



Why do we let projects fail?

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Andrew D Millington : Project Management Consultant



30+ years project and programme capability enhancement and delivery experience across many sectors and industries

Defence; IT; Technology, Government; Consulting; Engineering; Construction; Education; Aerospace; Transformation

- MBA Leading Complex Projects, Programmes and Portfolios
- Advanced Leadership Development Programme
- Management Development Programme
- ChPP (Chartered Project Professional) RPP (Registered Project Professional)
- Fellow of APM, Fellow of Institute of Leadership & Management, Fellow of Controls and Skills Authority (ACOSTE)
- ECITB Accredited Trainer

Author, contributor of:

- 50 Projects for a better Future
- Pre-Mortem – a new approach to risk
- How to fix projects without tools
- Leadership vs Management
- Snowball effect

Judge for:

- APM Annual Awards
- Project Controls Expo
- Education and Research Awards

Trainer professional qualifications from project fundamentals to CHPP

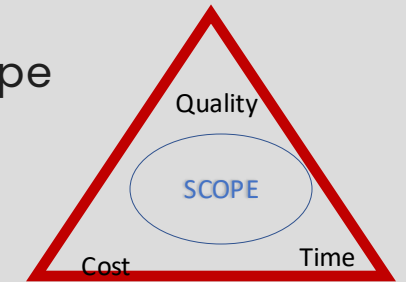
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What is a Project and what is success

- Project is a unique, transient endeavour, undertaken to achieve planned objectives, which could be defined in terms of outputs, outcomes or benefits
- **Or for a bit of fun:**
 - *Project is a means to an end to create a unique product, service, or result, which will probably be late, over budget, and have little resemblance to the original vision. It will involve countless long boring meetings, endless emails, many issues and at least one crisis. Upon completion (or abandonment), it will be replaced by another, equally chaotic project that everyone can then happily join*
 - *The primary purpose of a project is to provide employment for project professionals and give everyone else something to moan or complain about or use as an example of how to fail.*
- Project success was the iron triangle, budget (cost), schedule (time), quality and met the scope
- Project Success can be:
 - Product success
 - Is the product/service fit for purpose, is it being used as intended?
 - Does the product/service function as expected? (software, is it stable, user-friendly, and performing well?)
 - Business Success / Benefits Realization
 - Contribute to the business goals? (revenue, reduced costs, efficiency, customer satisfaction, market share, in line with strategy).
 - Expected monetary or non-monetary benefits? increase in sales, reduction in processing time, improved employee morale).
 - Did the project achieve the goals of the business case?
 - Stakeholder Satisfaction: Customer/Client Satisfaction:
 - Did client receive what they wanted, are they satisfied with the result and the process?
 - Are the end-users happy with the product or service and finding it useful?
 - Is the project sponsor satisfied that the investment was worthwhile and that the strategic objectives were met?
 - Was the project completed in a way that maintained good team morale and fostered growth?



What is failure?

- A project could be considered a failure for multiple reasons:
 - Product/service not fit for purpose
 - ROI not met, Benefits not realised
 - Late, overspent, stakeholders, etc
- Failure is subjective, however sometimes, so called “failed” projects still achieve significant results:

- Sydney opera house – Architectural masterpiece, Global Icon, huge economic impact, World Heritage site
 - Original budget A\$3.5M, actual A\$102M
 - Schedule - 4 years expected completion Jan 1963, actual October 1973



- Concorde - Huge engineering feat, aviation innovation, pushed the boundaries of travel
 - Original budget £70M (1962), £2.1 billion in 1976
 - Lack of demand for aircraft, expensive, intense maintenance, environment issues, sonic boom restrictions over land



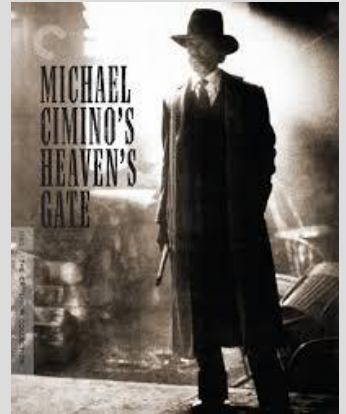
- Channel tunnel - Huge engineering success, UK part EU, technical & strategic success, financial and project failure
 - Original budget £5.5B, actual £9B (int etc £15B), 5-year schedule, 6 years actual
 - Overestimates passenger numbers, emergence of cheap air travel, complex financial model, complex organisation



What is failure?

Some projects in hindsight appear to have followed an interesting strategy resulting in failure:

- Sony Betamax – first to market, better quality than rivals, smaller tapes, technically superior
 - Proprietary, couldn't rent a machine
 - Tapes initially recorded 60 minutes
- Heaven's gate – visionary film, now has cult following, considered a masterpiece
 - Original budget \$11.5M, actual \$44M : 4-month schedule , actual 1 year, shot 1.3M feet of film (220 hours)
 - Original film was 5.5 hours, flopped at the box office, cut to 3.5 hours and rereleased, UA studios went bankrupt (The Final Cut)
- Garden gate bridge
 - Vanity project £53.5M spent and nothing ever delivered
 - Well, a few pictures



Why do we let projects fail?



Let's meet some of today's characters



Alf – Alpha male

- Confident Self-Assured.
- Dominant Leader
- Decisive & Assertive
- Resilient
- Great starter and fixer
- Just takes control
- Thinks he is superman, ready for any emergency



Cheap as Chips

- Soap box storyteller
- Believe they are multi talented
- Loves a whiteboard
- Undermines estimates, EV, progress and outturn costs
- Shirks responsibility
- Dangerous in reviews



Clue-low

- Clueless - but self aware
- Gets involved - doesn't contribute
- Plans are pictures or bar charts
- Doesn't grasp Project Management
- No qualifications
- Always seems busy – too busy
- Uses incompetence as a weapon
- Makes you feel sorry for them

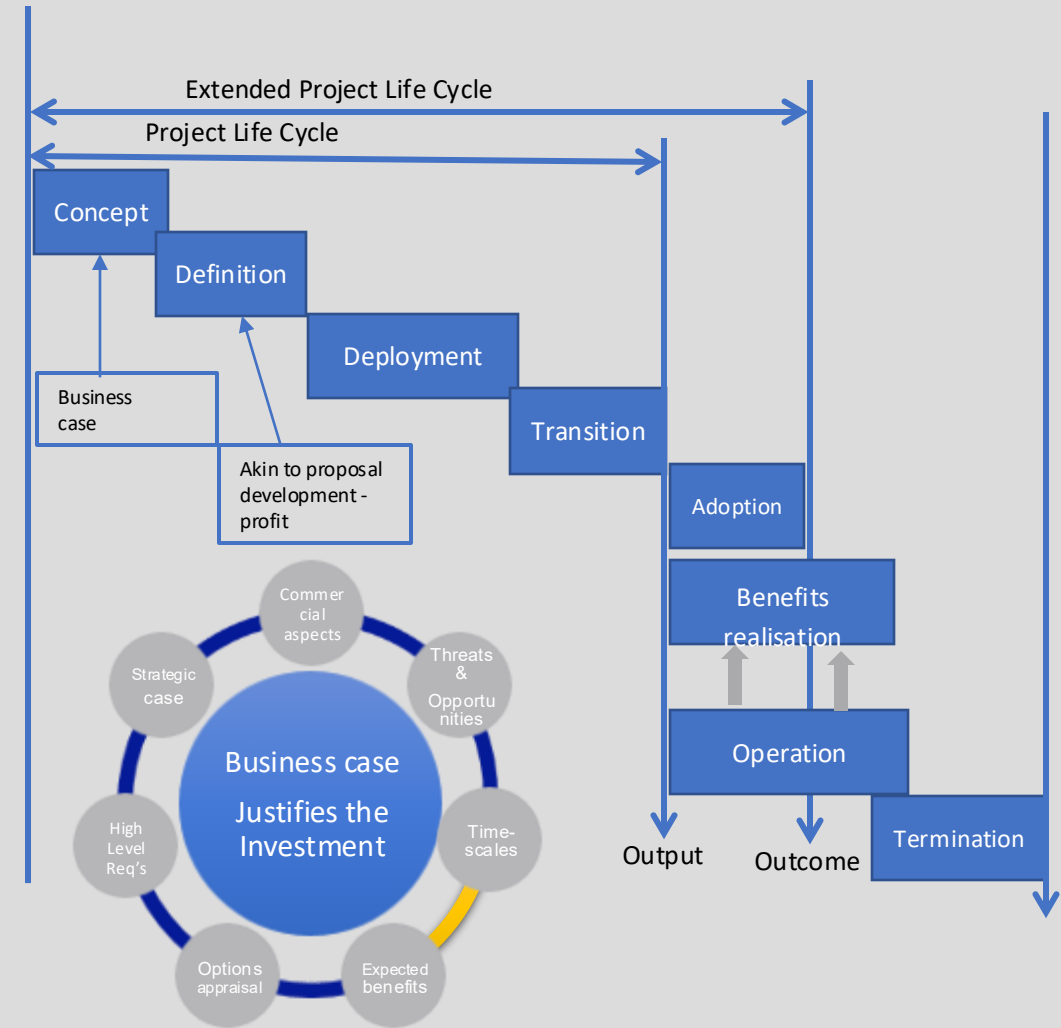


Whisperer

- Enjoys the game
- Cozies up to team members
- Ignores 'Chatham house rules'
- Tries to align with leadership team
- Gathers info, & informs
- Believes they are doing the right thing
- Involved in 'off project' activities
- Can create internal conflict

Let's go right back to the beginning....

Whether your project is for an external customer or is an internal change initiative it probably starts off like this:



Why do we let projects fail – Bid - Pre Mobilisation

Cliches: No schedule withstands 1st contact, It's a moving target, we'll not win this bid if we are honest, that's a perception issue, let's not boil the ocean, I've won more bids than you've had hot dinners,... repeated countless times like a ritual or prayer

Given the rigour and effort involved in defining the baseline, countless reviews, use LFE and SWOT, PESTLE, VUCA brainstorming etc.
'Why do we let projects fail'

Bid phase

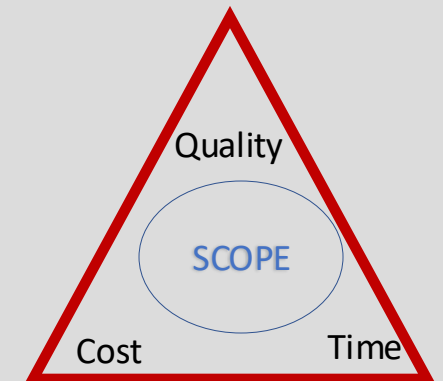
- Desire to win starts to cloud our judgement
- Exaggerate Business case benefits, ROI or Profit and market position
- Ignore Complexity
- Reviews
 - Present Balanced & realistic Estimates based on, LFE, expert judgement, 3-point, modelling, industry Norms
 - ALF and Cheap as Chips rubbish these and start to 'optimise' timescales and costs
 - Start to view the supply chain proposals by their price rather than their expertise, value and quality
 - Reviews end up like a 'fight in a phone box'
 - Groupthink starts to emerge with psychological safety becoming important

Down selection or BAFO

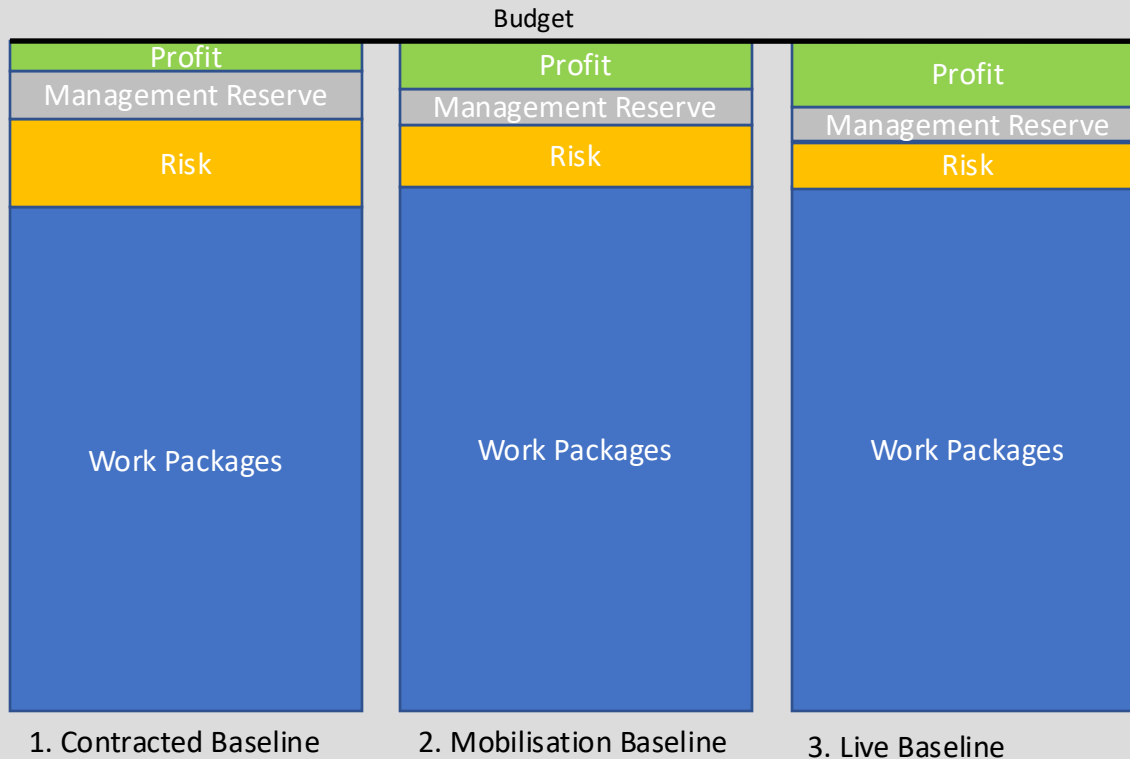
- Dangerous territory - 'Caution often thrown to the wind'
- Prices reduced by greater % than the agreed tolerance
- 'Bought the work' becomes a fact not a cliché

Contract award

- Clarity and specifics can lead to further changes or additions
 - No change in price or timescales
- Accept original dates even though contract negotiation has taken weeks/months
- We start to believe in changes
 - Optimism and the cash cow



Why do we let projects fail – Baselines

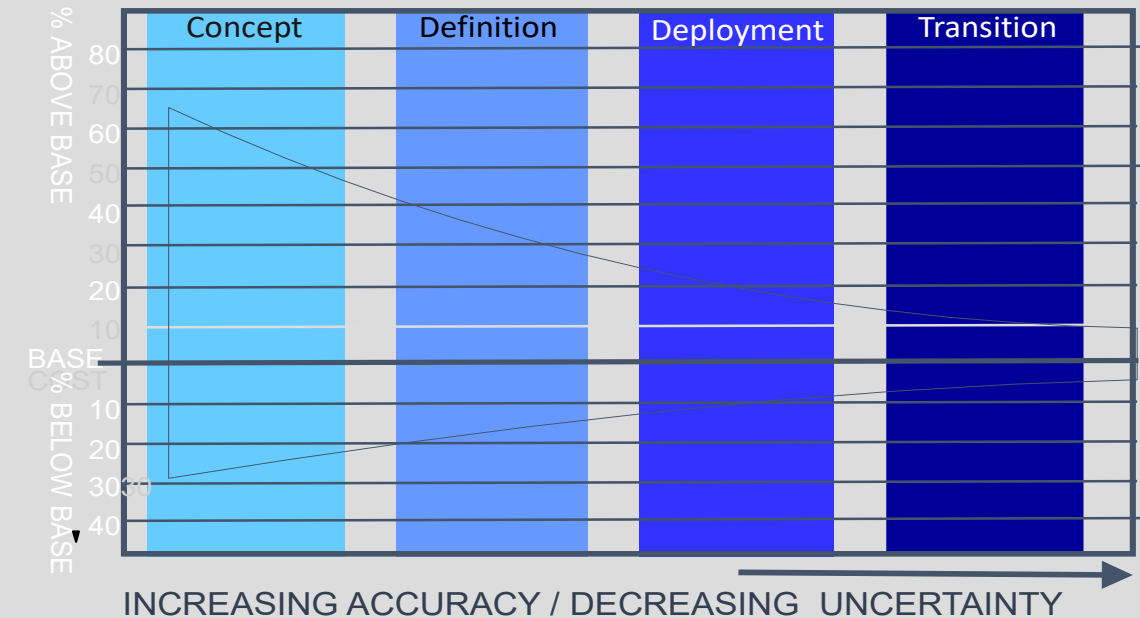


As can be seen Baseline 1 and 2 are different:

- Reprofiled risk, greater profit, change to scope
- Overall budget hasn't changed just its composition
- Could be positive as risk, o/ps & outcomes are better understood
- Overconfident, optimism bias or challenge have come into play
- 'Squeezing the baseline'
- Live Baseline (spend, progress, EV, EAC, ETC)
 - Dynamic and changes throughout project

Live Baseline

- Changes throughout the project
- As per the estimating funnel
- Baseline squeeze at the start challenges team & PM



Why do we let Projects fail – Deployment & Transition

- **On your marks, get set, Let's go....**
 - Months of bidding, contract negotiation
 - Urgency to generate revenue and deploy the staff
 - Improve cashflow (quarter end) and hit first milestone
 - Show the customer we mean business
 - Work out the actual details later (scope, complexity)
 - Come on its rolling wave....



- **Resources**
 - Despite all the planning and promisers
 - Lack of available skilled resources
 - Appointing anyone is better than having no one
 - Clue-Low becomes the PM
 - Mix and match roles
 - Hit the numbers not the skills (X people)
 - Reliance on one or two to coach/teach others



- **Sponsor**
 - Absent Sponsor
 - 1st time Sponsor
 - Narcissistic Sponsor



Why do we let Projects fail – Deployment & Transition

- **Tailor or tailor away**
 - Failure to follow own processes
 - Cut corners, save money & time
 - RACI, governance, change, ad hoc agreements
- **Risk**
 - Lack of qualitative assessments
 - Ignore LFE
 - Risk is a % of work package value
 - Believed to be 'Bunce' or profit not yet tapped
- **Reporting**
 - Happy day reporting
 - Chicken or Mexican shoot-out
 - Dripping Tap
 - Sound of silence
- **Don't stop me now..**
 - Sunk cost fallacy
 - Good money after bad
 - Push push push



Why do we let Projects fail – Elsewhere

- **Stakeholders**

- Lack of strategy and comms plan
- Stakeholders feel ignored and become disenfranchised
- Moving into the 'against camp' from the 'For'

- **Cultural Dysfunction**

- This is the way we've always done it
- Failure is normalized
- No one accepts any blame

- **Conflict**

- Conflict occurs positive & negative
- Needs to be tackled not ignored
- Invisible conflict
- Stress

- **Performance**

- Is this really a high performing team
- Are team members contributing
- Missing deadlines, competence, stress
- Weariness in approach and resigned failure



Summary

No one ever sets out to fail, we all want to succeed and deliver high quality outputs, outcomes and benefits on time and under budget.

But...

- Can get sidetracked by strong opinionated characters who are neither responsible or accountable (RACI)
- Desire to win overtakes rationale
- Operate in a challenging bid or change environment and seek psychological safety by agreement
- Lulled into an optimism bias and believe change will take care of any shortfalls
- Mobilise before fully ready
- Team may not fully form
 - Team members forced onto project, low skill/will & become X type lacking commitment & ownership
 - Sponsor support maybe missing
- Conflict within team(s) and stakeholders can create stress and consume
- Ignore stakeholders and may struggle for their support at crucial points
- Lower our governance and tailor out too much
- Reporting is 'happy Day' and green across the screen
- Complexity and scope discovered late into the project
- Projects are not easy...

Summary

So why do we let projects fail?

We let projects fail not through intent
but
through neglect of the fundamentals of project management.

Any Questions?



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