



Is This Pilot Test Over?

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EXECUTIVE SUMMARY

Beginning in 1994, members of the Financial Services Technology Consortium collaborated to design eCheck, an Internet-based payment mechanism. In the fall of 1997 a pilot project was launched involving the United States Treasury and U.S. Department of Defense. This case describes the issues involved in soliciting participants and resolving intellectual property, system architecture, regulatory, strategic and other issues. In July 2001 a server failed, prompting the eCheck team to question whether it was time to officially declare an end to the pilot.

This case was prepared for use in an MBA-level class on IT Management or Project Management. The case provides a vehicle for discussing the following topics:

- Regulatory, business, technical, and project management challenges in managing complex IT initiatives.
- The project life-cycle.
- Guidelines for effectively learning from IT projects.
- Stakeholder analysis for consortium-led IT initiatives.
- Unique issues that arise in multi-organization systems development initiatives.

BACKGROUND

The eCheck project was initiated in spring 1994 by the Financial Services Technology Consortium (FSTC, *Exhibit 1*), which consisted of banks, hardware and software

*Exhibit 1. About the Financial Services Technology Consortium**Retrieved December 12, 2002 from the World Wide Web: <http://fstc.org/about/>.**Who We Are and What We Do*

The Financial Services Technology Consortium (FSTC) is a consortium of leading North American-based financial institutions, technology vendors, independent research organizations, and government agencies. FSTC sponsors collaborative technology development-pilots, proofs-of-concept, tests, and demonstrations - supported by member financial institutions and technology companies. Its aim is to bring forward interoperable, open-standard technologies that provide critical infrastructures for the financial services industry.

FSTC members use these same infrastructures to bring their own products and services to the market place, stimulating customer interest and earning consumer confidence, and enhancing the position of financial services institutions in the marketplace. FSTC provides a project-oriented collaborative research and development environment where members can:

- **Compare technologies to determine which ones really do what they promise.** FSTC sponsors side-by-side comparisons of emerging technical solutions in the laboratory and in actual field operations. FSTC-sponsored tests reduce your individual costs and, under FSTC project management, provide you with NIST-lab certified results. As an added benefit, you can compare notes on vendors and products with other financial institutions.
- **Validate specifications to determine if they work and can they be implemented.** Industry groups turn to FSTC to validate early implementations of emerging industry specifications, confirming that each adheres to specifications, does what is claimed, and can be deployed. FSTC quickly determines the quality of each specification and its readiness to be adapted to new products in the marketplace.
- **Prototype new infrastructures for financial transactions.** Through initial design and iterative 90-day implementations, FSTC members prototype interoperable infrastructures. This work often provides a foundation for new products and services, and opens up new markets to financial institutions.

Members choose to participate in specific projects of interest, which they then fund and staff. FSTC provides project management and an intellectual-property framework that protects the interests of its members. This approach, along with FSTC's support structure and Advisory Council, creates an environment in which companies work together, share costs, and quickly come up to speed on the technology issues affecting the entire financial services industry.

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