PROJECT "MIS-MANAGEMENT"

(Charter – August 2001)

"If we can fully grasp the reasons why IT projects fail, we can learn a tremendous amount about why they succeed. In addition, following five simple rules can make all the difference" – Brian Katzen

With only one in four IT projects completed successfully, we urgently need an alternative strategy. Businesses cannot afford the write-offs associated with IT project failure, not to mention the secondary effects such as lost opportunities, reputations, and staff morale. The total cost is usually immeasurable.

A project is a one-off endeavour with a finite beginning and an end. But it is its very uniqueness that creates the inherent risk: by definition no one has ever done that very thing before. Compound this with the very nature of IT, where keeping abreast of innovation is almost impossible, and it is no wonder that IT projects have such a dismal success rate.

Why is this the case? Two basic principles of business success are: **"stick to the knitting"**, and "**keep it simple"**. Yet research suggests that it is precisely in these two areas that many IT projects fail. The following five basic rules can help:

Rule 1 – Adopt a professional approach

Buying project management software will in itself not turn a novice into a professional project manager. Over the years, project management has developed into a profession in its own right, and today it has its own professional institute in Australia, with a codified Common Body of Knowledge, journal and network of members.

These days, companies are realising that a project manager should be both skilled and experienced in their field. Project management software is thus only a tool – not a substitute – for sound management skills. Only undertake an IT project if it is well within your capabilities. The reason small businesses have relatively greater success with IT projects is that they have a mindset of only taking on projects with which they feel comfortable. They are under no illusion that too large a project can sink the entire company, and are consequently more cautious.

Many people question the "stick to the knitting" principle as a business strategy. After all, it is imperative for every business to continually try out new technologies and ventures and to push the envelope to grow and remain competitive. But in cases where the business does not have a history of IT project successes, it is a good idea to start off with what it knows it can achieve, and only after developing a track record to be more adventurous.

Rule 2 – Plan and keep planning

The planning phase of a project is undoubtedly the most important as it provides the foundation upon which it will either succeed or fail. The plan should be a formal, written and signed-off document (even for small projects where at least an internal memo should change hands) that identifies the scope, objective, sponsors, stakeholders, resources, timing, etc.

One of my first mentors in project management used to say that 30% of the project time should be spent on planning. In many projects this proportion seems excessive until you realise that planning does not end when the work begins: it is part of the ongoing cycle of project management. You plan, start executing, monitor progress, review planned versus actual, revise the plan as required, and then repeat the cycle after each and every project review meeting. That can be every week, month, or as the nature of the project dictates. Each time you amend the plan, even if it is a minor tweak, you need to re-enter the planning phase as a whole and not simply amend the work breakdown structure. This ensures that the project's scope does not grow beyond the availability of resources and the team's know-how and capabilities.

Rule 3 – Limit the number of stakeholders

Owners are the people who want the final product or service, and are financing its cost. Stakeholders, on the other hand, are the people whose input, support, or permission you need to carry out the project, whilst champions are those who want the product or service to happen, or who have the influence to make it happen. Keep the number of project stakeholders to a minimum, and document who they are. The fewer they are, the fewer the changes the project manager will need to juggle. The nature of the project and the corporate structure often dictate who the stakeholders should be, but the problem often arises when they in turn involve additional people.

One of my projects started with just three stakeholders: the CFO, the IT manager and the procurement manager. As their respective workloads increased, they delegated their responsibilities to their subordinates who in turn wanted to involve their own subordinates – numbering no fewer than 27 in total! The number of people involved as stakeholders, change champions and the like must be limited by the project manager's ability to manage them and their expectations. In similar vein, it is important to document why they are there in the first place, what their areas of expertise are and the time commitment required of them.

Rule 4 – Limit the scope

The scope of the project sets out the boundaries in terms of the size and nature of the work to be undertaken. It is essential that you define the precise scope of the project, and then be absolutely sure you have adequate resources (financial, human and equipment) to bring the project to a successful conclusion. Also, ensure that your know-how is well in excess of what's required. Keep the project small and manageable, and limit the scope to what you can complete in the time available. As a rule of thumb, it is better to choose a short time frame and develop the scope around that.

Like a malignant cancer**, "scope creep"** is one of the most significant contributors to project failure. There are many reasons for scope creep. Users find additional tasks they wish to automate, competitors introduce changes to their products that you feel you need to match or better, or technology changes make the previously impossible or too expensive now a viable proposition. The temptation and pressure to add these extensions to the original scope of the project is often too great to refuse, but unless you revisit the entire plan in the process, you can put the project into jeopardy. This is one of the main areas where strong, professional project managers need to assert their authority and say "no".

IT projects up to about six month's duration are far more likely to succeed than say a three-year one. It stands to reason that over such a short period of time:

- The project team is far more likely to remain stable, focused and motivated.
- Substantial technology changes are less likely to occur.
- Users' requirements should remain stable.
- There is less chance of scope creep.
- The composition of the stakeholders is less likely to change.
- External forces that may impact on the project should still be covered by the original scope document.

Some projects, by their very nature and size, are bound to take longer than six months. In such situations, the project should be divided into manageable sub-projects or phases, each of which follows the six-months duration rule.

Keep the IT project small and simple. If users need further functionality, no matter how small, the project manager and sponsors should resist the temptation, and leave it in the suggestion box for version 2.

Rule 5 – Learn from your failures

All companies have projects that fail or are "challenged", and successful companies use both the winning and losing aspects of them as valuable learning experiences for future projects. Unless we truly understand the reasons for our failure, we inhibit our chances of future success. Remember; a winner is not the player who never gets knocked down, but rather the one who has the resilience to keep getting up and making it to the end.

Summary

You can minimise the inherently high risk of failure associated with IT projects by applying a few commonsense business principles.

Stick to the knitting by keeping the projects well within your level of expertise and comfort. Keep it simple by limiting the scope of the project to manageable chunks, thus minimising the impact of extraneous factors. Lastly, where appropriate, consider engaging the services of a professional project manager who also has sound people and business skills.