

Why Projects Fail

This document provides an overview of many of the problems associated with technology project implementation. These problems have been compiled from over 20 years and more than 200 projects by the senior consultants of Performance Operations. We have developed solutions to these problems and reliably resolve these issues on a regular basis by using the Performance Operations Project Approach which includes:

- A well proven methodology
- A focus on the people involved in all aspects of a project
- Professional development of individuals and teams during project implementation
- A set of principles which guide everyday activities.

Please see also our paper titled “Successful Technology Projects”.

Background

Most end user teams do not have the time, skills or experience necessary to successfully apply technology to operations without help from a professional. While sometimes the “professional” is a full time employee of the end user firm implementing a technology project, it is uncommon for the firm to have an individual with the necessary skills available with enough time to dedicate to the project to ensure success.

For the purposes of this document, we will define “successful” as a project which delivers a solution which meets the business needs calling for the technology in the first place. A successful project must be provide a payback consistent with the business need, and must do so in a timely fashion. Finally, successful systems are those which continue to provide benefits to the client organization long after the original project team has moved on and which can be supported and ideally expanded by the client team. We have found that few end user teams consider this final definition in the measure of a project’s success.

We at Performance Operations call this “lasting results”.



The following are the primary factors contributing to the success or failure of a technology project:

Failure of the Planning Process

The original planning process must be strategic in nature. Many end user teams skip this step altogether, jumping immediately into the details of software selection and/or technology application. Why this is so may be debated, but we have generally found that people tend to move very quickly from an initial perception of the need to a solution. The problem is that, in almost all cases, the preliminary definitions of a need are really looking at symptoms and not at root causes. This is why the concept of “Systems Thinking” is so vital, especially in the process of strategically planning a project.¹

Sufficient time and resources must be spent determining what the very high level business needs are which are calling for the application of technology. Using technology to make an operation more efficient may or may not lead to the desired result. If the way the operation works is not consistent with the technology solution, there may actually be a permanent reduction in operational efficiency. For this reason, it is folly to consider the application of technology without simultaneously considering the operational systems which will work with and around the technology.

The planning process must include enough depth to go beyond the “point solutions” which are often arrived at by end user teams. The application of technology to one part of the business only is perfectly acceptable, but only after the way the technology will affect other operational areas is understood. It is important to make sure that everyone in the user organization understands what the technology solution will and will not do. And all technology solutions must be designed to be flexible and open enough that future solutions implemented in other areas of the operation can be integrated as necessary.

The nature of the desired improvement must be well defined. For example, increasing throughput at the cost of manufacturing flexibility may actually increase costs overall or change the behavior of the company to the point of confusing and even losing customers. The benefits of creating additional complexity by applying technology must be carefully considered and a balance struck before moving forward with the project.

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Performance Operations teams first consider the fundamental nature of the organization (including forcing a definition in case it is unclear). For example, does the organization need operational efficiency more or less than flexibility in servicing customers? Where is the business going in terms of small product runs meeting specific customer requirements versus larger, more efficient runs which improve profitability? At what point in the order fulfillment process is an order considered “final” and the customer can’t make a change? Defining the nature of the organization then allows all subsequent plans to be measured against this definition to make sure the project is going to lead to the desired business result.²

Insufficient Detail in the Technology Selection Process

Even with the best intentions, most end user teams do not have enough time to research technology components sufficiently to ensure the best selection is made. Additionally, since the user team probably doesn’t have enough experience with the technology from previous projects, the team often misses important requirements of the system. Finally, since the user team isn’t in the specific business of applying technology, they typically don’t have the required methods in place to control the selection process. Many times “techies” get into great detail about the technology, or get so enamored with a specific technology or solution that they are closed minded to alternatives. What often gets missed are the specific details the technology is going to solve for the business and how it is going to work and be effective within the landscape of the organization.

Another angle on this is that some user teams are very adept at systems technologies, they tend to focus on these details while missing other important aspects of the selection process, such as the strength of the vendor, the originating source of the technology (who owns the core technology and can maintain and add to the system), the way different technologies will be integrated together as well as the way the technologies will be fit to the operations.

The most common result is that the technology vendor with the most experienced and convincing sales team gets the business. When you think about it, this means that the vendors themselves are ultimately deciding what is right for the end user!³



The Performance Operations team contains several members who have previous careers as systems integrators, technology suppliers and end users and therefore understand the process from multiple points of view. Combined with our 20+ years of projects and having served in executive and management roles, we understand the role technology is really to play in the overall solution. We have long ago developed methodologies which control the selection process so that we make sure the “best sales team” doesn’t necessarily win the business.

Weak or Poorly Managed Implementation Methodologies

Many technology projects are managed by a combination of the end user team and the technology providers. The end user team most likely doesn’t have the spare time to properly manage a technology project of any substantial magnitude. Nor does the end user team typically have the skills or experience to do so.

On the other side, most technology providers are very biased toward their specific solution, experience set and capabilities. If they are providing a “canned” solution, then they are very focused on making the end user’s operation fit the canned product offering, which may very well be in contrast to the user’s ultimate needs. What typically happens in this case is that some of the most important elements of the prospective technology, often that which may be the key differentiator of the user’s business, is lost. The end user’s operations after the application of technology may actually move the user’s business away from their what makes them unique in the marketplace!

When Performance Operations is called in to manage the technology selection process, we spend the time required to do the job right since this is our specific business. And since we typically stay on to help in the implementation and optimization phases of the project, we have to live with the results. Because our team is comprised of industry professionals who often have more related experience than those providing the technology, it is much harder for the technology provider to provide an incomplete system. If we are managing an end user team, we prevent them from taking short cuts, getting in over their heads or going “too deep” with the technology. Typically we get a much higher level of performance from the vendor or end user team while simultaneously saving the client from unneeded change orders, project overruns and the costs associated with a project which is late to deploy.

Lack of Consideration of the Human Element

The lack of concern for the human element in technology projects is really at the epidemic level in the industry. This is because the technologists who apply technology don't concern themselves with the "people factor". Our belief is that this is a by product of the fact that many technology professionals are good at technology precisely because they don't naturally gravitate toward the people side of life.

The people factor includes attention to the personality, human communications and emotional intelligence of the:

- Users who are going to operate the system
- Management and others who are going to benefit from the system but not necessarily interact with it
- The implementation team, which should include both technologists as well as operations people

Personality plays a very large role in technology projects. Consider the case when a very dominant personality pushes his or her wishes upon the team. The results are typically very different than if the team works out the best solution together. Sometimes even the dominant one produces good solutions, the others on the team won't consider it just because that individual's personality hasn't been "managed". This is not to say that the project is all about democracy. A strong leader is mandatory. But leadership is all about listening to and motivating people to get the best from them.

Optimization of human communications in project scenarios is at least as important as the application of the technology itself. The reason for this is that absolutely everything which is created in a project setting is subject to the quality and efficiency of the communication between the people on the team. Consider the gap which typically exists between technologists and users. Add to that the different styles of communication across a typically diverse set of personalities, management hierarchies, the various roles people play on projects and the stress which often results in a start-up setting.

So called "Emotional Intelligence" includes things like "gut instinct" and decisions made based on "feelings". While it is tempting to exclude these types of inputs from the project mix, the fact is that most really high performance work is produced based on other than "logical, crank turning" functions.⁴

The bottom line is that we have seen whole projects with great technology, highly experienced teams and dedicated users fail to meet well defined business needs simply because the human factors in the project were neglected. Human factors need to be considered in every area, from the way the people interact within the team and to the outside, to the way the technology is developed and applied. We use a very practical (low cost and easy to understand) personality testing tool⁵ to help people optimize their strengths and to see where they need to collaborate with others to boost their areas of vulnerability. Additionally, we trust people's gut instincts and generally address the "emotional intelligence" side of the equation as well as the logical.

Too Much Control by the Technology Supplier

Too much control by the provider is a very common problem in today's technology marketplace. There are two causes for this:

- End user management prefers to purchase "canned solutions", ideally on a fixed cost basis. The reason is that management is trying to control project costs, and sees that the best way to do that is by purchasing a "product". This is especially true in manufacturing, where management is well conditioned to buying tangible assets such as equipment.
- Technology providers have to be competitive, which means that the provider who provides the least number of man-hours to implement the technology will often win the work.

The problem of course is that there is a lot of room for definition of a "product". What one company calls a product differs greatly from another. And the expectation in the user team's mind about what is included in a product is largely set by each user's personal experience. We have seen time and time again end users box themselves in with a technology solution which looks modern on the outside, but which is at the very end of its lifecycle or sometimes which isn't even fully owned and supported by the company supplying the "product"! We have also seen many products provided to clients which are modified so much from one implementation to another that they really must be considered a custom solution.

Beyond the problem with "canned" products, one must consider the business of the technology supplier. Vendors providing technology, particularly a technology which has been made to appear simpler to procure by being "productized", are interested in getting each project behind them as quickly as possible. This is because their basic

business interest is to get the sale done and over with and get on with selling more product to others (as well as collecting continuing support residuals from each client already sold). This leads to the vendor making decisions while making the sale and during implementation which are strongly biased toward getting the project done even if it doesn't fit the client's needs. How many times have we all seen a great sales job on a technology followed up by an unskilled technical implementation by inexperienced technologists along with clumsy project management by a supplier who all of a sudden doesn't have the same degree of interest in the project as before the sale?

Unfortunately the very things which should make things easier and less costly for the end user can in fact work against the end user's interests. A product which doesn't fit the need to a large degree, and/or a technology supplier who doesn't give a high enough priority to the end user's interests during project execution can ruin the chances for success.

When the Performance Operations team is part of the technology selection and project implementation processes, we ensure the product is going to meet the need and we watch out for the technology supplier's interests during project implementation. We do this by exerting control over the process, using well proven methodologies. The better technology providers welcome our methods because we actually get them the answers they need to do the job right the first time. We don't want to see the vendor get hurt any more than the client because an angry vendor leads to a lack of future support.

Lack of Focus on the "Fit to Operations"

Most implementation teams don't spend enough time and energy on how the technology is going to fit the operation. This is again because everyone is attempting to reduce cost, and the labor costs to attend to this both on the end user and the technology provider teams is significant.

The result in most projects is that the technology provider(s) promise that their solution is almost infinitely flexible before the sale, but then slam the system together as quickly as possible, blaming any lack of fit on the lack of quality information provided by the user team. Many technology providers are really quite talented in overwhelming the user team with information requests instead of figuring out how to make the collection of the necessary information easier. What then happens is that the end user is then faced with the choice of either trying to make



their operation fit the technology as it is, or spend a lot of time and money trying to get the vendor to change the configuration of the technology product as installed. This method isn't particularly effective since the technology vendor has optimized his team toward getting systems installed quickly and not on listening to end user teams and trying to improve their operations.

The solution to this problem is to look for suppliers who understand that it is their responsibility to extract the required information from the user team. This is why specifications which are "signed off" by the client usually work against the client.

Another factor is that most technologists do not have the interest or the skills required to figure out how existing operations work and how to make them better after the application of the technology being considered. This is because it is very "human" in nature, and most technologists are much less interested in this area of systems implementation.

This is the specialty of the Performance Operations team. We are extremely adept at uncovering the "truisms", "tribal knowledge", etc. which are currently in place in end user operations. This information is critical to be considered during systems implementation, otherwise there will be many "work arounds" put in place around the new technology, which reduces operational efficiency and may even defeat the fundamental purpose of the technology.



Other

There are many, many more reasons a project can fail, including but not limited to the following list. We submit however that these are typically symptoms of a larger problem and can therefore be avoided by correctly addressing the topics presented previously.

- Lack of support from upper management
- Insufficient calendar time for implementation
- Poorly defined goals
- Inadequate budget
- Weak project management
- Strongly biased management, user or implementation teams
- Excessively negative/wasteful company politics
- Taking on too much scope
- Not controlling the expectations of the users (and management)
- Going too far with the technology
- Not implementing in phases
- Too little involvement from the users during design, implementation and testing
- Insufficient testing and prototyping
- Lack of documentation and training
- Not providing a “practice” environment
- Incomplete projects (not finishing the last 5%)

Conclusion

Again, we believe that the basic topics presented here form the “root cause” of most project failures. Please see also our paper titled “Successful Technology Projects” for an outline of the Performance Operations Approach to project implementation.

Your feedback about this and related topics is greatly appreciated!

Thank you,

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¹ The definitive work on Systems Thinking is “The Fifth Discipline”, by Peter Senge, Currency-Doubleday. This was developed by the MIT/Sloan School of Management and is the foundation for all work on the factors at play in organizational systems.

² The best work on the fundamental nature of organizations may be found in “The Discipline of Market Leaders”, by Michael Treacy & Fred Wiersema, Addison-Wesley Publishing Company, Inc.

³ The book “Crossing the Chasm”, Geoffrey Moore, Harper Business, discusses the way technology vendors experience waves in the sense of having the best technology solution and helps them improve their marketing and sales processes so as to win more business between “peaks” in their technology offering. While this book is an excellent tool for the technology marketer, we are using it here as proof that technology vendors are using every marketing and sales method possible to deliver out of date technology to the marketplace.

⁴ The definitive works on Emotional Intelligence are “Emotional Intelligence” and “Working with Emotional Intelligence”, by Daniel Goleman, Bantam Books. Robert Cooper offers excellent seminars on the topic and co-authored “Executive EQ, Emotional Intelligence in Leadership & Organizations” with Ayman Sawaf, Grosset/Putnam.

⁵ Personalalysis, www.personalalysis.com

