

Why Do So Many of Our Projects Fail?



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Summary: Project failure is not always the fault of just the project manager. Most of the lessons learned analyses we do identify problems with the performance of executives and team members as well. The solution is an organization-wide methodology with clear roles for everyone and some coaching by project managers.

70% Project Failure Rate

Project success = Produce planned deliverables, within budget and on time (including approved changes).

We find that 70% of projects fail in most organizations with the above success definition. That failure rate wastes so much money and human resources that even a small increase in the success rate is worth a lot. The solution is not easy because these high failure rates are caused by poor performance or lack of project skills at three levels in the organization: executives, project managers and team members. Project managers should coach both executives (subtly) and their team members (directly) about their roles.

Executives Role:

Executives set clear strategic objectives for projects, ensure all projects yield business benefits, and allocate resources based on priorities

Most executives fail at both parts of their project role. Instead, they operate like this.

An executive calls two subordinate managers into a meeting and says to them, "Ok, we have a mess in customer service and we have to fix it. This has to be priority #1. Drop everything else and clean up the mess with new systems and procedures and whatever else we need for World Class Customer Service! In fact call it that, the WCCS project."

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

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

The executive snaps back, "Yes, and each previous attempt failed. Let's do it right this time."

The two managers exchange a pained look as the executive goes on, "Now, I have two other ideas for projects to cut cost and improve service. So here is what..."

The first manager interrupts with a groan, "You always have great ideas, boss, but our plates are full. Our first-line supervisors are already spending half their time on projects and their real jobs are suffering. The engineering and technical staffs are all working 70 hour weeks. Something has to give."

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!"

So instead of clear unambiguous objectives we get mission statement mush, no assessment of business value and a refusal to tackle the politically difficult chore of setting project priorities for resource allocation.

Project Manager's Role

Project managers conceive, manage and control projects with best practice techniques to ensure the projects deliver their planned outcomes efficiently

Many project managers fail in their role too. Instead they operate like this:

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

The rookie looks up and 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 to the surprised rookie, "You'll laugh too after you've heard that speech about 50 times. 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 the 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 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 gasps and says, "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 replies, "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."

So instead of the project managers pushing for best practices, they perform like order-takers at a drive in restaurant giving little thought or energy to planning or how to avoid problems before they occur.

Project Team Members' Role

Team members make accurate estimates of the work and time, report status accurately so problems can be identified early

Many team members fail in this role. Instead they operate like this;

Two technical professionals with heavy project workloads meet at an empty table in the company cafeteria. The first professional who is new to the company grumbles, "They gave me three new project assignments this morning. I was afraid to say anything but there is no way I can get them all done by the due dates they have already set because it is more work than three people could do."

The second professional laughs, "They're always starting new projects and if you try to do all of them on time, you'll kill yourself for nothing. Just pad the estimates by 50 or 60% so they can't blame you. Besides, there are so many half-done projects floating around that no one remembers them all. My rule is that if no one has 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, just like the ones they set two weeks ago."

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

"Well no."

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

"But I've put dozens of hours into 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."

So instead of accurate estimates we get project team members who are primarily concerned about avoiding blame.

Summary

Organizations that consistently succeed with projects 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.

To learn a complete methodology for project success, consider our [individual training on the web](#).