

WHEN GOOD PROJECTS GO BAD

by Nancee James

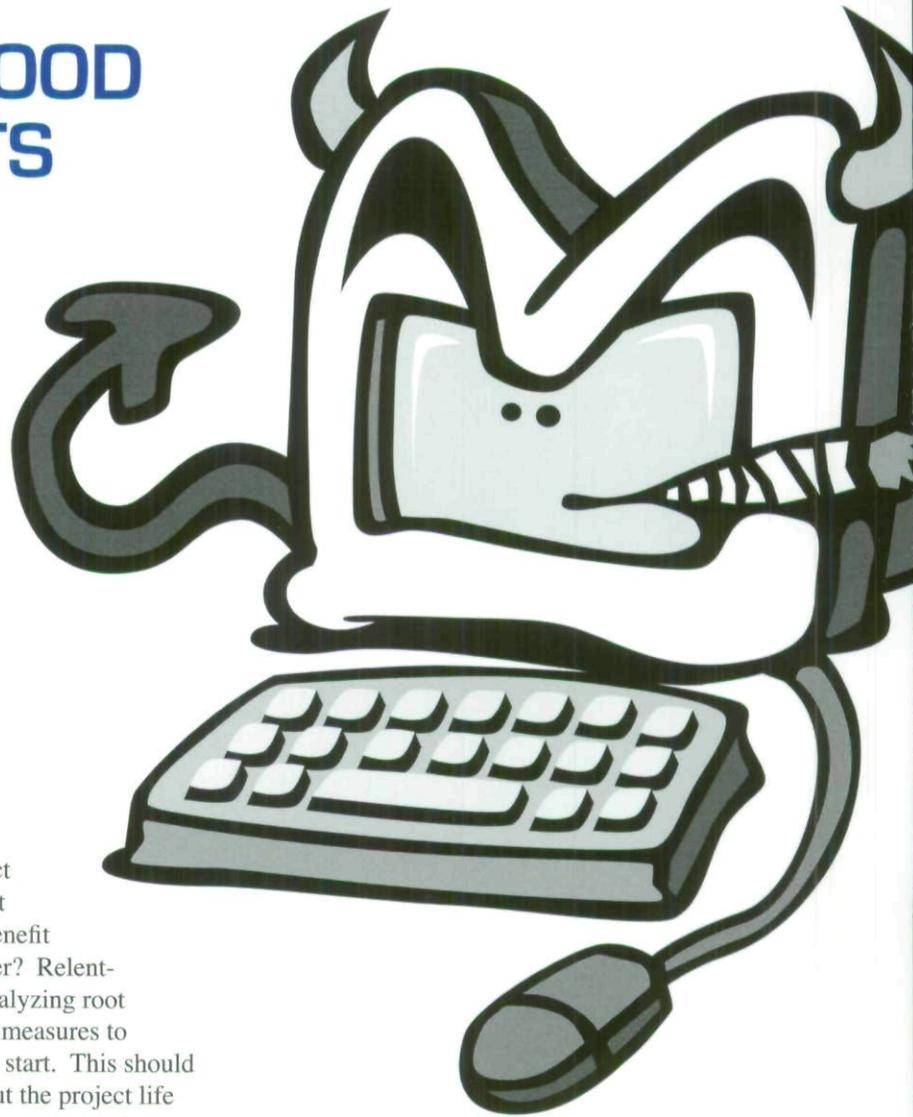
Few organizations achieve optimum results from projects undertaken. Most experience moderate success with their project portfolio and occasionally good projects go "bad".

How do you deliver the project product on schedule, on budget as defined, realize the stated benefit streams and satisfy the end-user? Relentlessly examining risk areas, analyzing root causes and taking pre-emptive measures to mitigate risk is a good place to start. This should occur systematically throughout the project life cycle and a common methodology should be applied consistently across the project portfolio. Typically project managers look at 5 risk areas: Financial, schedule, quality, alignment of expectations with outcomes and soft issues such as team environment.

Financial - Key metrics project managers track:

- Actual spend to budgeted or forecasted spend for total project or project categories
- Percent complete to the percent spent project to-date
- Earned value – budgeted cost for work performed or "earned"; CPI (Cost Performance Index) earned value / actual cost
- Benefit capture.

Once project managers see variances they analyze the situation to surface root causes such as timing differences, under-funding, inaccurate estimates, scope creep, contractual changes, unexpected costs or



overestimated benefits. Understanding the root cause allows the project manager to take remedial action mid-course or table for lessons learned.

Schedule – Key metrics and variances to monitor include:

- Actual to plan hours for project or life cycle phase
- Actual to plan milestone / deliverable dates including sign-offs and approvals
- SPI (Schedule Performance Index) earned value/ planned value
- Critical path.

Root causes around schedule variances include resource availability (technical skills, SMEs), poor estimates, inadequate resource planning, mis-calculated or missed dependencies, requirements and scope

changes, additional testing due to defects or time consuming governance. Often there's another critical project inserted into the project portfolio.

Quality – Key metrics and red flags include:

- Errors per lines of code or defect density
- Outstanding issues and time to resolve; number of and types of issues
- Productivity index such as hours / function point or execution rate
- Frequency and severity of production outages
- Scope changes / change orders
- Traceability of requirements
- Reusability of code
- Quality and sign-offs around test program, or entry and exit criteria.

Root causes point to lack of technical or business skills, inadequate Quality Assurance or governance around the project, inadequate or poor requirements / documentation, compression in terms of time, dollars or testing, incomplete or inaccurate requirements and poorly defined change management and communications.

Alignment of Expectations and Outcomes

– Key metrics and red flags:

- End-user sign-off on project terms or reference, requirements, test plan or other deliverables; unresponsiveness often points to wavering commitment or sponsor dis-engagement
- Customer satisfaction levels captured via survey, complaint logs, help desk or receivables outstanding; no success criteria
- Projected benefits are realized such as revenue streams or cost reduction
- Number and types of issues outstanding and time to resolve
- Scope changes, enhancements or outages.

Root causes stem from unrealistic expectations around aspects of the project, poor project sponsorship, failure on the part of the project manager to keep the sponsor involved, cover-up of project issues, delivery failure and overall poor communication and change management around the implementation.

Project Soft Issues – These are not so easily measured but can have a dramatic impact on service delivery. Soft issues to consider and evaluate include:

- Project team morale and cooperation; team behaviors including politics around the project
- Working relationship between end-user and IT; poor accountabilities
- Project manager effectiveness
- Supplier management and integration including onshore / offshore concerns
- Change management
- Language and cultural barriers.

Getting at the soft issues can be accomplished with 360 reviews, peer and 3rd party reviews, retrospectives / lessons learned. It's difficult and time consuming but absolutely worth the effort.

Keeping projects on track is everybody's business, not just the project manager's, although the PM has primary accountability. Establishing a balanced scorecard is a systematic approach for reviewing projects at the project and portfolio level and a good mechanism to share key common metrics with stakeholders. The same methodology and metrics should be applied consistently to all the projects across the organization so no project manager feels his / her project is being singled out for review. It's also an excellent way to promote honest dialog among stakeholders and across project managers. The scorecard invites stakeholders to challenge the project manager and gets the project manager thinking pro-actively about project risk and risk mitigation techniques. In short keeping good projects from going "bad".

About the Author

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