



Problem Projects: How to Rescue a Troubled High-Visibility Program

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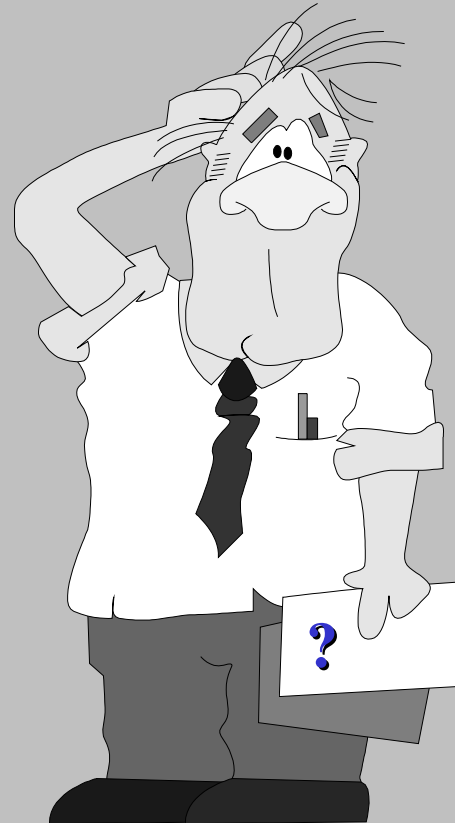
Presentation Overview

- How do projects get into trouble?
 - Five key problem areas.
 - A realistic approach...

Rescue of High-Visibility Projects

Think for a Moment. How do projects go off track? What are the key problems that contribute to, or cause, project failure?

Think of at least 6:



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And the answers are:

- **Poor Planning or Scope Definition**
- **Continuous Scope Changes**
- **Inadequate or Wrong Resources**
- **Lack of Management Support**
- **Poor Communications**
- **Lack of Accountability**
- **Conflict Between Departments**
- **Poorly Defined Roles & Responsibilities**
- **Objectives Not Clear**
- **Changes in Goals or Resources**
- **Dysfunctional Organization**
- **Failure to Heed Warning Signs**
- **Unrealistic Expectations**

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For today's discussion, let's focus on the following five causes:

1. **Wrong People in Charge**
2. **Poor Initial Project Scoping & Planning**
3. **Continuous Scope Changes**
4. **Organization is Dysfunctional**
5. **Unrealistic Expectations**

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1. The wrong people are in charge.



How does this happen?

An actual job posting seen on Monster.com:

Position Title: Sr. Program Manager

Professional Requisites: 10+ years in software development; 5+ years in management of software development and teams.

Position Description

Our client is looking for an experienced PM to head up the entire software development and scientific teams. This position will report to the VP, Services. The job will include the following responsibilities:

Qualifications

- **Strong management skills** is a must - should have managed teams in excess of 50 people; must be organized, disciplined, and able to manage multiple teams across geographies (including internationally)
- **Design, implementation, and management of imaging and computer vision systems**
- **Design, implementation and management of data warehousing and analytical systems**
- **Ability to integrate and work within in a small, dynamic, and entrepreneurial organization** is essential

Position description, continued

- **Strong project management skills** and the ability to manage multiple product development streams, along with occasional operations-support projects.
- **In-depth knowledge of object-oriented processes**, methodologies and software product development/release best practices.
Experience **negotiating, structuring and managing OEM agreements** with software toolset partners (embedded modules, SDK's, etc).
- Ability to translate customer requirements into scalable, reliable, maintainable and upgradeable technology product lines.
- Ability to direct and improve **quality assurance** efforts.
- Ability to work closely with the executive team, and coordinate releases in support of the executive team's goals.
- Proven experience managing an ongoing budget

Key problem: requires extensive business savvy & technical skills which are, generally, mutually exclusive.

Project Managers need key managerial skills more than technical skills:

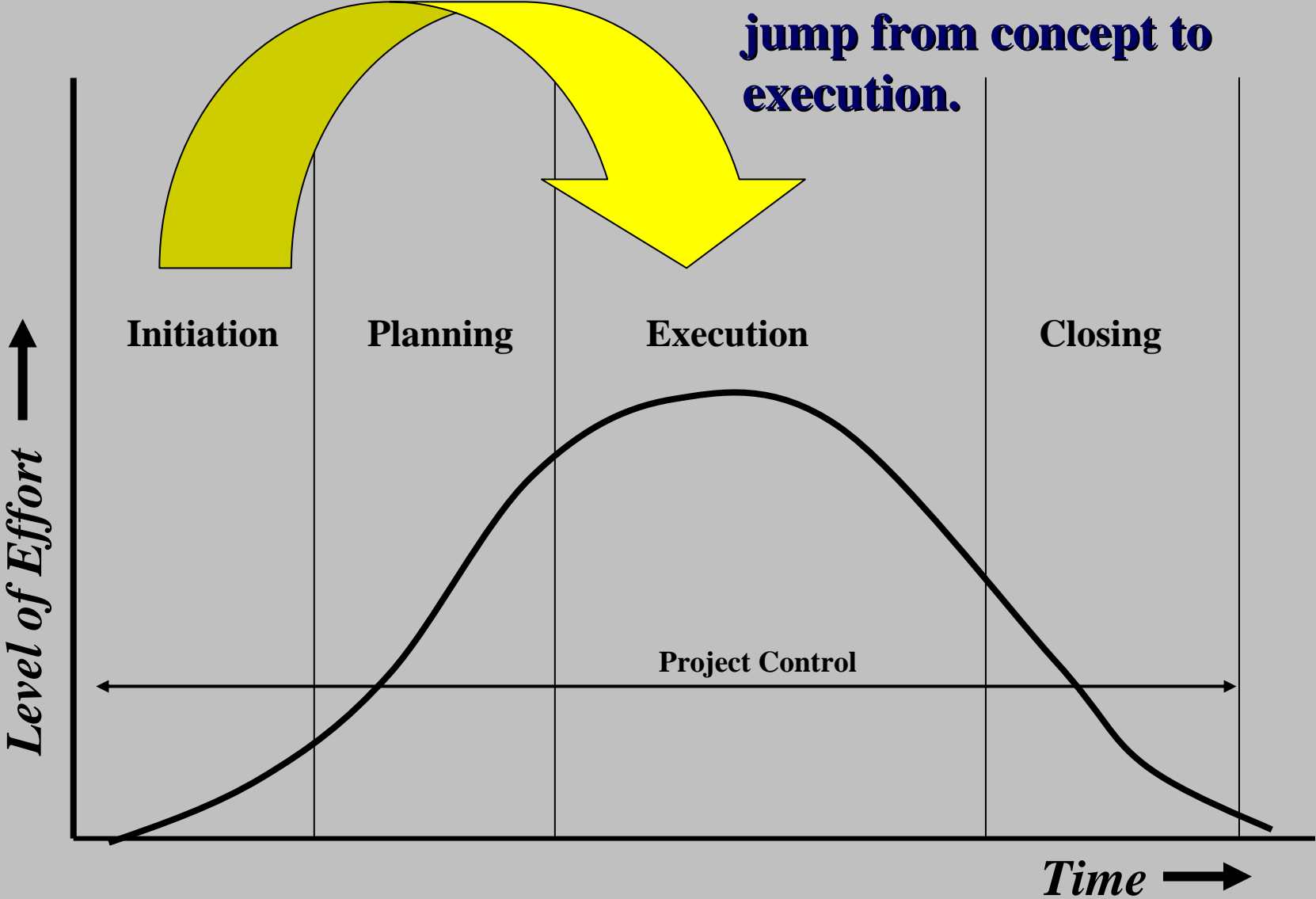
- Strong communication skills
- Able to grasp situations and their implications
- Ability to sell ideas and obtain executive support (negotiations)
- Motivate team
- Stay focused on the deliverables and end results
- Meet client expectations

2. Poor Initial Project Scoping & Planning

Why do seemingly intelligent people skip the most important part of project planning?



Many times, teams try to jump from concept to execution.



Typical Phases of the Project Life Cycle

Proper Project Scope Development

- Develop and confirm client requirements (SOW)
- Develop detailed WBS
- Obtain input from all key stakeholders
- Perform initial risk review (impacts to WBS)
- Develop a full project plan covering the 9 areas of PMBOK
- Obtain client and sr. management sign-off on project plan

3. Continuous Scope Changes

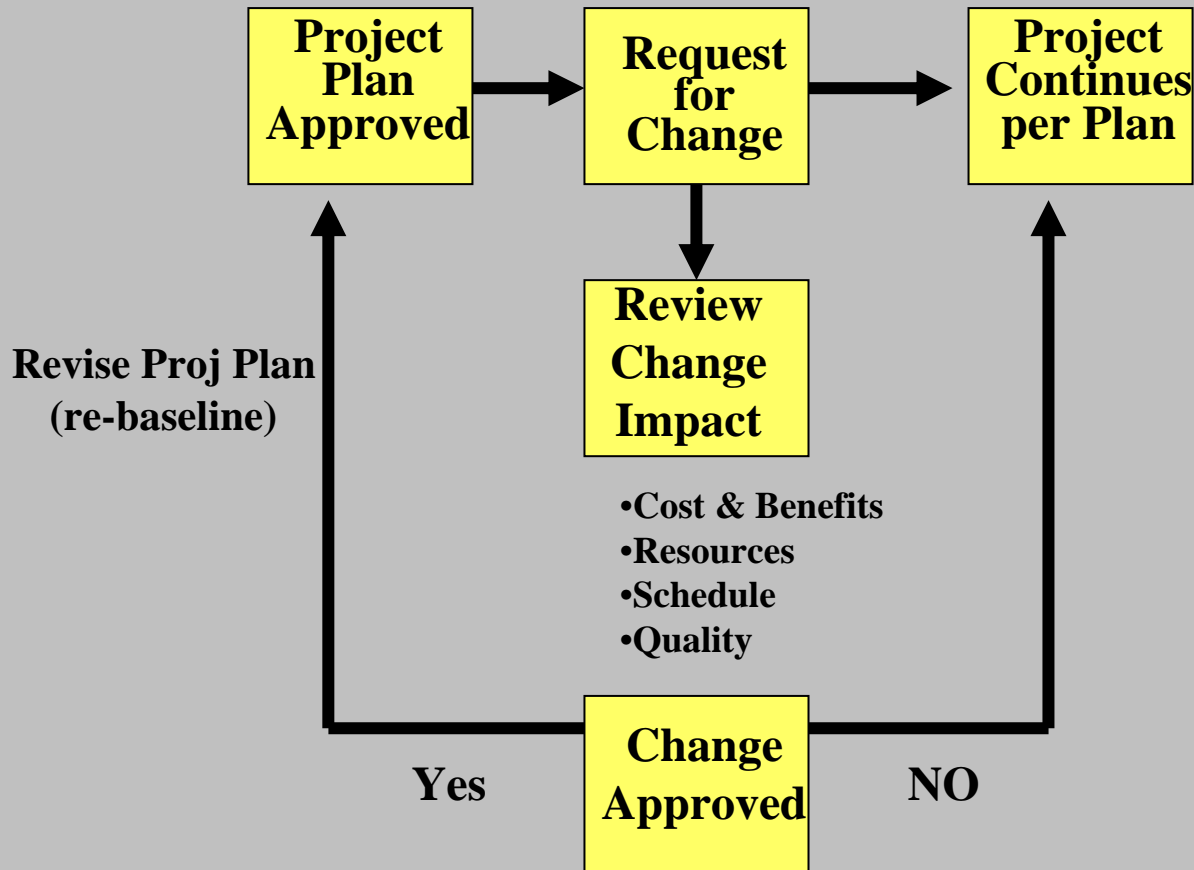
Scope Creep:

The continuous, unauthorized, changes to a project that results in the expansion or addition to the project scope.



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Even with a reasonable project plan, a process for managing scope is necessary



4. Dysfunctional Organization



Just like families,
organizations sometimes
need therapy.....

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Companies may have good people and strong support services. However:

- Many upper level executives fail to understand what project management is all about and how it can help them—considered a “lower-level” tool.
- Very little process—PM or other
- Too much in-fighting
- Project responsibilities split between departments
- The organization has a history of little accountability, lack of discipline on the part of PM's, and few requirements in the selection of project managers.

5. Unrealistic expectations

- Project end dates are dictated, not derived
- Bid proposals are based on “getting the job” rather than realistic costs
- We need to add scope but remain within the original budget....
- Budgets are arbitrarily cut (or dictated prior to project scoping)
- Solution to problems is to throw more people or money at it....

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What happens when you are asked to rescue a project that is in trouble?

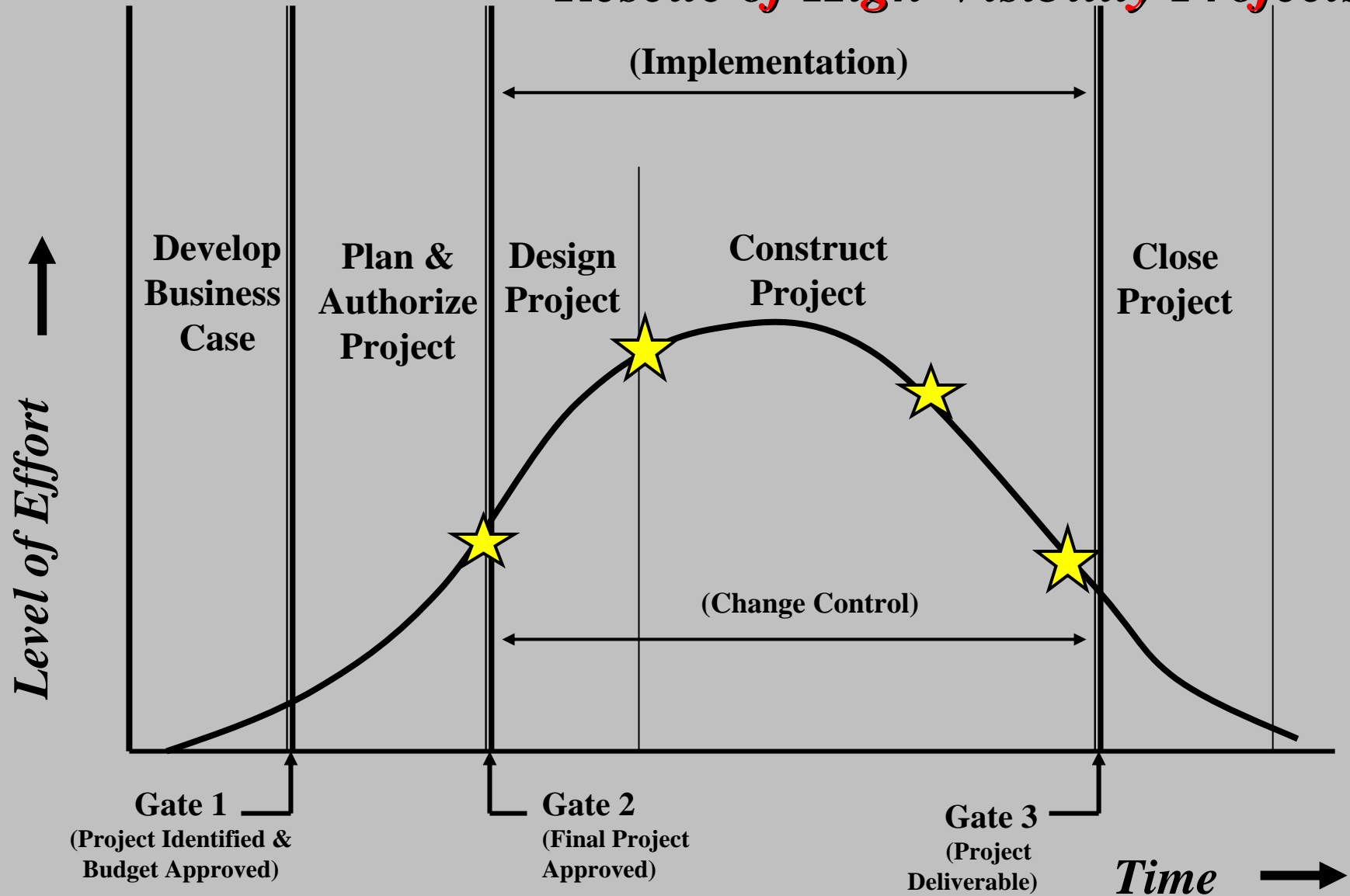
Answer:

- Run Away
- Delegate to someone else
- Request a raise for “combat pay”
- Update your resume



- Perform an assessment and develop a new plan with executive sign-off

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A Project in Progress

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Let's examine a Real Case



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Jim is a well like project leader. His projects always get finished and his personality is such that people like to work with him. Part of his success is that he knows other senior level managers in the company and has regular golf outings with some of them.

He is very much into sports and spends a lot of time with the guys talking about the weekend games and which team will go to the playoffs. In other words, Jim is a real fun guy. Jim has recently been assigned to a new, bigger project and you have been selected to finish up the project Jim is currently working on. Today, you are meeting with Jim for a transition to learn about the status of his project—valued at about \$80 million dollars. And, you are also curious as to how he is so successful. Maybe you can pick up some tips so that you can successfully conclude his projects. Here is the essence of your conversation:

You: Well, Jim, I appreciate your taking time to meet with me. As a start, can you provide me the files that contain the project plans?

Jim: You'll have to see the engineering leader for those. I let him manage the schedule and budget. Contracts are handled by Procurement. The correspondence I have is in this folder (as he hands over a folder about ¼ " thick).

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You: Is this all? I would have thought that a project this large would have significant correspondence, reports, memo's etc. Where is all that information?

Jim: One thing I learned long ago is to not write anything down; keep it all in your head.

You: Why is that?

Jim: If you don't write anything down, no one else can really stand in for you. It's how I protect myself against layoffs or downsizing. Information is power, and I control that information. Everyone on the team has little bits and pieces, but I have the big picture and it is all in my head.

You: But how does everyone know whom does what and if they are meeting the schedule or budget?

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Jim: I have weekly meetings (no meeting minutes, or very sketchy ones at best) and keep the senior guys updated when I'm on the golf course. Even though my immediate boss wants written status reports, there really is no way he can check or verify the status or progress of my projects. So, I'm usually in the clear.

You: So, how do you manage to keep your projects on target?

Jim: Since I delegate much of the responsibility to the engineering and construction contractors, any problems get blamed on them. I'm just the traffic cop that represents the company and directs the efforts; I really can't be held accountable for their work. And, they know if they want more business, they have to keep me happy—they have got to do a great job.

You leave Jim's office amazed and shaking your head. Since you really have no idea whether the project is on target or not, nor a clue as to how you can get started, you start to reach for the Tylenol.

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1. What is the fundamental problem here?
2. Now that you are in charge, what are your first actions?
3. What challenges do you foresee in your new role?
4. Did Jim get promoted into a better job or did he bail on this one?

Disaster Recovery

When Do I Escalate to Upper Management?

- When a significant risk event is triggered.
- When you are showing a consistent trend in budget or schedule overrun and you need assistance from the executive team in corrective action.
- A *major* scope change request is received.
- A major supplier performance issue is discovered.

Status reports should keep everyone informed; therefore, there should not be any surprises.

Disaster Recovery

Suggested steps

I. Assessment

1. Where is the project currently? Does it match up with the goals and objectives originally outlined?
2. Look at the project plan: does it cover the nine key areas of project management? (probably not)
3. Review the financials and milestones to determine how far off the budget and schedule you are.
4. Determine if any risks have been identified and if they have come to fruition.

Disaster Recovery

Suggested steps

II. Recovery Planning

1. Develop a new plan (9 areas) that clearly delineates goals and objectives, roles, schedule, WBS, etc. Be sure to identify the critical path.
2. Determine what resources are needed. Compare this to what you currently have.
3. Get upper management and the client to sign-off on the plan.

RESET EXPECTATIONS!

Disaster Recovery

Suggested steps

II. Recovery Planning (continued)

4. Meet weekly (or daily, if needed) to track project more closely.
5. Keep upper management/client informed of issues & progress.
6. If earned value analysis trends appear impossible to turn around, it may be time to cancel the project or perform a new business case (reevaluate project drivers/criteria).

When should a project be canceled? What are the criteria we should use?

Project Reevaluation

Some types of projects should be considered for suspension or cancellation when companies are looking to cut costs:

- Sacred Cows.
- Those projects implemented under market conditions which have now changed.
- Projects implemented under previous company leadership.
- Projects that cannot be brought into budget, schedule and scope compliance and will not provide the required ROI.

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One of the Objectives of a Project is to Make or Save Money The Sunk Cost and Go/No-Go Dilemma

Sunk costs are funds that have already been spent or invested. These costs cannot be changed by any decisions now or in the future. Consequently, “sunk costs” are never considered in making a decision to cancel or terminate a project-- they have no affect on the project’s outcome. Ignore them.

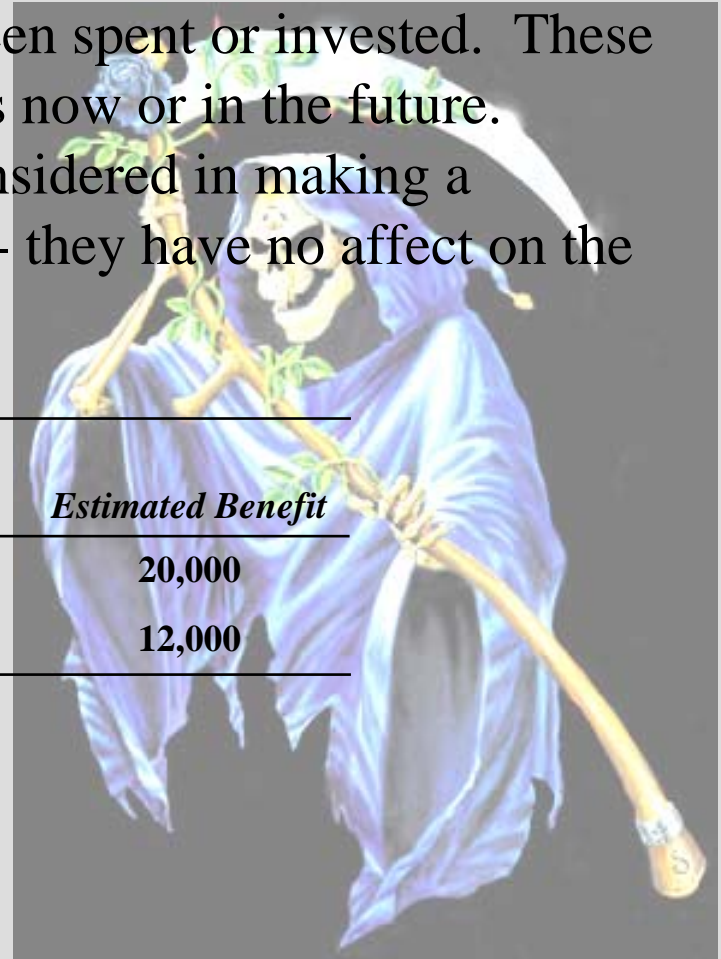
<i>Case A</i>	<i>Cost to Date</i>	<i>Estimated Remaining Cost</i>	<i>Estimated Benefit</i>
Time 0	0	10,000	20,000
Time t	6,000	8,000	12,000

Selection criterion:

At time 0: BCR = 2.0

At time t: BCR = 1.5

Decision: Termination



Control Techniques, Tips and Guidelines

Among the things a project manager must do:

- Insist on good documentation—it will CYA
- Monitor results to assure that specs and contract conditions are being met
- Insist on revised SOW, WBS, schedule, and budget when major changes occur—document scope changes through a change form
- Monitor and control direct contact with customer and prevent unauthorized changes in SOW and contracts
- Personally participate in any trade-off agreement made between functional managers and customer representatives

Discussion Questions

1. When asked to rescue a project, are there situations where you would be smart to decline? Under what circumstances?
2. Why do you think communications will play a bigger role in project recovery? What is the implication for the project manager?
3. In considering the project triple constraint (cost, schedule, quality/scope), which one do you think is the most important in project recovery? Which one do you think will be “reduced” first?



Thank You

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