

## Why Do so Many of Our Projects Fail?



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**Summary: Project failure can be caused by how executives initiate projects, how PM plan and execute and how team members do their jobs.**

### 70% Project Failure Rate

Far too many organizations fail on the majority of their projects. The inability to deliver on projects weakens market position, lowers customer service, impedes cost-containment and much more. Sometimes people think the problem lies entirely with the project managers. Let's look at how organizations impede their ability to deliver business value on time and on budget from their projects. We'll see they need solid performance from project managers, sponsors, team members and portfolio managers to be successful.

### In the Executive Suite

An executive is meeting with two subordinate managers and says to them, "Now this project has to be priority number one. Drop everything else because our very survival may depend on doing this project right!"

One of the managers says, "Didn't we do that same project last year? I mean the acronym we used was different but boy, this project seems familiar."

The other manager says, "You're right. In fact we've done this 3 times since I've been here."

The executive snaps, "Yes, and each previous attempt failed."

The two managers exchange a pained look as the executive goes on, "Now, I have two other ideas for projects that I think will gain us a significant competitive advantage. So here is what..."

The first manager interrupts with a groan, "You always have great ideas, boss, but our plates are full. Our line managers and professional staff are working half time or more on projects and their real jobs are suffering."

The executive frowns and says, "I know what's going on down there and there's plenty of time to squeeze in a few more projects. Your people just have to work smarter not harder!"

### In the Employee Cafeteria

Two professionals with heavy project workloads meet at an empty table in the company cafeteria. The first professional grumbles, "They gave me three new project assignments this morning."

The Second professional laughs, "You haven't been at this very long, have you. They're always starting new projects but if you try to do all of them, you'll die miserable and alone. There are

so many half-done projects floating around that no one can remember them all. My rule is that if no one's talked about a project in the past month I don't do any work on it."

With surprise, the first professional says, "But when we start these projects the boss says I am committed to the estimates and completion dates."

The second professional laughed again, "Oh yes, you're committed. Has the boss asked you about any of those old projects recently?"

"Well no."

"Then they're dead ducks. Work on the projects people are screaming about."

"But I've put hundreds of hours in some of those old projects. Does the organization want me to just throw that time away?"

"Not only do most of the projects fail around here but I think we waste about a third of our time on projects we never finish. That's why you shouldn't get excited about flushing another one down the drain."

## **Project Managers on Parade**

An experienced project manager leans against the wall of a cubicle belonging to a newly promoted project manager.

The rookie says, "This is a little scary. The way my director was talking this morning, the whole world may end if this project fails. I'm gonna tell my fiancé not to expect me to leave work early any night for the next six months. The boss said this is priority number one! I'm worried that I'll be in real trouble if I don't bring it home on time and on budget."

The experienced project manager laughs and says, "I promise you that after you have heard that speech about 50 times, you'll laugh too. On the first day, they talk loud and long about how important the project is. But when you ask them to spend an hour or two planning this critically important project, they're too busy. When you ask them to make sure that project team members from other departments actually show up to work on your projects they're too busy for that too."

The rookie relaxes and says, "Okay you've been there and I haven't. I'll take your advice. Can you tell me how the company wants project plans and schedules put together?"

The experienced project manager laughs chuckles again and says, "We have no standard methodology. Every project manager in the company just wings it. Anyway, how can you possibly put together a plan when executives make you start work before they decide what they want? When you try to define the scope or even ask what the project is supposed to produce, what you usually get is a long speech about how we need to react quickly and stay flexible. So the best thing to do is write down what they want you to do first and do it. Then go back and ask them what they want you and the team to do next. They want to micromanage everybody anyway so there's no sense doing a lot of planning, and schedules are always a joke."

The rookie gasped and said, "You have got to be kidding. This is a successful organization. How can we not have project plans and schedules?"

The experienced project manager smiles and says, "I'll help you with that. I've got a bunch of old project plans and some really big work breakdown structures. Take them and do a copy and

paste job. If anyone asks, you'll have a really big plan and a highly detailed work breakdown structure that no one will ever look at anyway."

## Portfolio Management

Two middle managers are discussing resource allocation.

The first manager says, "Did you see the deliverable that came out of our Delight The Customer project?"

The second manager replies, "Oh yes, the project was late and over budget and the deliverable was useless. Aside from that it was a great project."

The first manager grumbles, "Well, I'm just delighted that I had three of my people on that effort full-time for four months. But the really great news is they are continuing phase 2 and they want four my people for who knows how long."

The second manager sighs, "Why don't they just kill that pig of a project and let us use our resources for something that has some business value?"

The first manager gasps, "Do you want to be burned at the stake? That project is the sacred cow of the operations division and it will continue, probably for years, until the vice president passes on to his final reward."

## Summary

Organizations that consistently deliver business value from their projects on time and on budget perform well at every level in the enterprise project management process:

- ❑ They control the initiation of projects; planning, approving and monitoring projects based on the business value those projects produce.
- ❑ They manage the pool of project resources much as they manage their capital budgets, allocating people's time and money to projects based on the payback.
- ❑ They follow a consistent methodology for all projects, holding people accountable for unambiguous achievements.
- ❑ The project management methodology is scalable so they don't bury small projects in unnecessary paperwork and an elaborate project management process.

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