

Ten Steps to Avoid Project Failure

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The following is a draft summary outline & checklist - *proposed* by Don Wagner, an ITS consultant.

INTRODUCTION

Examples of projects not succeeding are endless.

Companies design and implement:

Facilities – too large, cost too much.

Operations – fail to achieve expected throughput and quality

Information technology – that increases, not decreases, real operating costs

Supply chain – that fail to increase inventory turnover and return on assets

Strategic – such as Lean and Six Sigma that can fall behind & consume more resources

1) Define the Project Purpose

- a. What will the project do for the Company?
- b. How much will be spent to achieve the results?
- c. Develop a project purpose statement for the team's mission.
- d. One of the primary goals should be to increase probability of success

2) Organize the Project Team

- a. Who are the project stakeholders?
- b. Who will contribute value?
- c. Identify each member of the team,
their specific roles, responsibilities and duties

3) Charter the Project

- a. Serves as historical document, touchstone and formal start
- b. Provides a formal approval mechanism
- c. Describes the business need, overall purpose, scope & project deliverables
- d. Preliminary analysis of the **roi** and **risk** assessment
- e. 1st Formal Deliverable Elements include:
 - * Project Name
 - * Project Manager
 - * Propose Team Members
 - * Background on the situation driving the project
 - * Area where project is to be implemented
 - * Project description and scope
 - * Estimated capital cost and return (roi or npv)
 - * Rough Schedule
 - * Assumptions
 - * Approval list and Signatures

4) **Aligning the Project Team**

The Alignment Meeting and Problem Definition Methodology is not just a team building exercise. Excellent communications are a prerequisite if the Team is to work together & effectively at all times.

- a. Interviews stakeholders and Organizes collected data into Categories:
 1. Goals
 2. Facts
 3. Concepts
 4. Needs
 5. Issues, and other items as required.
 - b. Problem definition, systematic gathering & organizing information
 - c. Finally, share the results and
 - d. Solicit additional comments & other input
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5) **Plan the Detailed Pro**

"To fail to plan is a plan to fail."

- a. Work Breakdown Structure (WBS) includes:
 - * Hierarchical organization of tasks and elements:
 - * Staff assignment
 - * Scope of work
 - * Technical requirements
 - b. Activity Duration
 - * Estimate total hours to complete each activity
 - c. Activity Sequencing
 1. Establish logical dependencies between tasks
 2. Create network diagram
 3. Define the critical path – longest duration of dependent activities
 - d. Schedule Development
 1. Generate the project schedule
 2. Publish schedule daily
 - e. **Cost Budgeting to create a cost baseline estimates prior to final budget approval**
 1. Measure performance
 2. Allocate costs to activities
 3. Allocate costs to work packages
 4. Risk Management and Cost Contingencies
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6) **Control the Project's Processes**

Project procedures are not glamorous, but they play a key role in starting the project off quickly, efficiently and correctly.

- * Further align the team
 - * Spread the start-up of the project
 - * Quickly formalize working relationships
 - * Maintain project Communications
 - * Document Key decisions
- a. Create Standard Operating Procedures (SOP)
 - b. Review and determine applicability
 - c. If required, add supplemental procedures, deletions or revisions as *exceptions*
 - d. Provide a copy to each Team Member for review
 - e. Possible components of project procedures might include:
 - * **Progress Report:** Status, Schedule, Action items, Concerns
 - * **Communications Records:** Documentation of key meetings, conference calls, conversations, emails
 - * **Documentation Standards** Methods used to maintain & organize key docs & deliverables.
 - * **Action Item Lists:** Managed list of key tasks required of each member
 - * **Communication Procedures:** A list of what each TM receives and the ITS format
 - * **Risk Plan:** Formal documentation of anticipated risks and actions for consideration
 - * **Quality Control & Audit:**
 - Techniques used to judge quality of work standards, client satisfaction, surveys, documentation control
 - * **Project Plan Review:** Periodic analysis and review sessions
 - * **Formal Deliverables Sign-off:** A list of key deliverables with sign-offs by vendors, contractors, etc.
 - * **Scope Change Control:** Processes for identifying, documenting and controlling scope of work changes.
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7) **Apply Systems Thinking**

After project initiation, teams often consider new and sometimes very different concepts and ideas which many times are important, but...experienced leaders know it is important to seamlessly integrate new designs to avoid failure.

The experienced team asks how the project outcomes will affect and be affected by:

- a. Company culture and norms
 - b. Installed technology
 - c. Management systems
 - d. Organization structure
 - e. Human Systems: employees, recruiting, retention, compensation, training, etc.
 - f. Outside stakeholders
 - g. Company financial structure
 - h. Customer and sales/marketing systems
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8) **Assess Project Risks**

At the beginning of a project – risk is high, but the ability to mold outcome is also high.

Most assessments of risk are informal and not documented or communicated well.

It is important to ask formally:

- a. What could go wrong with our plan?
- b. What are we missing? Where are the holes in the plan?
- c. What problems are we seeing now, but are not reacting to properly?

A more formal way to assess risk is the use of Failure Modes & Effects Analysis or FMEA

- a. Team assigns numeric values to each to Failure Mode, Effect and Detect-ability
 - 1) An Occurrence # for how likely is it to happen
 - 2) A Severity # for the magnitude of the effects
 - 3) A Detect-ability # for how likely it will be caught and prevented before it happens
 - b. Multiple the (3) numbers together to arrive at the RPN or Risk Priority Number.
 - 1) Higher RPN's mean higher risks
 - 2) Anticipate it by envisioning alternative scenarios
 - 3) Listen for early indications of abnormalities
 - 4) Respond quickly to minimize damage
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9) **Avoid Analysis Paralysis**

More projects start off too slow – many times due to analysis paralysis.

- a. It is a trap to think to assume one must collect all the data on all aspects of the project.
 - b. During Step 4, decide what data is important and what can be ignored.
 - c. Ask these two similar questions:
 - 1. How is this information going to help me address my project purpose?
 - 2. Will this information lead to identifying, selecting and implementing a project solution?
 - d. Other reasons might include
 - * Overly developed attention to detail
 - * Internal politics and approvals
 - * Lack of internal resources
 - * Personal likes and dislikes
 - e. Project Manager must recognize this take corrective action.
 - f. The management team has to use experience to judge how fast is just right.
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10) Control Scope Changes

Many projects start with 'fuzzy' scopes of work, which lead to 'scope creep'.

- a. Steps #3 and #5 help turn fuzzy scopes into clear work plans.
 - b. Break the project into manageable phases or sub-projects with specific time windows
 - c. Control the number of hours and people that can charge to a project.
 - d. Insist that each phase be given a fixed price estimate or sub-divide the phase.
 - e. Review each phase a separate deliverable.
 - f. Formal reviews to ensure that scope of work is being managed to completion.
 - g. Review Charter at the conclusion of each Phase.
 - h. Create a formal Scope Change Control Document for review at Key Meetings.
If the SCCD becomes too long, the PM should reevaluate the Charter and the management techniques the team is using to control the project.
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CONCLUSIONS

- a. Each project should start with a solid economic justification
- b. Careful planning of the return on investment (ROI) as the project starts and monitoring during execution is an important component of good project management.
- c. Operations Associates has found that typical projects focus on one of the following value goals:
 - * Reduced costs
 - * Reduced Inventory/Increased Turns
 - * Improved Capacity
 - * Improved Customer Service
 - * Reduced Order Lead Time
 - * Improved Quality Lead Time
 - * Improved Quality
 - * Improved Safety
 - * Increased Working Capital Turns

These techniques, plus a well-developed technical plan will not guarantee success, but failing to apply the lessons in this publication will increase the chances for failure. These soft and hard techniques are a combination of technical considerations, communications tools, organizational planning methods, data collection and analysis approaches, creative thinking, leadership skills and team building.

Companies often assume that anyone can be a project manager and that it takes few specialized skills.

Nothing could be further from the truth. To paraphrase an old saying, "experience and cunning, with good project management tools, will easily win out over youth and exuberance."

Operations Associates wishes you continued success on your projects. If you would like more information on how they apply project management, or if you would like them to conduct a one-day seminar on "Advanced Project Management" for your project team, please contact them at: [+1.800.860.4902](tel:+18008604902)