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IT Project Failures: Improvement Opportunities for Project Managers and Organizations

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INTRODUCTION

Some project management experts believe that ninety percent of projects that fail do so on day one (Brief encounters, 2002). Determining what constitutes an IT project failure is a subjective process and each organization may have its own definition. For instance, some organizations may not consider a project a failure if some value is still received even though it was not the intended value. Generally speaking, if a project failed to complete all of its intended objectives set out at the start, it can be considered a failure. Additionally, a failure can be counted when the project does not meet Return On Investment (ROI) goals set at the start (Holt, 2003). Recently, the cause of IT project failures is being focused more on the project manager. According to Winters (2003), the top 10 reasons projects fail are:

1. Inadequately trained and/or inexperienced project managers
2. Failure to set and manage expectations
3. Poor leadership at any and all levels
4. Failure to adequately identify, document, and track requirements
5. Poor plans and planning processes
6. Poor effort estimation
7. Cultural and ethical misalignment
8. Misalignment between the project team and the business or other organization it serves
9. Inadequate or misused methods
10. Inadequate communication, including progress tracking and reporting

Certainly projects fail for multiple reasons and the above list is not exhaustive. However, it does cover the most common areas that are usually cited as being the cause of failures. Winters does not claim that his list is in the order of importance, however he strongly feels that the inadequately trained or inexperienced project manager is to blame for the majority of project failures. This paper analyzes the role that IT project managers play in the failure of IT projects, and continues with suggestions for improvement for both IT project managers and the organizations they work for.

THE ROLE THAT IT PROJECT MANAGERS PLAY IN FAILURE

Karl Cushing (2002) points out that many of the common causes for project failures are rooted in the project management process itself. Unrealistic time and/or resources estimates, unclear or immeasurable project objectives, and project objectives constantly changing all suggest a lack of planning. Additionally, Holt (2003) lists the major causes of failure as being spiraling costs and creeping scope which also indicate a root cause issue of poor project management. Does this fact show that project managers are to blame for the project failure, or can the failure be blamed on the organization? Perhaps while the project manager has a great deal of responsibility and accountability, he or she does not have the authority to do his or her job properly (Winters, 2003). A project manager hearing that he or she could be the main cause

of failure will be upsetting to some. However, it is important to discover what can be done to start ensuring better rates of IT project success, even if it means a current project manager should be removed from their current position.

It can be argued that one of the main causes of poor project management is a lack of experience or lack of training. A key factor in project failures according to Cushing (2002) is that too many people are trying to follow a methodology blindly. When a project manager does this, it has several consequences. Primarily, it fails to take into account the many idiosyncrasies that organizations have which must be adapted to. Project management is not a "cookie cutter" approach that can be implemented exactly the same at every organization. Even within the same organization, different approaches need to be used for large and small projects.

Another common cause of failure according to Cushing (2002) is that project managers are often simply trained on a certain methodology, given a tool such as Microsoft Project, and expected to get on with it. There is a failure to analyze the basic principles of project management and its stages such as critical path analysis. One IT director at a government unit in the U.K stated "Some project managers believe that if you follow project management methodology, everything will be OK. They concentrate on method and don't spend enough time managing the process and people" (Brief encounters, 2002).

Cushing (2002) also goes on to state that many times the project manager is unable to commit the necessary time to a project. Too often the project managers are forced to manage projects in addition to several other tasks. Additionally, sometimes the individual who is appointed project manager was forced into that role. Giving these individuals a tool such as Microsoft Project and expecting them to perform is a recipe for disaster. Simply put, not just anyone is cut out to be a manager. In Computing Canada, Yogi Schulz (2000) states several well-known IT positions that often have trouble making the transition to project managers. Schulz states that systems analysts often fail as project managers even though they may exhibit some characteristics of competent project managers. Systems analysts will want to deliver great analysis, adding project management to their mix means most likely the project will get great analysis and poor project management, mediocre analysis and mediocre project management, or no analysis and mediocre project management. The same can be said for business analysts as well according to Schulz (2000).

Finally, project managers have historically not communicated well at the executive level. Today's IT projects often have such resounding impact on an organization that status reports can become topics at boardroom meetings. Many times in the past project managers have delivered news on projects that was tailored to report what the project manager thought the senior executives and board members would want to hear. A project status report will not always contain good news and the project manager must realize that it is their job to tell management what they need to know, not necessarily what they want to hear (Smillie, 2003).

IMPROVEMENTS FOR IT PROJECT MANAGERS

Tips for Beginners

There is a positive view that needs to be evaluated when considering inadequately trained or inexperienced project managers as one of the top reasons for project failure. That viewpoint is the fact that the failure is caused by something that can be changed, the actions of the project manager. Not all project managers cause failure, therefore failure is controllable and avoidable (Winters, 2003).

Certainly not all project managers start out as experts. There are steps that beginning project managers can use to their advantage. In an article by Cushing (2002), beginning project managers are given some hints to become more successful:

- Identify risks but do not take them
- Take a systematic approach: aim, plan, do, and review
- Do not be too concerned with spending too much time planning
- Do not allow yourself to be bullied by anyone
- Do not be afraid to approach more experienced practitioners
- Do not be afraid to say "I don't know"
- Remember that communication is vital to any project

Conduct Better Briefings

As mentioned before, some project management experts report that poor briefing from the outset is why many projects fail on day one. Briefing is a very critical stage, but there is often temptation to rush it because of a belief that everyone should be doing something besides talking. Computer Weekly lists five steps that project managers can use to conduct better briefing (Brief encounters, 2002):

- Do not over-rely on project tools
- Be a good manager and consultant first, a technical expert second
- Be aware of the strategic impact of the project on the business: identify who and what it affects and plan accordingly
- Identify resources that are critical to the project's success and ask for them to be dedicated solely to your project – fight for what you need
- Manage all stakeholders: business sponsors, end-users, and project team members.

Enhance Leadership Skills and Styles

Since leadership is such an important part of project management, it is imperative that project managers continually strive to improve their leadership skills. According to a study reported in the Project Management Journal, positive success and negative leadership is the root cause of all project failures (Zimmerer, 1998). Karlene Kerfoot (2002) writes that leadership comes in many styles and forms, as is evident by the many books available in stores giving advice about leadership. Each of these books promotes a "brand" of leadership that is different from other styles of leadership. Effective leaders develop a unique, successful, and recognizable brand of leadership. Every organization has a brand that defines a core of expectations that creates a set of understandings. For a leader to develop a brand, they first must make sure that their style is something that will fit within the organizations overall brand or image. For example, a leader who is a "turnaround" expert will have a hard time fitting in an organization where rapid action is not looked upon favorably. From there, the brand you develop will be based upon what you want your leadership style to evolve into as well as what the market is looking for. When you brand your style of leadership you are in essence selling an invisible service, which must be based upon competencies, standards, and style. A project manager should not compromise on any of these areas, such as by focusing too much on style and becoming a person known for creating great expectations with little or no results (Kerfoot, 2002). A project manager who has branded his or her style of leadership well can be compared to a successful manufactured product that builds its brand by creating great expectations and then delivering on those expectations.

IMPROVEMENTS FOR ORGANIZATIONS

Find a Home for Project Management

According to Mark Mullaly (2002), project management today exists in a "bizarrely schizophrenic continuum". On one hand there is the organization with no defined capability for project management and on the other is the organization with multiple project management offices fighting for attention and loyalty from the project managers within the organization. In other words, organizations today lack balance when it comes to the issue of project management. Mullaly claims that this can be explained because organizations have not created a home for project management, a place where project management can "hang its hat and get comfortable". He compares the place project management holds in organizations to the place where IT fit in organizations a decade or two ago. Back then as the value of IT in organizations started to become known, there was a challenge associated with finding the proper place for it.

Mullaly (2002) recommends that organizations should place project management as a separate unit that can be scaled up and down with the ebb and flow of the organizations needs. It should be responsible for the success or failure of projects, but must be funded on future needs rather than current performance. Without the funding on future needs requirement, it could be possible that innovation within the organization would be stifled, particularly if the organization was struggling with project management.

Internal Certifications

In the Project Management Journal, Guthrie (1998) highlights some ways that IBM has delivered improved results for both customers and the company itself. Specifically in software areas, error rates and development expenses have been reduced. In hardware areas, there have been improved schedule achievements. IBM has achieved this by implementing an internal project management certification that:

- Tests project managers' ability to demonstrate that they have both the fundamental knowledge about project management and the actual business project management experience needed for managing IBM's many projects
- Helps project managers define the levels of skill and types of experience they need to achieve to advance in their careers, and it is recognition for their accomplishments
- Is the same process worldwide, targeted at ensuring IBM's required project management standards are understandable and comparable across the corporation.

To implement the internal certification, IBM established a Project Management Center of Excellence (PM/COE). The PM/COE has several tasks, with the primary goal being to achieve consistency and increase competence in project management. Some things the PM/COE does is develop curriculum for training, enhance the internal certification process to bring more value to the business and project managers, develop benchmarks to ensure program is having desired effect, track best practices that can be taught to others, and develop mentoring programs (Guthrie, 1998).

Project and Exit Champions

Holt (2003) recommends a project sponsor at a senior level who is actively involved in the project, in other words a project champion. Holt mentions that this individual must be willing to intervene on the project and make decisions where appropriate, without infringing on the ability of the project manager to run the project. A similar yet more extreme idea comes from Isabella Royer in the Harvard Business Review (2003). Royer states that her research shows many failures are resulting from a fervent and widespread belief among managers in the inevitability of their projects' ultimate success. Her analysis revealed a few different ideas to resolve the situation, most of which require bringing in

individuals who are “inside outsiders” and think differently from the accepted project norm. For critical projects, an organization should implement an “exit champion”. This individual would be a manager with the ability to question the prevailing belief, demand hard data showing the viability of the project, and if necessary forcefully make the case that it should be killed. Royer states that while the idea of the project champion has been generally well accepted, the value of someone who is able to pull the plug on a project before it becomes a colossal failure has not. Like the project champion, the exit champion also needs to be directly involved in the project to help establish credibility. Additionally, the exit champion needs to have a high degree of personal credibility. It is no secret that the exit champion will face a large amount of hostility because of their ability to kill the project, consequently they need to be willing to put their reputation on the line and face the likelihood that they will be excluded from the camaraderie of the project team. The individual must also be able to handle their position without becoming a henchman sent by top management to kill the project (Royer, 2003).

People Measurement

Kent Craig (2001) details how there are generally three aspects of a project that must be measured and/or evaluated. These are financial, material, and people. Evaluating the state of money and materials is not necessarily a simple task, however, in terms of challenge, both pale in comparison to the difficulty that exists in evaluating people. Only firms that master the skills of early identification, selection, training, and development of project managers can expect to see continued success (Zimmerer, 1998). Evaluation of individuals can be done via different approaches. In his article, Craig specifically looks at evaluating individuals by evaluating how the company has managed those individuals. How could an organization evaluate the quality of their project managers on the whole? Although they are aimed at the construction industry, Craig lists several people management metrics that an organization could use to evaluate project managers. These include:

1. Annual employee turnover rate – how many of the project managers are leaving every year? Craig suggests that if the turnover rate for lead people is more than 10%, an organization has a significant problem on its hands. This means that if a company had 10 project managers, it could not afford to lose more than one during the year. Technical staff can often come and go, however to lose key project leads is a blow to the chances of projects coming in on time and under budget. High turnover could be related to personal issues such as poor communications skills which leads to team strife, or organizational faults such as non-competitive pay scales.
2. Monday morning absenteeism – how many of the project team members are usually late for work on Monday's or do not show up at all? Craig suggests that if more than 10% of individuals are not coming in on time on Monday's, it generally suggests a problem other than poor pay or benefits. Very likely it could mean that the project manager is not an easy person to work for.
3. Friday afternoon flu – similar to the previous metric, what percentage of individuals are leaving early on Friday's despite warnings from the project manager not to do so? The reasons could be similar to Monday morning absenteeism, but often the Friday afternoon issue can be helped by adjusting the work schedule, such as implementing a four-10 schedule (10 hour days Monday through Thursday).
4. Employee promotion rate – what percentage of project managers and also project team members are being promoted? This could highlight problems with both project managers and the organization. It would be the fault of the organization if the number of promotions was low because there simply were no paths for promotion. However, if there are significant opportunities for advancement, it could highlight a problem such as project managers being poor coaches and not motivating team members to perform at their best level. This would effectively prevent them from getting a promotion they may otherwise be capable of achieving.

CONCLUSIONS

It's no secret that good project management has many positive benefits for an organization. No one can start out as an expert in project management and there is no substitute for experience. Experienced project managers are excellent communicators, and communication is how management becomes assured that a project will deliver as promised (Schulz, 2000). This emphasizes the importance for organizations to invest in training for project managers and foster their careers. This needs to be followed by an evaluation of skills and competence to ensure that the projects undertaken by an organization have the best chance for success, which is ultimately critical to the success of the organization (Holt, 2003).

Technical competence is still a relevant factor in project management. What the continued emphasis on soft skills shows is that organizational effectiveness requires IT project managers to combine technical expertise with the application of proven project management tools. It also shows the need to practice leadership skills that are recognized as being good methods for motivating project teams and compatible with external stakeholders (Zimmerer, 1998).

Finally, regarding the issue of blame for project failures, a relationship between an organization and its employees is a partnership. There is giving and receiving on both sides and there usually is always room for improvement by both parties. There is a shared responsibility between the organization and the project manager to continually educate, execute, and evaluate, all on an ethical basis. This will identify the differences between the good and the bad, and from that point, the responsibility becomes a need to take action based on the evaluation. This removes barriers to success whether they are poor project managers or poor organizational practices and it is how organizations and project managers alike will become successful and remain that way.

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