

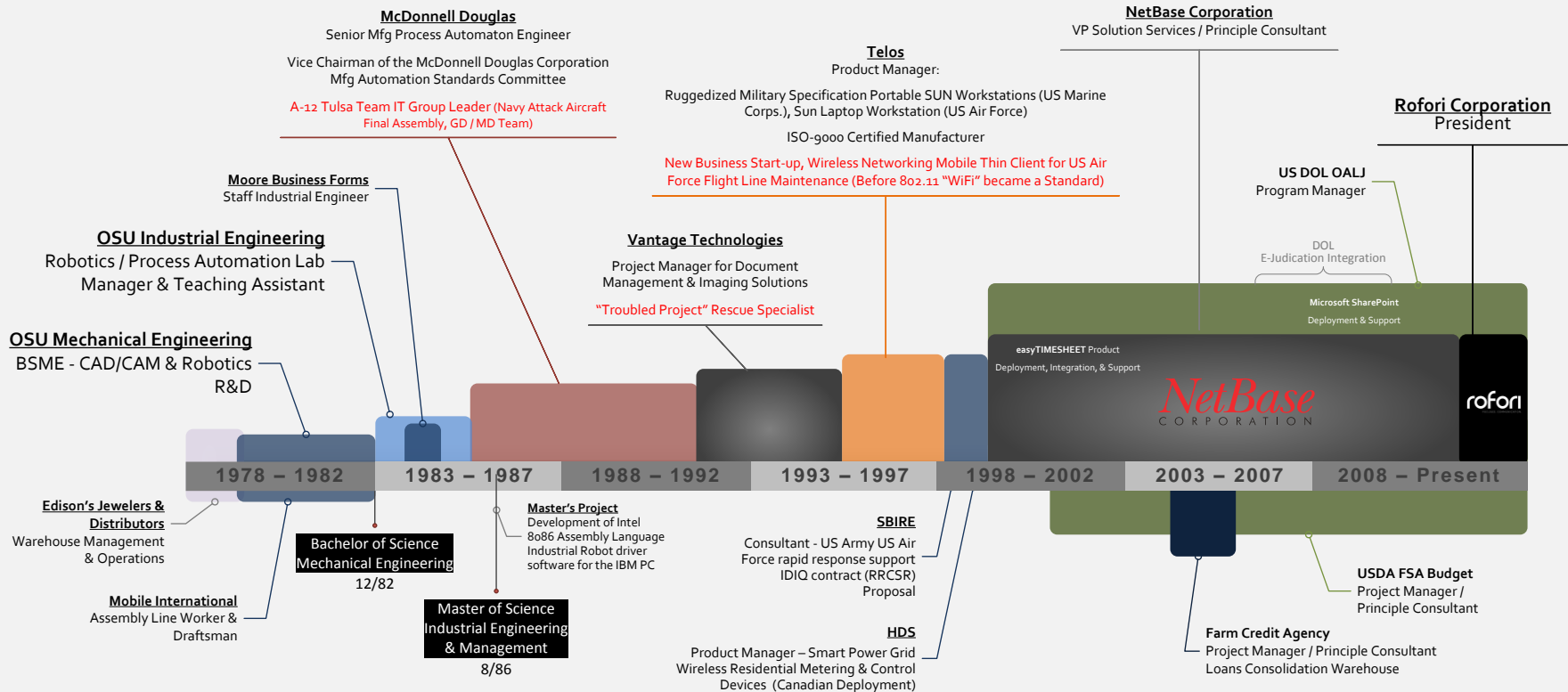
David Leigh

# RESCUING FAILING PROJECTS

# Who am I?

(professionally)

## David Leigh



# Topics

- Project Failure Rate
- What is a project, and what is Success?
- Who is responsible?
- Signs of Trouble
- Is it Hopeless?
- Recovery plan

# Project Failure Rate

- **30% to 70%** project failure rates depending upon industry
- Smaller is better:  
Failure rate of large IT projects (budgets > \$1 m) is almost 50% higher than for smaller projects (budgets < \$350 k)

**YOU** will be faced with a Troubled Project

# A Project

*A project is a temporary endeavor undertaken to create a **unique** product, service, or event*

*The end is reached when the objectives have been **achieved (Successful)**, they will not or cannot be met, or the need no longer exists (**not-Successful**)*

**Success** is measured by

- **timeliness**
- **budget compliance**
- **product and project quality**
- **degree of customer satisfaction**

**VALUE**

# A Project

*A project is a temporary endeavor undertaken to create a **unique** product, service, or event*

Inherent Risk?

*The end is reached when the object **achieved (Successful)**, they will not met, or the need no longer exists (**n**)*

Quality, Satisfaction, and Value contain both Objective and Subjective criteria aspects...

Which are evaluated by the Stake Holders?

**Success** is measured by

- *timeliness*
- *budget compliance*
- *product and project quality*
- *degree of customer satisfaction*

**VALUE**

# Top 5 Causes of Troubled Projects

1. **Requirements:** Unclear, lack of agreement, lack of priority, contradictory, ambiguous, imprecise.
2. **Resources:** Lack of resources, resource conflicts, turnover of key resources, poor planning.
3. **Schedules:** Too tight, unrealistic, overly optimistic.
4. **Planning:** Based on insufficient data, missing items, insufficient details, poor estimates (defect rate?).
5. **Risks:** Unidentified or assumed, not managed.

# Who is Responsible?

“The **project manager is responsible** and accountable for **setting realistic and achievable boundaries** for the project and to **accomplish the project within the approved baselines.**”

PMBOK V5, Section 2.2.3, page 35



# Signs of Trouble

- Common:
  - Behind Schedule
  - Over Budget
  - Earned Value Measures (SV, CV, SPI, CPI) rates worsening
- Not so Common:
  - High / increasing defect rates
  - High / increasing rates of new requirements or changes
  - High / increasing rates of Risk identification or remediation
  - Indication of Stake Holder dissatisfaction / disengagement

## Aside – Insidious Cost of Poor Quality

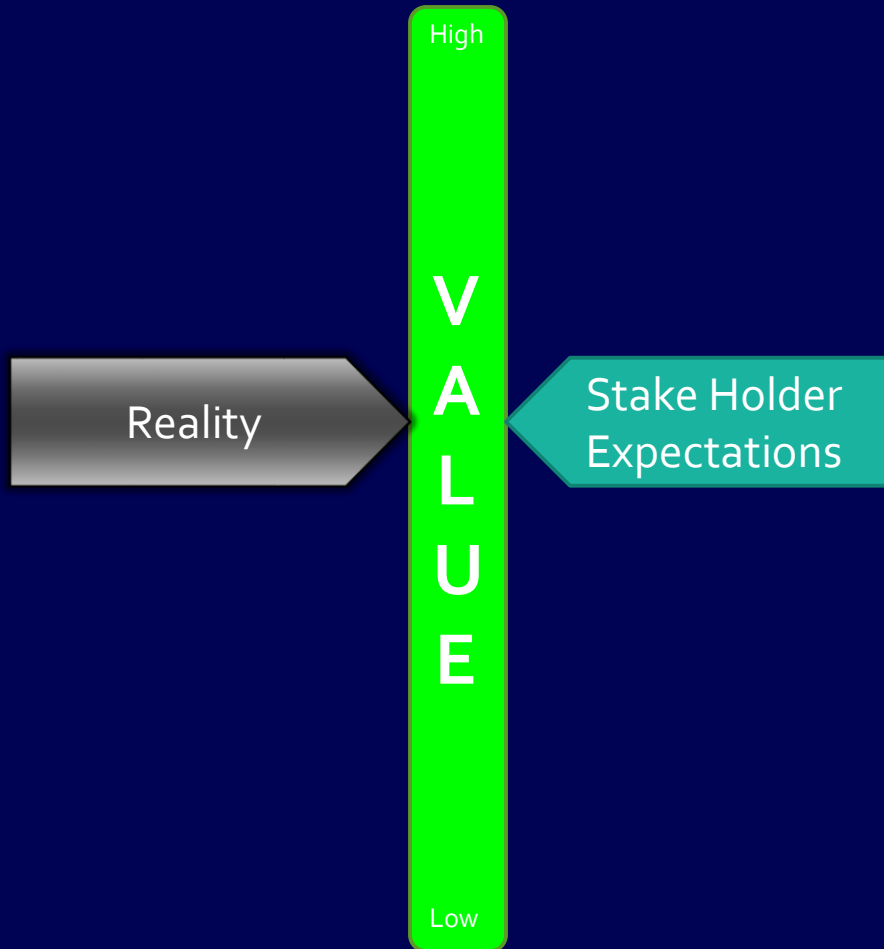
- Delivering with a “Fix it Later” Strategy doesn’t only cost you once:
  - Re-work is Unplanned work = Scope Increase
  - Limited resources are dramatically **More Limited**
  - CPI and SPI < 1, and **decreases rapidly**

Example: **HealthCare.gov**

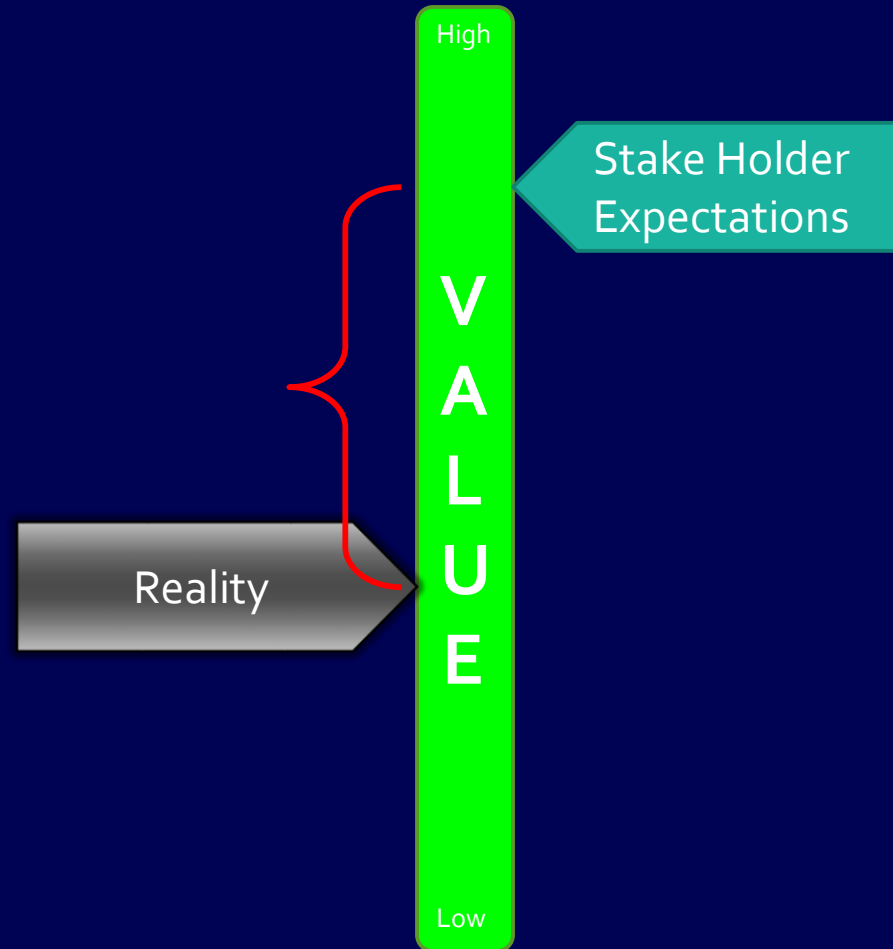
- What is your **planned** defect rate?
  - How have you **accounted for defects** in your resource allocation, budget, schedule, and risk register?

# Stake Holder Expectations

No Gap = Good  
chance to proceed  
(You Have Credibility)



Identifiable Negative  
Gap = Trouble!  
(Lack of Credibility)



# Can it be Saved?

Remember this →

*Success* is measured by

- *timeliness*
- *budget compliance*
- *product and project quality*
- *degree of customer satisfaction*

Quality, Satisfaction, and Value contain both Objective and Subjective criteria aspects...

Which are evaluated by the Stake Holders?

VALUE

The Project can be saved **if** the Stake Holders **believe** the resulting **VALUE** of continuing > Revised Plan

But there are conditions ...

# Conditions for Recovery

- **Honest and Credible Project Manager**
- Accurate Current State Effectively Communicated
- Project Deficiencies Accurately Identified
- Credible Remediation Plan
- Effectively Managed Expectations
- Expectation Gap is not too Large to Overcome
- Trust Sufficiently Restored with the Stake Holders

*All of the above are required*

# Lack of Effective Communication +

**A-12 AVENGER. LIKE A BOLT OUT OF THE BLUE.**

**CANCELLED 7 January 1991**

**A12**  
AVENGER

THE **MCDONNELL DOUGLAS** TEAM  
GENERAL DYNAMICS

# New Technology R&D

“Proven technology” vs. New Software product



**Major difference in expectations**

# Top 5 Causes of Troubled Projects

1. **Requirements:** Unclear, lack of agreement, lack of priority, contradictory, ambiguous, imprecise.
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# Actions to Take

If the problem is:

- **Requirements**, get control of the Scope and Change Management.
    - Every change has Cost/Schedule/Capability impact
  - **Resources** or Schedule, Show the original plan...
    - Mandated constraints results in an unrealistic plan – it is just a “we’ll try” (increased risks)
    - Problems arise, real life – Murphy’s Law
    - Improve rate and depth of defects
  - **Planning**, Improve accuracy or add “Safety Factor”
  - **Risks**, Focus on Identification, Avoidance and Mitigation
- Always** effectively communicate **issues/risks** to Stake Holders **ASAP**

# What should we do?

Acknowledge the challenge and **difficulty** of aligning expectations and perceptions across a diverse set of stakeholders, which is a **fundamental obstacle** to project success.

# Constant Effective Communication

“Communication has been identified as one of the single biggest reason for project success or failure.

“Effective communication ... is essential.”

PMBOK V5, Section X3.4, page 515

# Don't confuse *Efficient* with **Effective**

**Efficient** communication means providing only the information that is needed.

**Effective** communication means that the information is provided in the *right format*, at the *right time*, to the *right audience*, and with the *right impact*.

PMBOK V5, Section 10.1, page 290

# Summary

- Truth, Honesty, and Effective Communication builds **Credibility**
- Effectively Managing Stakeholder Expectations builds **Success**