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Rescuing Failed Projects

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Imagine the following scenario: a project manager is sequestered into their respective manager's office and the manager proceeds to inform him/her that they are being re-allocated to another project. However, the project manager is clearly aware that this is not any ordinary project. This project had churned through nearly a dozen project managers. What should the project manager do as the fight or flight response begins to take over? First, the project manager must remain calm. The scenario that I just described truly did happen to me. Matter of fact, the previous project manager awarded me a double-barreled Power Popper Nurf Gun, passed down by his predecessor (in the line of fire). The sense of humor was appreciated at the time.

Based on this experience along with other similar scenarios (albeit not to this magnitude), patterns had begun to develop and I realized that there is an opportunity and need to share what I have been able to glean from these related project rescue experiences.

Rescuing a project begins with the project manager. The ability to turn around failed projects requires integrity, tenacity, discipline, political savvy, and some luck. Indeed, a certain personality is required and not all project managers are suited for this challenge. The lucky project manager must be resilient in nature and be able to perform under intense pressure while maintaining a sense of calmness. The project manager must be willing to fully commit to the task at-hand and, in the process, get their hands dirty.

After identifying the right person for the job, where does the project manager start? Do not believe for one second that business is usual and the issues will be resolved as they are identified. Rather, it is important to formulate a methodical game plan. Begin with establishing a strategy for project recovery and the process does not have to be elaborate. The following provides a simple three-step process:

1. **Discover**

Perform initial review - Review all available project documentation (issue log, risk log, project charter, status reports, budget, schedule, etc.) and document the gaps/concerns.

Conduct stakeholder analysis - Perform an initial stakeholder analysis, with the first priority of determining the appropriate people to interview (stakeholder analysis in addressed in more detail shortly). Ensure that full executive sponsor support exists at this stage.

Assess - Perform a project assessment looking for gaps, concerns, pain points across key project domain areas; involving the interviews of key stakeholders. Formulate a survey (similar to a project lessons learned) to aid in the extraction of comprehensive information in a consistent fashion. Conduct the survey in person to ensure information is captured accurately and the message is understood (93% of communication is non-verbal according to industry studies).

2. **Plan**

Develop corrective action plan/recommendations to remedy the gaps/concerns and present to the executive sponsor to gain support. After obtaining the support of the executive sponsor, begin socializing the plan with key stakeholders.

3. **Rescue**

Execute and monitor the recovery plan. Integrate the recovery plan into the project schedule for tracking. Going forward, conduct routine health checks throughout the duration of the project to prevent failure.

Recognize that it takes time and patience to turn around a failing project. The recovery time depends on a number of factors such as degree of failure, size of project, and company culture. In general, recovery time is measured in weeks and/or months versus days.

It is paramount to establish the expectation of patience with executive management. Furthermore, executive management needs to play a supporting role versus one that is hindering. Often, when projects are in need of rescue, there are significant politics in play and we tend to lead with emotion versus information. This breeds panic resulting in a downward spiral of micromanagement and fire drills. The first objective, with the help of the executive sponsor, will be to stop the madness in order to work the process and subsequently allow recovery to occur. The development of an actual recovery plan and schedule will position the project manager to manage expectations successfully with senior leadership and stakeholders because the discussions are driven from information versus emotions.

So, when should a project be rescued from failure? Certainly, not every time a project turns red. Indicators of trouble might include: consistent trending of yellow or red status; high turnover rate of employees; low morale across the team(s); high volume of issues, and high volume of change requests. The volume of risks would typically not be as much of concern, provided risk mitigation plans are in place. There is no set formula or criteria for determining failure rather seek unfavorable patterns. It is usually evident when a project needs to be rescued.

There is a plethora of reasons for project failure. Where should one start in determining reasons for project failure? First, organize the assessment into manageable pieces or domain areas, in an effort to ensure that all critical aspects are reviewed. I have established the following domains areas for my assessments: scope, project governance, planning and

schedule, project team culture, resources, risk and issues management, communications, budget management, vendor management, and technology. These categories align with industry recognized project management methodologies and they are generic in nature. They can be applied to most project types and easily customized for a given project or organization.

Next, a deeper dive into these domain areas is necessary. It would be an arduous task to define all possible issues or causes of project failure; therefore, I have provided key considerations based on recurring themes that I have observed with failing projects. Keep in mind, the objective for rescuing a project is stabilization. The focus should be on addressing route issues causing the immediate pain versus trying to fix everything. Conduct route cause analysis to identify and treat the systemic issue (refer to Six Sigma for root cause analysis techniques). A simple series of “why” questions can help identify the route issue. Recovering a failed project is an iterative process. Once the bleeding stops and the project is stabilized, only then can we begin introducing remedies to improve its health.

Scope

Scope is foundational for every project. Beginning with the business case, ensure that the purpose and ROI is accurate and there is stakeholder visibility. Ensure that the documented scope is specific and measurable and agreement exists with key stakeholders. Vague scope statements get us into trouble; allowing for too much room for interpretation. Without understanding the measures of success it is difficult to be successful, hence failure is the result.

Also, look for signs/indicators of unstable scope such as significant project change requests or scope confusion. Projects with significant project change requests usually experience a high degree of volatility. Revisit the business requirements to validate thoroughness and perform requirements traceability to identify gaps or any potential downstream impacts. The objective is to stabilize scope by re-establishing a foundation of scope then ensuring that a change control process is in place to manage change.

If the project scope is large and/or complex in nature, it may be prudent to re-structure the project into phases, containing multiple releases, thus reducing overall project risk while providing incremental value to the organization by delivering components earlier.

Project Governance

Project governance refers to something more than a steering committee meeting. It refers to how projects govern their success. The governing bodies would typically include the core project team, support teams, leadership teams, steering committee, and executive leadership as well as the role and responsibilities of these various bodies. Project governance structure varies depending on the complexity and size of the project and company culture. Regardless, some level of project governance is required to be successful. At a minimum, there should be executive sponsorship.

Effective project governance will not only ensure appropriate support exists, but it should promote the upward and downward channeling of communication. The communication issues that I have experienced in the past have largely been attributed to a gap in the project governance. Also, look for opportunities to “right-size” the project to optimize resources and sub-teams, recognizing that there is often a correlation between smaller sized project teams and effectiveness in execution.

Planning and schedule

It is important to determine the state of the project schedule. Is the team executing from a project schedule? Is there appropriate visibility on the schedule? Are project milestones defined? The list goes on. Bottom line, there needs to be an immediate 30-day window of predictability. This type of predictability will help establish confidence and trust with stakeholders, which will buy additional time for re-planning. Be comfortable with the fact that the project schedule will change.

In most cases, assuming that the project has not been killed, the PM will have a team of resources immediately available at their disposal and each day that goes by is a day wasted. The tactical 30-day schedule will help ensure that resources are immediately deployed. If the schedule does not exist, add an activity in the schedule for developing the schedule (referred to as plan-the-plan). Begin increasing visibility on the schedule so that the project team develops the habit of executing accordingly.

In terms of measuring progress, milestone based tracking is most effective outside of earned value analysis. Measuring progress via milestones is effective because milestones measure completeness in a binary fashion (yes or no) versus measuring percent complete for an activity, which is subjective. It is prudent to define incremental milestones (every 2 weeks as a rule of thumb) for those activities that span across multiple months.

During project re-planning, leverage the opportunity to rethink the design, build and implementation approach as needed. Phased deliverables and quick wins can reduce risk substantially while building confidence with the stakeholders.

Project team culture

Explore the team culture and determine how it needs to change. Project managers may not have direct control over organizational cultures; however, they certainly have control of project culture. Obviously, no one wants to be on a sinking ship. One can expect low morale and fear is prevalent amongst team members on failing projects. Resolving this challenge begins with open honesty. Create a safe environment with the project team to discuss issues openly. Inform the project team that a project re-plan is underway for which they will have an opportunity to provide input. Conduct a “nameless debrief” which allows team members

to provide feedback without any fear of retribution. Ideally, team members are critiquing their own performance as well as their colleagues.

Rejuvenate the project team. Conduct a formal kickoff and have the project sponsor (at the executive level), address the team and emphasize the importance of the project. Integrate team-building exercises to build team comradery.

Other considerations:

Ground rules - Facilitate a session to establish team ground rules, which essentially provides the rules of engagement for how the team will operate. As corny as this idea sounds, it is statistically proven that high-performing teams establish ground rules and I have experienced the success first hand. Ground rules help to establish a culture of accountability within the project team.

Vacation/Training – Re-establish work-life balance and account for vacation and training within the project schedule. This is even more important given the strong likelihood that project team members are burned out and the moral is low. Good planning performed upfront will allow sufficient time to define backup and mitigation strategies to reduce or eliminate impacts pertaining to vacation and training.

Co-location – Increase communication and collaboration through team co-location. If co-location is not an option for an extended period, perhaps identify key activities that might benefit from temporary co-location such as design, early construction, proof of concept, testing, etc.). Co-location requires top-down support because often the work environment is a personal matter for many and there is a tendency to be protective of our individual workspace, depending on the company culture.

Incentives – Leverage the company's incentive system throughout the project to reward high-performers and publicly recognize these individuals. If an incentive plan does not exist, create individual and team incentive plans for the project and budget for it. According to a new study by the Incentive Performance Center, team incentives can increase performance by as much as 44 percent.

Resources

Ensure activities are assigned to the appropriate roles and the resources, filling those roles, have the appropriate skill sets. In past experiences, I have seen projects align activities with skill sets and not necessarily roles because there may have been a weak link with the specific person in a particular role or the resource was missing all together.

Conduct one-on-one sessions with all core team members to validate expectations and promote personal development. A win-win scenario is created when team members are able

to work towards achieving their personal goals within a project. Team members will develop a true sense of purpose and accountability.

Often times, in failing projects, there is insufficient visibility around team roles. All team members should have a clear understanding of everyone's role. Review the roles and responsibilities as a team and ensure the roles and responsibilities are documented and visible to all stakeholders.

Review and elaborate on the stakeholder analysis, ensuring all impacted areas have been identified and the political interests are well understood. Politics are exacerbated in failed projects. Stakeholder analysis will help better uncover competing interests, work styles and preferences, influential leaders, project promoters, and project adversaries. The stakeholder analysis will enable the project manager to determine how to best manage and leverage these stakeholders.

During team member one-on-one sessions, validate current resource allocation levels with a focus on determining any allocation problems. This information will feed the resource plan. Resource constraints seem to plague projects much of the time; especially projects that are failing. It is imperative to validate allocation levels during a re-plan then determine what is needed and secure the required resources. Fight the temptation of assuming that resources are aligned and allocated.

Risk and Issues Management

Identify critical project issues and risks that require immediate attention and ensure that a corrective action plan or mitigation plan exists, respectively. Ensure that rigor is in place to capture, track, and manage issues and risks (i.e. an issues and risk log). The focus initially will be tactical, primarily around issues management, in an effort to stabilize the project. As the project transforms from reactive mode to one that is more proactive, risk management should begin to take shape.

Communications

Communications could be the single most important factor. Assess whether communications is flowing upward and downward appropriately. I have encountered situations in which expectations at the senior executive level were not aligned with those of the project team. This alerted me to review the project governance because communications were not flowing downstream appropriately.

A communication plan plays a key role in re-establishing healthy project communications. Based on the project governance and stakeholder analysis, the communication plan will drive the right information to the right audience at the right time. The channels of communication will become more apparent.

Another key aspect of communications involves managing information. It is very important that project documentation is centralized and structure exists to organize the information effectively. Microsoft's SharePoint Team site can be an extremely effective tool for centralizing documentation and increasing team collaboration when used appropriately. "When used appropriately" is the key. As soon as the document repository becomes cumbersome or ineffective to use, the project team will cease using it. Invest the time to design the document repository structure with the project team. Also, take the opportunity to gain team consensus and agreement on the methods of communication (email, phone, face-to-face meetings, IM tools, etc) when developing team ground rules.

Look for death by meetings. The project governance structure will greatly influence the required meetings and approach. Streamline where possible, but do not eliminate the much needed project status meeting to discuss status, issues, and risks.

Budget Management

During the initial assessment, it is important to review the budget from both a tactical and long-term perspective. The tactical perspective addresses the immediate need of maintaining project funding at least through project replanning. In an effort to minimize further impacts, ensure that budget is available to fund existing contract resources.

The immediate focus will be on determining available budget and the burn rate in order to project the period of time in which funding will be depleted. Simple arithmetic can help determine the burn rate period based on the difference between the approved budget and funds spent to date. Developing the long-term view will take some time, as this requires having the right information available in order to perform a gap analysis of the budget (i.e. scope, schedule, and resource plan).

Vendor Management

Does the project involve the procurement of capital or services? It is important to understand if the company has any legal binding contracts at this stage pertaining to the project. Review and understand contractual obligations. Determine if existing contracts require modification because of the project. Given the state of the project, there may be consideration to shift risk to a third party vendor as a strategic decision.

Technology

Technology is such a broad area but I have incorporated this category because of the inherent complexities and risk imposed by technology and its prevalence in today's world. Here are some considerations:

- Review the lessons learned from previous projects with a similar technology profile.
- Seek the input from the lead architect on any potential gaps or shortcomings.

- Minimize new technology risks with proof of concepts.
- Ensure that appropriate gates and reviews are in place and all of the appropriate technology stakeholders are involved.
- The following are often forgotten: capacity planning, performance testing, service level agreements, mock moves to validate implementation, and operational support plans.

Summary

Ideally, we avoid the situation of having to re-plan failed projects. These tips and tricks are not only intended to help address project failure but they can also be used to prevent failure in the first place. In reality, effective project managers should continuously monitor the health of their projects and make necessary changes along the way. The effective project manager prevents failure by remaining strategic in nature; constantly monitoring the horizon and employing strong risk management principles. If a project manager is focused too heavily on the day-to-day activities versus maintaining a balance between tactical and strategic project management, it will be difficult to alter the course of action before it is too late.

It is inevitable that project managers will directly or indirectly witness projects fail. Failure is natural and it enables us to improve and get better. As we encounter failure, we must remember that success needs to be measured in small steps and it must begin with a strong desire and passion to persevere at all levels. Winston Churchill could not have said it better with the following quote: “Success is going from failure to failure without a loss of enthusiasm”.

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