucial.

Finally conclusion Commercial bank of Ethiopia on the year 2012 migration done to the central data base of CORE banking data base by investing nearly 6 million US dollars on May, 2012. (Capital, 2012) and have managed to interface with the Ethiopian Automated Transfer System (EATS) and modernize the banking system to international standards. Although, the original schedule for completion of the project was June 2010, CBE indicated that the launch would be delayed until the end of December, 2011 and further delaying for another five months and become operational in May, 2012 (Capital, 2012).

From these I would like to conclude the project not completed as per the concept of 'Iron-Triangle' but as per the survey by any means and cost with those critical 7 successful factors the CBE become operational effective if not efficient.

5.3 Recommendations

Thefollowingrecommendationsaremadeinordertoenhancetheeffectivenessof theCBS Selectionandimplementationprocesses inCommercialBank of Ethiopia.

5.3.1 RecommendationsforCBSSelection

5.3.1.1 HavingClearOrganizationalObjectives

OrganizationalstrategyformsthebasisfortheITinfrastructure andthefunctional capabilityrequirementforaCBS. Therefore,havingclearorganizationalobjectives is ofparamount importance.Itwillenablethebanktohaveanstrategy alignedwith thebusinessstrategy.

a. Clear identification of broad organizational objectives, goals, and business models

b. Identified organizational objectives and goals shall be converted in to operational business goals and targets, which could be useful in developing the IT Strategy.

c. IT strategy shall be developed and documented based on the operationalized business goals.

5.3.1.2 VendorSelection

SelectinganappropriateCBS,whichcancatertotherequirements ofthebank,isa decisivefactorinanyCBSproject.Capability ofthevendoroftheselectedCBSin implementing thesystemisequallyimportanttomaketheimplementationasuccess. Following guidelineswillassistthebanksinselectingtheappropriate vendorfora CBS.

a. Primary considerationinselectingtheCBSshallbegiventotheclosenessof theproposedsystemtotherequirements.

b. Oncethevendors areshortlisted basedontheabove,itisadvisable toinform thevendortoperformaProofofConcept(POC).

c. P r i o r tofinalizingthesystem,thebankshalldoabackground checkofthe vendor'scapabilities inimplementingsystemsinbanksofsimilarsize.

d. Bankshallbecautiousinbargaining pricingandthetermsandconditionsof thecontracts.

e. Banksshalladoptamechanism toevaluateCBSproposals basedonthetotal project costandonthecostof ownershipinsteadof onlylookingatthecostof theCBS.

f. AdecisiontopurchaseaspecificCBSshallbearrivedonlyafterconsidering alloftheabovefactors.

5.3.1.3 Recommendations for CBS Implementation Vendor Relationship Management

Strainedrelationshipwiththevendor(includingvendor's projectmanagerandthe implementation team)couldhampertheimplementation process.

a. Banks shall maintain a cordial relationship with the selected vendorthroughouttheprojecttoensurethat theprojectiscompletedas expected.

b. Banks shallensurethatthevendorsendsanadequately experiencedproject managerandanimplementationteam.

c. Banks (including theirProject Managers and the implementation team members) shallbeadequatelyflexibleduring theimplementation andshallbe practicalandreasonablein assessingthesituations.

d. Whenrequired,apply appropriateamountofpressure onthevendoris recommended.

e. Banksshallrefrainfrommakingdecisionsunilaterally onmattersthatcould haveanadverseeffectonthevendor.

f. Banks shallmaintaincommunication channels openwiththevendor at differentlevelsandshallagreeonan escalationmechanismofissues.

g. JointreviewmeetingsbetweentheBankandthevendorshallbeheldat regularintervals and allissues shall be resolvedwithoutanydelays andwithoutleadingtostrainedrelationships.

h. V e n d o r supportisextremely importantwithinthefirstfewdaysaftergoing-liveasthatistheperiodpossibly manyissuesmaycrop-uprelatedtothe system.

5.3.2 RecommendationsCommonforbothCBSSelectionandimplementation

5.3.2.1 TopManagementSupportandGuidance

Topmanagementsupportandguidancethroughout theCBSprojectisamandatory ingredientforthesuccessoftheproject.Thefollowing guidelineswillassistbanksto haveeffectiveTopManagementsupportfortheprojects.

a. CBSimplementation projectsshallbeconsideredasbusinessprojectsandnot asITprojects,astheprojectisanoutcome ofbusiness decisions.

b. Duetothesizeoftheinvestment andthebusiness riskinvolved inCBS projects,CEOofthebankshallbetheprojectsponsor.

c. Topmanagementshouldguidetheselectionprocessbyclearlydefiningand spellingoutthefuturebusinessstrategy ofthebankandprovidingguidelines fordevelopingbusinessrequirementsandselectingthematchingCBS.

d. T h e topmanagementshallreleasethebestoftheresourcestotheprojectas andwhennecessary andresolveissuesrelatedtotheprojectinatimelyand effectivemanner.

e. Aprojectsteeringcommitteeheadedby theCEOandother seniormanagers,includingtheheadofITmaybeset-uptoprovidedirections, guidance, andnecessarysupportfortheproject.

f. Topmanagementshallgivetheirfullcorporationtotheprojectmanagerand theprojectmanagershallbemadeadequately independenttomakedecisions

relatedtotheprojectwithinhisscope,butshallmadehim/herresponsible and accountableforsuchdecisionsandtheirimplications ontheprojectandthe bank.

g. Themanagementshalldeviceappropriaterewardingschemestoencourage theactiveparticipationandobtainsupport ofthebankstaffforthe project.

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Questioners

Addis Ababa University School of Commerce

School ofGraduateStudies

Department ofProjectManagement (MBA)

DearRespondent

,

This survey is done purely for academic purposes. All information provided herein will be treated in the strictest confidence. Neither you nor your organization will be identified in any publication resulting from this research project. The main aim of thisquestionnaire istogather andanalyze relevant, accurate, andtimely informationthatwillhelptoassess criticalsuccessfactorsinimplementationof Core BankingSolutionatCommercialBankofEthiopia.Thisstudy isundertakenasapartial requirementfor thecompletionofMastersofBusinessAdministrationinProject Management.

Youare kindly requestedtorespondtothequestionswithutmostgoodfaith,freelyandtothebestof yourknowledge. Thereisno need to writeyour name on theQuestionnaires.

Thankyouinadvance foryour timeand kind response

WerkinehZenbaba
Mail Werkinehzenbaba@cbe.com.et
+251920959828

Thisquestionnaireisameanstocollectdataonassessmentofcriticalsuccessfactorsin CoreBanking Solution implementation at commercial bank ofEthiopia.

Pleaseput a "√" mark toallyourresponses in thebox provided beside each statement.

I. General Profile

1. Gender Male ☐ Female ☐

2. Age

20-25years ☐ 26-35 years ☐ 36 or above years ☐

3. Education background

High school diploma or below ☐ Junior collegediploma ☐

Undergraduatedegree(Bachelor's degree) ☐

Graduate degree (Master's Degree) or above ☐

4. Which ofthe best describesyour rolein theCoreBanking System Implementation?/ At CBE?

TeamLeaderBusiness Team ☐ Technical Team ☐ ☐

Data migration Team ☐ Project Director ☐ Consultant ☐

Other----------

5. Years of experience in Banking Industry

Lessthan5 years ☐ 5–10 years ☐ 10–15 years ☐ over15 years ☐ ☐

6. On what key factors do you define Core banking system implementation Success? (Please rank if more than oneselected)

Improvedefficiency ☐ ReducedComplexityofoperation ☐

End userSatisfaction ☐ Lowcostofownership ☐

Timelyimplementation ☐ Implementwithinbudget ☐

Other(PleaseSpecify)----------
_____

7. How many instances have you got involved in an area of core banking software selection?

None ☐ Once ☐ Twice ☐ MorethanTwice ☐

8. Are you aware of any in Ethiopia Commercial Banks where Core Banking System Implementation hasfailed?

Yes ☐ No ☐ if yes,howmanysuchfailures? ☐

Comments:……

9. In your opinion which of the following factor influence the final decision making? (Please rank if more than one selected)

End user ☐ Consultants ☐ Corporate Management ☐

IT department ☐ Specific individuals ☐ Vendor ☐

If other Please specify_____

Section II-

Questionnaire part 2covers criticalsuccessfactorsinCore banking Solution implementationproject atcommercial Bank of Ethiopia.

So please indicate how muchyou agreeordisagreewitheachofthefollowingstatements by putting the right sign (√) thatbest representsyouropinion.

1indicatesstronglydisagree(SDA),

2indicatedisagree(DA),

3 indicate neutral (N),

4indicates agree (A) and

5indicates stronglyagree(SA).

Sn		**Strongly y disagree** **1(SDA)**	**Disagree** **2(DA)**	**Neither agreenot disagreed** **3(N)**	**Agree** **4(A)**	**Strongly Agree** **5(SA)**
1	Top management unreserved support on implementation process highly fruitful to the outcome of the project.					
2	TopManagementsupport iscrucial for successful timely completion of the implementation process					
3	TopManagement guidanceiscrucial to successful completion of the project implementation process					
4	Top management actively engages in recruiting project team members					
5	Top management support initiative of IT System project					
6	Vendorsupport andcommitment is a keyforsuccessful implementation					

7	Dedicated users are mandatoryto achievesuccessful implementation of a corebanking system					
8	User Training is important factor for implementation success					
9	End users actively involved or participated adequately in the system project implementation					
10	Representative users from different processes and sub-processes were participated in the system project implementation					
11	Vendor train the trainers and trainers train the end					
12	Some training handled internally by Bank staff.					

13	Risks were identified at the outset (beginning) of the project					

14	Risk management related activities were done from an organization perspective					
15	Proper analysisof risk on implementing CoreBanking Solution is a critical success factor					
16	Having risk management plan is important in implementing successful CoreBanking Solution.					
17	Clear Organizational goals should always be defined in place before considering a change of system.					
18	The proper requirements preparation will guide the institution to select the best suited software solution, capable of meeting the business requirements and goal.					
19	Clear Organizational goals should always be defined in Place before considering a change of system.					

20	Anyother factors relatedto banking System Implementation? 1. 2. 3. 4. 5.					

Comments:

1……

2……

3……