

Project Failure: A Catalyst for Success

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There have been huge advances in project management in the last 20 years, but the elephant in the room is the issue of Project Failure. Success rates are not improving and the metrics surrounding project failure have been disturbing for decades — at least 50% of projects do not deliver on their promised results. These failures can cost hundreds of thousands of dollars - and into the millions - for very large projects. In addition, lack of program management can cost companies millions of dollars in cost deviation. This is important because, over time, the value of your corporate brand and enterprise success rate are related.

The causes of project failure are well known, predictable and have not changed over several decades. Yet projects and organizations continue to be impacted and do not seem to be able to create the environment in which projects can succeed. It would seem that organizations have a fundamental inability to learn the lessons of project failure.

There are many causes of project failure and every failed project will have its own set of issues. Sometimes it is a single trigger event that leads to failure, but more often than not, it is a complex entwined set of problems that combine and collectively result in failure.

This inability to learn from project failure is across all industries and sectors and includes many of the most successful organizations on the planet. The financials of failure are staggering and a complete industry has emerged to address the reasons for failure, which are as predictable as the next dawn.

We also often realize with the benefit of hindsight that most failed projects were exhibiting early warning signs and there was sufficient opportunity to respond but the signs were not acted upon in a timely fashion.

The definition of success or failure is not as straightforward as was once imagined. We are now very aware that project success cannot be adequately defined within standard parameters: completion within time, cost and performance expectations.

Cost and schedule performance are still important but the perception of project success now also includes:

1. Meeting the functional or technical specification
2. Meeting the business case
3. Engaging with stakeholders

Failure is not comfortable to embrace but it can often be a catalyst for success, especially if project failure comes early in product development and is accepted by all involved as a way forward.

Research shows that about 50% of projects fail because of the lack of visibility over the entire spectrum of the project management process. Take, for example, software development or the creation of a new medical device. Management of the project may involve numerous teams, each dedicated to a certain aspect of the process. However, they are operating in silos, each with its own operational style and strategy for success. If these teams don't communicate effectively, the result is often failure to deliver a successful product, often due to cost overruns or relevance to the target market.

Why Projects Fail

When projects fail, hindsight often reveals that issues were bubbling up – but ignored. These issues may include a lack of hands-on project sponsorship, team leadership, lack of resources, inability to manage change, and lack of communication. Lack of communication is the basic culprit because without communication among project teams and leaders, there's no clear visibility into the development process and thus what we call no "single version of the truth."

However, when failure occurs early in the project lifecycle, it's because of clear communication among project teams, leading to that single vision of truth. Early failure triggers positive change management and the revamping of strategies, providing a window to a successful result before massive dollars and precious resources are needlessly spent.

Effective execution needs effective planning, which includes not only tools but most importantly, human interaction. This is the art and science of project management – tools and people skills that give total visibility to the entire process.

Developing Hybrid Methodologies and Organizational Procedures

Oftentimes organizations think they can just apply off the shelf methodology – lean, six sigma, agile - and just simply apply them to the organization. While these are all good standard practice methodologies, by recognizing the relevance of each and applying them to internal procedures and the organizational toolbox, these 'good' methodologies become best practices – and thus a hybrid approach.

There is no magic wand for good practice project management. It takes consistent effort, applying lessons learned from other organizations or international best practices. It takes

the entire team – from the C-Suite right down to the project level – to drive success. Everyone must be involved.

Project governance needs senior management support and they must understand the basic tenets of project management and the specific role that they play in the strategy. This group becomes particularly important when change management is necessary. Change rarely occurs horizontally but must come from the executive board, which often gives the go-ahead to drive that change to all project teams. It's important, therefore for the executive team to get onboard with the project management scenario at the earliest stages and meet regularly with the teams. This provides the harmony and synergies necessary to manage risks, institute necessary strategic changes, and eliminate unshared silos of information.

Creating a Structure for Success

Leading the effort should be an enterprise project and portfolio management approach, which provides structure (including gate reviews and milestones), standards, reporting procedures, training and team management. A Project Management Office (PMO) can be the backbone of a successful project management approach by assuring that project delivery is managed in a controlled way. Its focus is:

- Governance - guidance that decisions are made properly – by the right people with the best information, audits or reviews that assure accountability
- Transparency – accurate information to support the “single vision of the truth”
- Quality Assurance – eliminating bureaucracy, providing training and mentoring – making it easier for teams to do their jobs
- Eliminating redundancy – creating a knowledge base for templates, best practices and lessons learned
- Reporting – management of documentation, project history and risk analysis

While structures may differ depending on the organization, there does need to be a central point of management that fits easily into the organization's culture, takes into account the resources available and is the guardian of enterprise portfolio management tools. There may be one or more experts in the PMO who supports project managers and their teams with project management software.

This office may also manage a portfolio level dashboard that provides a type of helicopter review of the project as it moves forward. This dashboard plays an essential role in transparency, providing a comprehensive look at the myriad of details that are involved in project success and how each of those areas are moving forward – or not – in seeking achievement of the end strategies.

Setting up a PMO can be a large undertaking and a considerable upfront investment that must eventually prove its worth, which means a thoughtful approach is the best one. Depending on the time available, it may be helpful to begin the process slowly offering key services and building up as necessary to support projects in the pipeline. This is not unlike the approach taken in developing projects by phasing in activities to gain buy-in by stakeholders and identification of problems early before they become unmanageable, i.e. embracing failure as a way to move forward with a more successful strategy.

Gaining support from the executive level, as mentioned previously is key, but only one part of the equation. Seeking support from stakeholders is also critical. Clear communication as to the benefits of the office and its tools is a must and can be delivered in team meetings or one-on-one interactions with important influencers. And, if there are stakeholders who don't seem to agree with the way forward, a special effort needs to be made to create a positive attitude for the benefit of the entire team.

Clear processes are essential but recognition that these processes may change over time in response to new information or direction reveals the need for a focus on change management. Rather than a flurry of changes that users need to absorb on an ad hoc basis, setting up a recurring plan for review of processes and amendments eases transitions and makes for a smoother implementation.

Finally, stakeholders need to be aware of the long-term benefits of the office but it's also helpful to show immediate benefits of the PMO to the organization. Depending on the complexities of the projects, it may take some time to assess the full value of the office but there are a few ways to show progress. For example, introducing templates to standardize processes makes it easier for users to report their activities and gain visibility. Gaining buy-in from project managers on software solutions also can help elevate a positive view of the PMO.

Early Failure Builds Success

Early failure builds a pathway to success. But early failure can only occur if a strong transparent PMO is in place that focuses on leveraging organization tools, dynamics and culture and that recognizes the importance of human interaction. Communication, transparency, and clear direction are key to a successful implementation that's built on knowledge transfer and pipeline visibility.

About the Authors



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John McGrath has over twenty years' experience teaching, coaching and consulting on project management issues. His track record includes over 150 global companies, government agencies, state enterprises, Engineers Ireland, the United Nations, the London and Rio Paralympics, and the World Bank. With a particular interest in developing PPM competency within organisations, John assists in gaining true visibility of the project/program pipeline, a process that he commonly refers to as "searching for a Single Version of the Truth". 20+ years of experience has taught John that excellence in project execution rarely happens without first achieving excellence in project planning. He develops master schedules for large programs of work and acts as an expert witness for forensic schedule analysis and delay claims. He has deployed Microsoft Project and Project Vision for projects in excess of €100 million. John is now a full-time project management consultant and lecturer at the Dublin Institute of Technology.



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Philip Martin, CEO, founded Cora Systems in 1999. Prior to Cora, Philip worked for a decade in engineering and management roles, primarily for the telecommunications industry. Philip brings to bear almost 30 years' experience in the enterprise portfolio, program and project management (EPPM) industry. He has a singular vision for the company's product, having delivered award-winning solutions and services to government agencies and large-scale global organizations, including life sciences, healthcare, and engineering & construction. At present, there are over \$10 billion worth of projects being managed on Cora's platform. Philip's goal has been to provide clients' management teams with a single version of truth across diverse project programs and portfolios, which often straddle dozens of locations and countries, and across thousands of projects. This enables them to make correct, timely decisions. Philip is an electronic systems engineering graduate of Ulster University (Northern Ireland) and holds several management and leadership diplomas. Learn about Cora Systems at <https://corasystems.com/>