The Blame for Failure

When business transformation / ERP projects fail (the failure rate is over 73%) there is often a rush to judgement over where the blame should be placed. The most likely scapegoats will be:

- 😟 The project manager (PM) assigned by the organization's executive; or,
- 😒 The technology supplier; or,
- 😖 The I.T. department; or,
- 😉 The third-party consulting firm contracted to ensure that the project is a success; or,
- 🙄 Any combination of the above and / or other people / organizations that didn't contribute positively towards the outcome (or outright sabotaged it).

Reality…

Reality is that many of these projects fail before they begin due to the executive management's lack of knowledge and / or experience in directing, managing and controlling these projects. So, they 'delegate' the authority to an internal PM who may, or may not, be just as inexperienced. Unfortunately…

- 😐 The PM may be subject to various 'power people' within the organization that can destroy a good plan because of their own actions. The PM, unless empowered by the executive branch, may not have the authority to deal with that powerful person effectively and without personal ramifications.
- 😛 The technology supplier, understanding that inexperienced people don't know how to validate the supplier's claims, aren't necessarily honest (how's that for political correctness?) in what they present as functionality, implementation effort, budgets or other significant items that are important to the success of the project.
- 😉 The third-part consulting firm may not be as 'independent' as they should be when recommending the solution and services providers for the implementation.

Case Study

This is a true case study. I'm not going to provide too much information regarding the people and organizations involved, but here are some basics.

- The organization is a single-site manufacturer that provides products that are typically configured-to-order (a basic product model that has options).
- They ship products both domestically and internationally.

- The configured products may require some engineering work in order to fit certain options onto the basic model.
- They supply some on-site services for clients.

When the relationship between the ERP partner organization and client had become strained (politically correct method of putting it), Emercomm replaced the original implementation services organization. What we found was:

- 😟 The project manager (PM) was a good person to have in the role. He was also the I.T. manager, relatively new to the organization when compared to others on the management team and didn't have lots of experience with ERP solutions.
- 😒 The technology supplier had definitely misled the team on some significant items.
- 😖 There was a V.P. that had their own thoughts on how some project tasks should be dealt with.
- 😉 There were a couple of people that would be critical to the success of the project that didn't have the time set aside to be able to tackle project tasks properly or in a timely manner.
- 🙄 There were two family members, and some long-time employees, which would have the necessary changes in process impact how they would work…and that didn't sit well with them.
- 🟢 There were many other people that were 'all in' for implementing the new system.
- 🟢 The PM had organized a 'project room' that would be used for project meetings, keeping sample documents and notes on the wall, etc.
- 🟡 Very few people understood the relationships between the functional areas of an ERP solution.

Actions taken:

- 🟢 Determined that the ERP solution that was chosen would, with the major issue resolved, work for the client's business.
- 🟢 Provided support to the PM regarding project status, critical next steps and identification of organizational change requirements and methods to overcome those issues.

- Reviewed the major issue requirement and utilized one of our resources to remedy the issue.
- Reviewed the documentation provided during the acquisition period and project reports provided by the initial service provider during the implementation.

📞 Contacted the service provider on behalf of the client, presented our findings and negotiated a settlement.

- Provided an analysis of the time that would be required by critical resources in order to accomplish a 'go live' within five months (agreed to by the owner).
- Met with the people that weren't fully participating in getting the project completed. Explained how the changes to their daily routines would actually reduce the amount of time it took them to do their work. We also explored how the system would proactively highlight some issues they were having and how they could deal with them before they became problems.
- Spent time with all team members explaining how functions and data input from previous process stages provided information they would use and how their functions and data would impact people / functions downstream from them.

💥 Remember the VP that had their own thoughts on how some things should be done? He was one of those 'power people'.

One of his issues was the loading of the bill of material and routing information into the ERP system. His thinking was that a download from the CAD database into the ERP database would be the best way to do it.

- The previous service provided had recommended against it.
- The CAD solution provider recommended against it.
- We recommended against it and provided an alternative solution that worked without undue risk for many previous clients. There was also the potential of additional benefits.
- 😡 The VP insisted on having it done his way.

Note: ~75% of the CAD records were deemed historical as they were configured products that had been delivered to customers and / or discontinued products.

Result:

1. Many of the CAD records had the same part number for the top-level configured part and the primary part that other parts were added to in order to produce the finished product.

- For resource planning / management and product costing to be able to work properly, ERP solutions need to be able to differentiate between a part being produced in a final assembly / quality management work centre and the preceding paint line operation the occurs in a different work center (the two spellings of the one word are my way of being inclusive 🙄).

- There were thousands of errors rejected by the ERP system.

2. Based on the time it took to produce and execute the programming for the download, the project plan was delayed by more than two months (impacting an already decimated ROI expectation) and changing the project resource plans. There was also a substantial cost, both directly and indirectly, to having the work done and fixing the issues.

- The impact on the rest of the immediate team, and others in the organization, was the loss of confidence in the project's management.

- The project manager / I.T. manager considered an alternative form of employment.

- Four months after when the ERP system would have been fully implemented, the issues with the data loading were still impacting the project.

One of the interesting outcomes was the attempt to try to put the blame on the consultants. A quick review of the minutes of the weekly project management meeting resolved that issue.

THE BLAME GAME – WINNER!

In reality, if the executive management doesn't invest the time and effort into becoming educated on the best practice methods of qualifying, providing direction to and managing these projects, the Blame Game has its winner.