



The seven deadly sins of project management

An organisation's performance is contingent on the quality of the projects it undertakes and how well they are managed, yet the frequency of project failure is high. In asking what is project failure, what causes it and how can it be prevented, **George Sifri** focuses on seven key areas¹ that are critical to managing projects successfully.

PROJECTS ARE USED TO IMPLEMENT organisational strategies. The future of an organisation is greatly affected by the quality of the projects it undertakes. A top performer company is a company that creates distinctive projects and delivers them with flawless execution. However, what is happening in the real world is different. Projects suffer frequently and fail often². Recently, the situation has deteriorated³ and the record of public organisations is not better⁴.

Short-term problems caused by missed deadlines and high costs pale in the face of long-term losses such as:

- missed opportunities;
- failure to implement organisational strategies;
- loss of credibility;
- damages to staff morale and effectiveness.

In this article we try to answer the following questions:

- What is the definition of a project failure?
- What are the top seven root causes of project failures?
- What can we do to prevent or minimise project failures?

Project failure

We consider a project to be a 'wreck' if it experiences any or all of the following:

- an unfavorable cumulative direct cost variance significantly more than 15 per cent from the sanctioned promise;
- a cumulative schedule delay of significantly more than 15 per cent from the sanctioned promise.

In-depth interviews among the project

team members, leadership and executive leadership were analysed in a rigorous way to determine 'root causes' for wrecks. The root cause analysis discussions with projects professionals helped isolate a number of 'condition statements' that correlated to wrecked projects. For example, if any of these conditions for any particular root cause was true, then the project correlated well with known past projects and could be asserted to have 'potential for wrecking'.

Conclusions

- Wrecks were preventable.
- Wrecks can be attributed to root causes.

Seven key issue areas emerged with the most severity towards driving wrecks:

- mistaking half-baked ideas for projects;
- dictated deadlines;
- ineffective sponsorship and leadership;
- underskilled project managers;
- not monitoring project vital signs;
- failure to deploy a sound project management methodology;
- not formulating a comprehensive project portfolio.

Mistaking half-baked ideas for projects

Senior management is charged with formulating business strategies that will lead to profitability and industry leadership. Hence, there is an immense pressure on senior management to identify opportunities that are aligned with these strategies, and turn these opportunities in to products or services that deliver profit and competitive advantage. Rarely are these business strategies and business objectives properly communicated to the

project management team. Many of these half-baked ideas slip through and mutate into projects. Most of these projects do not have any clear business objectives and eventually fail.

Organisations need to have filters in place to separate half-baked ideas from viable projects. At the very least the project management team should check if the opportunity is aligned with the business strategy, if it is economically/technically feasible, if it is compelling and viable, what the consequences are of not doing the project, and if the organisation has enough resources to pursue it.

Dictated deadlines

Most IT/business projects suffer from severe schedule delays. A root cause of this problem is management's practice of specifying over-stretched targets including artificially tight deadlines. Some of the reasons for these deadlines are:

- Strategic pressures override risks to sanction projects.
- There is lack of confidence that the teams are able to develop realistic estimates.
- Management has a desire to challenge the team to work harder.
- In order to pass sanction, teams set over-stretched targets that are unrealistic.
- Targets are set with limited supporting benchmarks.
- Trade-offs between cost, quality and, particularly, schedule are neither in balance nor transparent.

The project sponsor(s) is the key in this scenario. They must believe that creating an environment in which project managers and teams are tempted to **estimate-**

to-please will only result in constant disappointments as projects come in late, over budget, lacking functionality, of poor quality or complete failures. Furthermore, they need to put in place assurance activities that will increase their confidence in project targets. Examples of assurance activities:

- Estimates are checked against external/internal benchmarks.
- Estimates are reviewed by external entities such as peer reviews or external benchmarking organisations such as Independent Project Analysis Inc. (IPA)⁵.

Ineffective sponsorship and leadership

The project sponsor role is essential for project success. Without a competent sponsor, the project will suffer severely, leading in most cases to failure. Some of the symptoms of ineffective sponsorship or leadership are:

- Project team roles and responsibilities are not clearly defined.
- The project management team is not aware of the business objectives of the project or the link between the business strategy and the project.
- The project is not getting the right people at the right time.
- Access to the sponsor by the project manager is very difficult.
- Boundaries for decision-making or zone of empowerment of the project management team are not defined.

Examples of the sponsor roles and responsibilities:

- communicating the business objectives and the business strategy to the project management team;
- establishing the boundaries for decision-making or zone of empowerment of the project management team;
- ensuring the timely availability of the right resources.

A review of the above list demonstrates that effective sponsorship requires specific skills and commitment. Being a project sponsor is not a spectator sport. It involves time, effort and commitment.

Underskilled project managers

A root cause of project wrecks is the launch of projects that have significantly underskilled project managers. The skill

level of the project manager should match the project complexity. The project manager skill level should be evaluated at least in terms of:

- developing comprehensive project plans;
- developing realistic estimates and schedules;
- tracking project progress;
- managing expectations;
- managing the team (leadership);
- negotiation skills.

Organisations should implement a well-defined, well-executed skills development programme to provide education, training and mentoring to their project managers.

Not monitoring project vital signs

To keep the project on track, project managers need to track the project. Tracking the project involves monitoring a portfolio of indicators to give the project manager a comprehensive assessment of the status of the project at a specific point in time. Examples of vital signs to consider:

- strategic fit;
- customer buy-in;
- technology viability;
- status of the critical path;
- actual cost vs estimated cost;
- unresolved issues.

The majority of the project wrecks did not have processes in place to monitor the vital signs, or they ignored the warnings.

Failure to deploy a sound project management methodology

A project management methodology is a collection of practices, procedures and guidelines designed to help the project management team to achieve the desired goals effectively and efficiently. It consists of a stage-gated process for decision-making. Each phase is associated with a well-defined set of deliverables. To move from one stage to another, the project has to pass through a gate. The sponsor or the gatekeeper holds the key to the gate. Information needed by the gatekeeper to make such a decision is included in the decision support package. The decision support package is prepared by the project management team. It includes a summary of the project activities in the current phase, recommendations of the project

management team, a detailed plan for the next stage and an updated high-level plan for the rest of the project. The primary goal of a well-designed project management methodology is to provide a common standard across an organisation to ensure that projects of varying size and complexity when attempted by different teams are conducted in a consistent and disciplined manner and result in quality products delivered on time and within budget.

The methodology must be scalable – easy to tailor to fit the size and the complexity of the project at hand. It also has to establish the minimum set of expectations (conditions of satisfaction) in relationship to project demographics. For example, a project management team planning a project effort significantly more than 5,000 man-hours should perform specific activities before the project is sanctioned.

Not formulating a comprehensive project portfolio

Project portfolio management is the process by which projects are initiated, approved, managed and implemented throughout the enterprise. The lack of a project portfolio management process will result in duplication of efforts, unnecessary delay of mission-critical projects and internal conflict. ■

References

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George Sifri, a senior instructor with ESI International, has more than 15 years' experience in managing IT projects. He is currently the head of software development at Consolidated Contractors International, one of the top 30 firms in the worldwide construction industry (tel: 020 7017 7053, www.esi-emea.com).