SOLUTION BRIEF

Are Projects Really Failing?
Actioning a Value-Driven Plan

So is the Glass Half Empty?

The data to the right represents a decline in year-over-year waste. Another study found that organizations around the world waste $1 million every 20 seconds. The question is: why are we still wasting that much? And what can we do about it?

There are many documented reasons for project failure; for some of the common ones, see:

- Top 10 Main Causes of Project Failure
- 101 Common Causes

> **"Data from the new 2019 Pulse survey show organizations wasted almost 12 percent of their investment in project spend last year due to poor performance."**
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> *PMI Pulse survey, 2019*

> **"Organizations are wasting an average of $97 million for every $1 billion invested, due to poor project performance — that's a 20 percent decline from one year ago. "**
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> *PMI, Pulse of the Profession, 2017*

My List of These Fail-Factors Includes:

1. **Lack of alignment with the organizational strategy:** Organizations develop strategies to help them use their resources in the most effective way to achieve their goals. Programs and projects are some of the main tools they use to bridge the gaps between their current "as is" and future "to be" situations. Many projects are developed outside to this framework, and therefore don't contribute to advance the organization. Sometimes, we might initiate, plan, and execute a project in the best way, get to the end, and find out that the organization does not have any place for the outcome(s) of that project.

2. **Lack of effective executive/sponsor support:** Many projects do not benefit from effective executive or sponsor support making every step along the way a major lift for the project team, which ends up demotivating many team members.

3. **Poor requirements development and management process:** Developing "good" or "well-formed" requirements for any initiative is a major endeavor. Requirements have to be understood by the business owners, which means that they have to be developed in understandable languages. They also have to be precise enough for developers and designers, as to avoid misinterpretations. This is hard to achieve, as there are not many easily understood languages that are precise enough. In addition, once the requirements are developed, we need to manage their changes, ensuring only those necessary ones are "allowed." Many projects fail in developing the right requirements.

4. **Lack of/too much planning:** Not planning at all is a recipe for disaster, but too much planning way ahead, when not much is known, can lead to the same conclusion.

5. **Poor risk identification and management:** Risk management starts with the identification of the "real" risks to the project at hand. Most use "general" risks that can be applied to any project, and that are, in most instances, out of control by the project team. This causes a loss of a great opportunity to identify those events that can impact our success and try to do something about them (control). Once they are identified, risks need to be managed on a regular, continuous basis to ensure removal, or reduction of threats, and taking advantage of opportunities.

6. **Lack of/inefficient measurements and metrics program:** With lack of measurements we don't know where we are, and it is therefore very hard to know what to do. On the other hand, a non-targeted measurement and metrics program can consume a lot of resources.

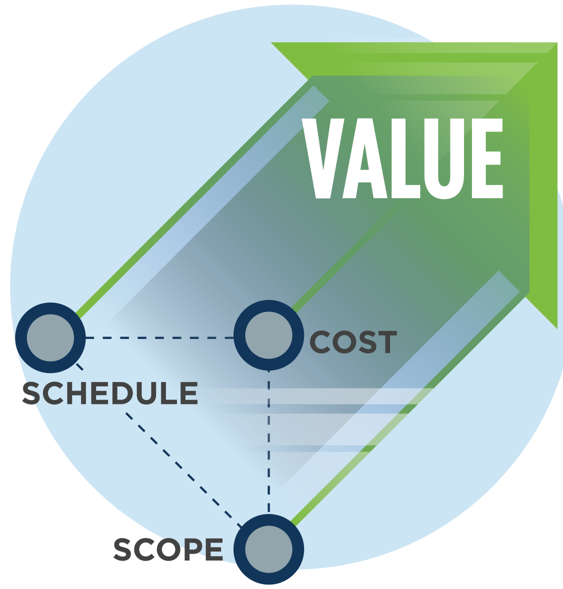
7. **And, the most important one, lack of teamwork:** If we don't have a team, we will not succeed. Projects need the contribution of every member of the team, and all that work needs to be channeled in the same direction — that of the goal of the project. Many projects don't have this, and therefore waste a lot of energy going in all directions, and by the time they realize that, the project is already way too late, way over budget, is not producing what it was set up for, a combination of all these, or worst yet is not producing/adding value.

What Should Project Success *Really* Look Like?

Traditionally, we defined a successful project as one that accomplished whatever it was set up for (scope), within schedule and budget. Lately, many people have been challenging this definition by saying that if a project does what it is supposed to do, within budget and schedule, but delivers outcomes that are not useful, or partially useful, can that project be considered successful? Or if a project does not do exactly what it was in the plan, or goes over schedule or over budget but delivers outstanding outcomes that add value to the organization, can that be considered a failed project?

If we were to add the concept of added value into what makes a project fail or succeed, the factors that contribute to success will have to be reshuffled. Things like defining what this value is and continuously monitoring it, as well as working closely with the owners to ensure common understanding of what constitutes real value will have to be at the top of our list.

To be successful, in addition to addressing the issues highlighted above, the PM and the project team need to focus on the value-related factors below.



TOP 3 Ways to Demonstrate Value-Add:

1. Clearly Define Measurable Project Benefits:

Early on, at the project initiating, define what are the expected benefits, to the organization, that the project is set up to accomplish. A simple search for examples of benefits identification returns an abundance of good examples. In most cases, good benefits are related to some kind of improvement the organization is in need of, things such as productivity improvement, cost reduction, or compliance issues. The bad ones are the real problem, starting with a complete absence of benefit identification, and going all the way to general statements that are not quantifiable nor measurable.

2. Manage Project Benefits Realization:

As we engage in the execution phase, watch for benefits to be realized, ensure that they are being realized when they were supposed to be, that operation managers are aware, and that the environment is set up to realize these benefits.

3. Actively Plan Benefits Realization Way Beyond The Project Life:

Many projects realize benefits way beyond their life cycle. PMs need to be cognizant of this fact, and plan for it. They also need to ensure that operation managers are aware of this fact.

At the end of the day, managing projects is about effective use of the limited resources to reach the project goal and add value to the organization. It doesn't matter which methodology your organization is is or isn't using; the emphasis here is that you can better define project success by demonstrating real value. And that means setting up the project and project team with continuous process and people development beyond just certifications, with even more opportunity for realizing benefits when grouping projects into programs.

View More Information On Value-Driven Workforce Development Solutions At: Learningtree.ca/ProjectSuccess

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