PMO STRATEGIES: AVERTING PROJECT DISASTER

Understanding why projects fail and how to improve your powers of recovery

PMO Strategies:

Averting Project Disaster

KEY FACTS:

- NEITHER PROJECT TEAMS OR LEADERS CAN ALWAYS EVALUATE A PROJECT IN DANGER OF GOING OVER BUDGET OR NOT DELIVERING ITS PROMISES

- OFF TRACK PROJECTS THREATEN BUDGETS, CUSTOMER RELATIONSHIPS, PROFITS AND REPUTATION

- THIS WHITEPAPER WILL HELP YOU RECOGNISE WHEN YOUR PROJECTS ARE IN DANGER OF FAILING AND WILL PROVIDE A SERIES OF PRACTICAL STEPS FOR SUCCESSFULLY TURNING UNDER PERFORMING PROJECTS AROUND.
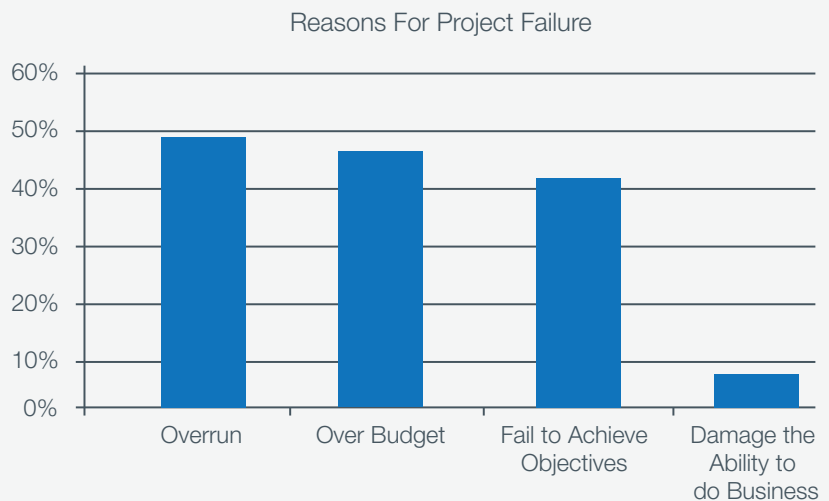
Understanding why projects fail and how to improve your powers of recovery

In business, as in life itself, no project worth undertaking ever comes totally risk free. It's a sort of unwritten rule: if you want to reap the rewards of success, you also have to run the risk of failure. The bad news is that there are no exceptions. But the good news is that the greater the risk, the bigger the potential rewards.

In 1942, Winston Churchill famously said, "He who fails to plan is planning to fail." And let's face it, his project was a lot riskier than any undertaken by a business. He had a war to win; all we have to do is win customers. But just like in war, not everything always goes as planned. Strategies need to be altered, targets amended, and more than a few battles are lost along the way. However, all these events are not defeats, but merely setbacks. The important thing is that we learn from them and know how to recover.

Why most projects fail

Most business projects fail through a lack of planning, control or communication. Often, it's a combination of all three. Study the Reasons for Project Failure chart and you'll discover that almost half of all projects take longer to implement than first anticipated. So, not surprisingly, a similar number end up costing more to implement than was originally budgeted. And remember, these are the success stories.

Reasons For Project Failure

An alarming 41% of projects fail to achieve their objectives at all, whilst others actually have a damaging effect on an organisation's ability to do business. And perhaps even more depressing is the fact that these percentages are based on what companies are prepared to own up to – the real figures are probably higher still.

Nobody plans to fail

It's fair to say that the goals of any project are unlikely to include spending a lot of money, wasting a great deal of time, replicating all the existing problems, and failing to create any market advantage whatsoever. But after many months of genuine effort and endeavour, this is often the result. What's more, at some stage in its lifecycle, just about every project will be heading for failure. Guaranteed. Even the ones that are seemingly on time, on budget and currently delivering the plan. The trick is to spot when failure is looming and to do something about it before it strikes.

Recognising where you are

Strange as it may sound, the people who are closest to a project are often the least equipped to see when it's going off track. Signs that are blindingly obvious to a third party are simply not visible to someone only looking for success. It's a bit like a marriage that's hit the rocks. Couples see only the positive and not the negative, and it takes a marriage counsellor to point out exactly what has gone wrong and how to get back on track.

So what happens when a project deviates from its planned route and you don't seek professional intervention? You run the risk of never being able to successfully recover it, or achieve any of the original objectives. That's the worst-case scenario. The best-case scenario is to seek help from an organisation with years of experience in not only identifying where and when a project has gone wrong, but who also knows exactly what to do to put it right.

The challenge for organisations

Most individuals only ever undertake one or two really difficult transformation projects in a career. Partly because the risk to their reputation is so great, and partly because the commitment and stress levels to deliver the project are so high. Once bitten, twice shy, as they say.

But the truth is that no organisation can permanently afford to shy away from dealing with the risks of a wayward project. Burying your head in the sand is simply not an option. Of course, there will always be those who claim to thrive on this kind of challenge and pressure. It's what the "serial project protagonists" would have us believe is their raison d'etre.

These people can smell a problem long before it arises. They are able to detect the million microscopic deviations from plan, the misunderstood messages and half-hearted actions that are slowly bubbling away within an organisation and are destined to culminate in a calamity somewhere down the line. They not only understand Chaos Theory and the Feedback hypothesis that drives it, they can also apply this in a practical sense to the projects and programmes they control.

Where to find these people

Usually, these rare individuals are successful programme and project managers operating as independent contractors, rather than staffers within an organisation. Thanks to their considerable knowledge and expertise, they're able to add huge value to a client's transformation programme by reducing risk and ensuring effective escalation, communication and decision making. The result? A project that is either kept on track or one that can be successfully recovered if it has started to stray.

KeyedIn™ Solutions was founded by people with these skills. Our team of consulting partners has lived and breathed projects and programmes in business transformation within both enterprise software and business process outsourcing. Many times over the years, their considerable expertise, experience and knowledge has been the decisive factor in helping organisations initiate, salvage and manage success from the most complex of situations.

No shortcuts in delivery

Projects are complex, living organisms that need feeding, social stimulation and guidance if they are to deliver their potential. They are brought together to achieve a defined result, using identified resources and budget, within an agreed timescale. As such, each project is a one-off; an original collection of aspirations, hopes, dreams, challenges, capabilities and outcomes.

There's no secret recipe that will deliver guaranteed success. No silver bullet and no fool proof strategy. Success only comes through setting the right goals and building a team with the right knowledge, experience and capability. Added to this, you need the right level of funding and support, plus a pragmatic, tactical and flexible approach to the implementation.

"The art of communication is the language of leadership" John Humes

The one critical factor in all successful projects is shared understanding and clear communication. Without these two elements all projects will fail – particularly large, high-capital ones that involve a great many people at a great many levels.

Sure, you need a strategy and a set of well-defined tactics. But a failure to effectively communicate either of these is as bad as not having them in the first place. As George Bernard Shaw once said, "The single biggest problem in communications is the illusion that it has taken place." Be under no illusion. Be sure it takes place.

Flexibility in approach is another key factor in success. If you fail to adjust to the changing environment, it may not result in the failure of the transformation, but it will ensure that you take the long way around. And, of course, if you set the wrong goals right from the start, then no amount of hard work will bring you success.

Remember, every change you make has an effect on the outcome. So keep the feedback loop at the front of your thoughts at all times. Those thousands of tiny, imperceptible, sometimes irrelevant, often unknown changes all join together to define your life, your career and your project. And, above all, remain focused on the objectives, the delivery, the business case, the cost and the expected outcome.

How to create success

Although there's no simple formula for success, there are a few rules. Many of these have been encapsulated within project methods like Prince2 and PMBOK. However, these are not enough on their own. The key is in the very definition of a project itself.

1. A unique organisation – Clear objectives, shared understanding, open communication

2. A defined result – A widely-shared view of what success looks like in a business sense

3. Identified resources – A realistic appraisal of the effort and cost based on something more scientific than luck or hope

4. Agreed timescales – Timely and realistic deliverables with contingency plus an honest appraisal of capability, openness to change and the current maturity of the organisation factored in

One of the most important elements to creating success is making sure the scope of work and the business environment are not only aligned, but will also support successful change. The reason why human beings have become so dominant on the planet is partly because they learned to do something no other animal has ever done: they learned to adapt by manipulating their own environment.

Success in projects is no different. It's about doing the right things, at the right time in the right way, within an environment that will enable you to be successful. In fact, the most important element in the creation of success happens right up front – when you define the project and what success will look like.

KEY FACTS:

• WE SUGGEST THE USE OF PRODUCT BREAKDOWN PLANNING THAT FOCUSES ON PROJECT AND BUSINESS DELIVERABLES, RATHER THAN TASKS.

It's critical to make sure that your project is deliverable. Set phasing and timescales that you are comfortable with in the context of your organisation. Create a degree of buy-in at every level that means you are preaching to a converted audience. Ensure that communication is open and free-flowing. And make sure bad news is escalated effectively so you can minimise the damage caused by rumour or conjecture.

Remember, success isn't just about having the right systems and processes in place. It's about individuals and how they interact. It's about creating trust, faith and focus. Success can only be achieved if you set out a destination and lead your team in such a way that they aren't completely exhausted when they get there.

The KeyedIn™ Plan for recovery

Often the first indication of a problem is a sudden and very acute demand for information. This is usually driven by the executive team and is triggered by the volume, rather than the content, of pushback from the business. This urgent demand to understand where the business is, the issues involved and the options available serve only to further disrupt delivery of the critical path.

The key to salvaging both the reputation of the project is speed and openness. The diagram below illustrates each of the crucial elements necessary to affect a successful and controlled recovery.
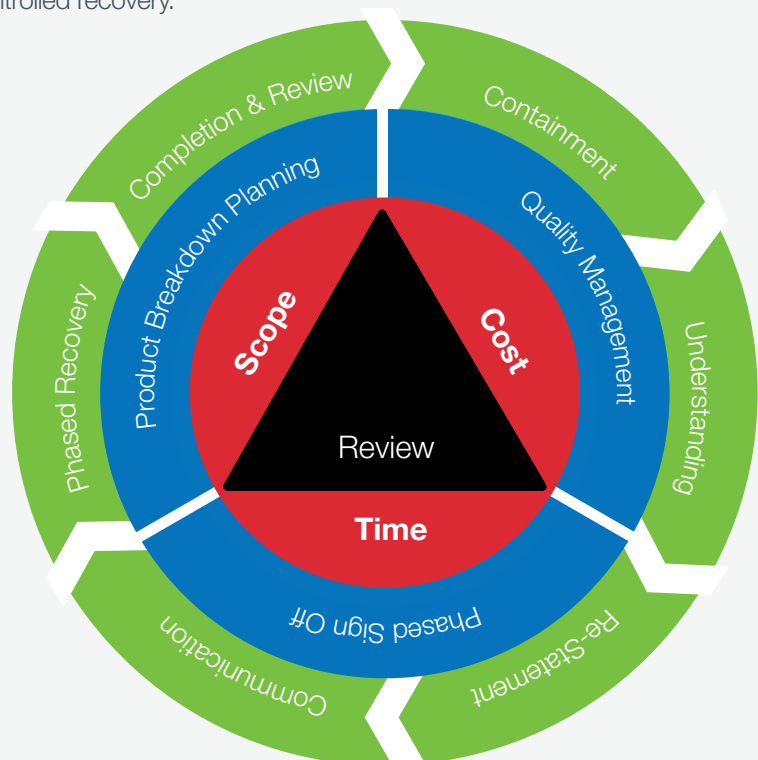
Containment: Shutting down the back channels and noise ensures that the problem is identified and controlled.

Understanding: Establish where the project is currently at and what the options are going forward.

Re-Statement: Re-alignment of the plan, budget and scope with what can now be achieved alongside a viability review of the business case.

Communication: Re-engaging the users and the wider business, giving assurances that everything is in hand and demonstrating the way forward. Presentation of the revised business case and significant senior executive support is vital at this stage.

Restarting the project

Only after this process is complete should you attempt to restart the project. And that process is very different from the original plan. We suggest the use of Product Breakdown Planning that focuses on project and business deliverables, rather than tasks. These are easier to assign to focused working parties and make the overall approach to planning more dynamic and agile.

Phased Recovery Plan

The identified deliverables should be tied to a Phased Recovery Plan. This is built around the capability and resources of the business and is designed to re-establish trust and faith in the project. In order to keep the business on track, it is vital that all progress is continuously communicated and every milestone delivered is both acknowledged and celebrated. What's more, dissent needs to be discouraged by the executive team and, as far as possible, all non-official channels of communication should be shut down and replaced with greater transparency and visibility.

Phased Sign-Off and Project Review

It goes without saying that quality is key. In our experience, teams are more vigilant about quality issues following a restart, which means that more effort is required during the sign-off and Q&A process for each deliverable. Potential disruption to business and downtime required to meet these raised standards also needs to be communicated in advance and a clear test plan shared with everyone involved.

This is managed through the Phased Sign-Off process, which forms the key communication method for the Project Board. This includes a deliverables review, risk and issues updates, plus the output from the continual evaluation of the business

KEY FACTS:

- OVER THE YEARS, WE'VE IMPLEMENTED HUNDREDS OF SUCCESSFUL RECOVERY PROJECTS, WHICH MEANS WE'RE IDEALLY PLACED TO EVALUATE AND QUANTIFY EXACTLY WHERE YOUR ORGANISATION IS RIGHT NOW. AND IF YOU'RE OFF TRACK, WE CAN HELP YOU GET BACK ON IT.

case. These phases and sign-offs are repeated through the completion of all of the deliverables and, ultimately, the successful outcome of the project.

Finally, the Project Completion and Review process performs a vital role in helping us to understand what went wrong, why it happened, and what needs to be done in the future to ensure that it isn't repeated.

Why take the chance?

There's little doubt that the failure of a project can have severe consequences both to a business and its reputation, as well as the long-term careers of its people. But unfortunately, there's no such thing as a risk-free project. All come with varying degrees of difficulty and risk. And, as the name implies, Business Critical Projects carry more risk than most.

However, people rarely get fired because a project goes off the rails. It's a failure to recognise the signs and act promptly and accordingly that often rings the death knell in an executive's career. But it doesn't have to be like that. Opportunities are almost always present to correct the errors, begin the recovery, and save the project. It's just a question of having the ability to correctly interpret the risks, devise a suitable plan, and effectively manage the entire recovery process.

And that's where we at KeyedIn™ Solutions can help. Over the years, we've implemented hundreds of successful recovery projects, which means we're ideally placed to evaluate and quantify exactly where your organisation is right now. And if you're off track, we can help you get back on it.

About KeyedIn™ Solutions

KeyedIn Solutions is focused on helping organisations simplify processes, improve performance and drive results. The company's Cloud-based software systems not only offer greater flexibility, but effectively scale as business needs dictate and can be implemented quickly, delivering a measurable ROI months, or even years ahead of on-premise systems. And KeyedIn offers a true SaaS model, making its solutions affordable for every budget.

KeyedIn Manufacturing is an ERP system that helps custom manufacturers work smarter so they can increase productivity and bring new products to market quickly, for a distinct competitive advantage. KeyedIn Projects, the company's project management suite, helps businesses and professional services organisations improve everything from project initiation to execution by managing programmes based on top-line strategy and delivering profitable projects to the bottom line. And when new solutions need to be developed quickly, KeyedIn clients turn to KeyedIn Flex, the company's rapid application development (RAD) platform for affordable applications designed just for them.

When businesses need results fast, they look to the Cloud – and turn to KeyedIn Solutions. You should too. Keep up with us at **www.keyedin.com**

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