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Why Does Project Management Fail for Contractors?

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Agenda

- Defining Failure
- Methodology
- Culture
- Planning & Risk Management
- Summary



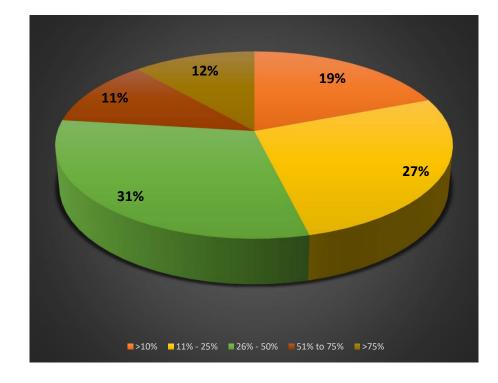
Failure

"Only human beings make decisions, and wrong decisions can easily result in misfortune."

- Eliot A. Cohen Author of Military Misfortunes: The Anatomy of Failure in War



No Project Management Methodologies



- When not using PM Methodologies projects are successful:
 - Less than 10% 19%
 - 11% to 25% 27%
 - 26% to 50% 31%
 - 51% to 75% 11%
 - Greater than 75%- 12%

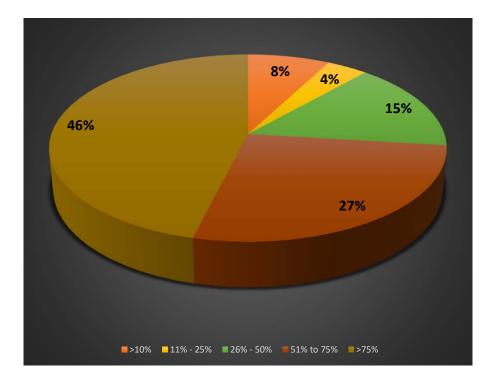
Only 12% of projects not using PM are greater than 75% successful.



Project Management Methodologies

- When using PM Methodologies projects are successful:
 - Less than 10% 8%
 - 11% to 25% 4%
 - 26% to 50% 15%
 - 51% to 75% 27%
 - Greater than 75% 46%

54% of all projects using methods are less than 75% successful!!



Types of Failure

- 1. Failure to learn.
- 2. Failure to anticipate.
- 3. Failure to adapt.



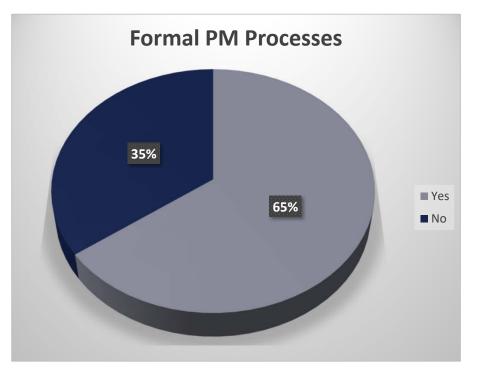


Methodology



Organizations using Project Management

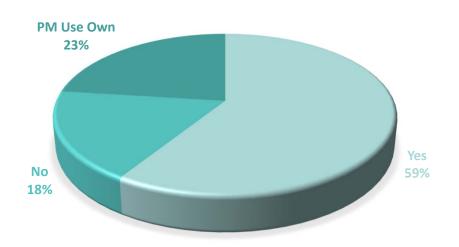
 The minority polled do not have formal project management processes in place.





Formal Processes

• The majority polled use the same formal project management processes.

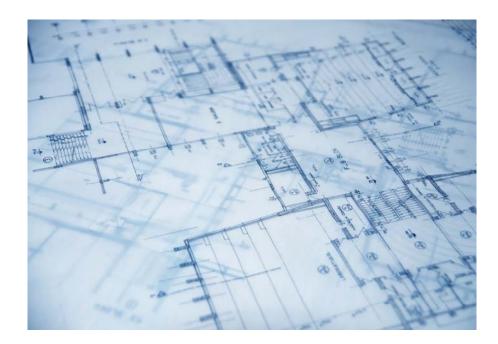


SAME PM PROCESSES



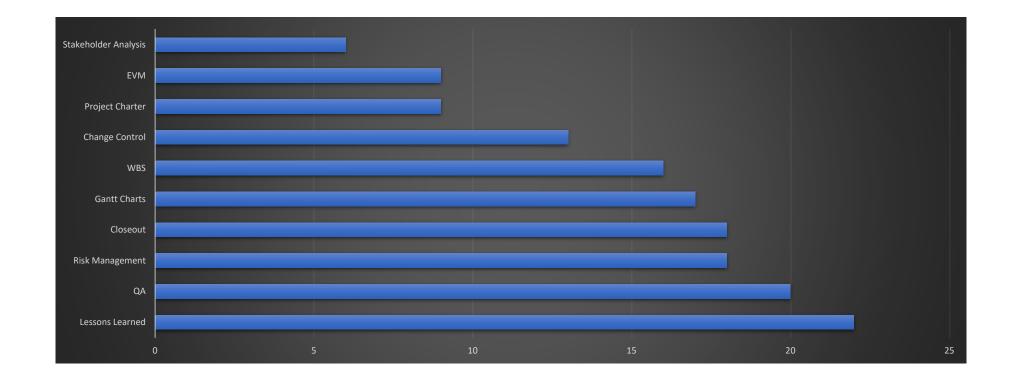
Formal Processes Continued

- The poll showed that formal processes are:
 - 12% Over Simplified
 - 24% Too Complicated
 - 65% Good mix





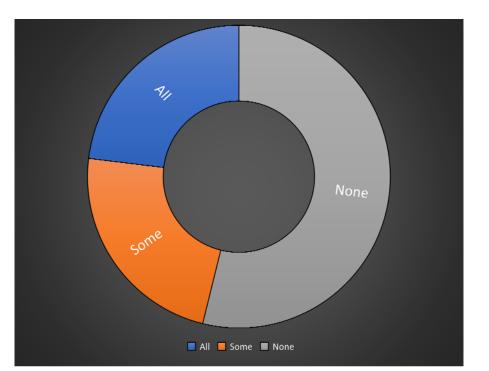
Tools/Techniques





Project Charters

- Critical to all projects yet only 23% use Project Charters.
- Project Charters are critical for projects to ensure successfully agreed upon outcomes.



How do we prevent failure?

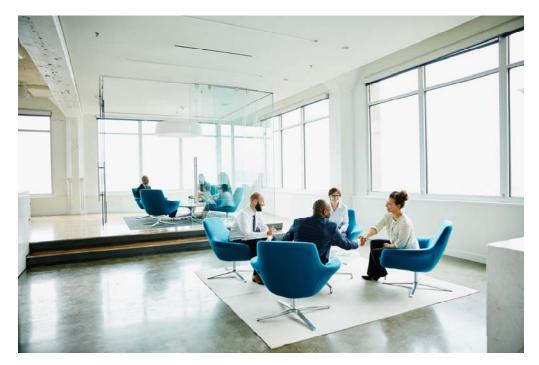
- <u>Learn</u> Uniform Formal Processes are important for success.
- <u>Anticipate</u> Processes need to match projects managed.
- <u>Adapt</u> Adjust processes as needed will lead to better results.

"Whenever people come together to carry our purposeful activity, organizations spring into being. The more complex and demanding the task, the more ordered and integrated the organization."

-Eliot Cohen



Culture

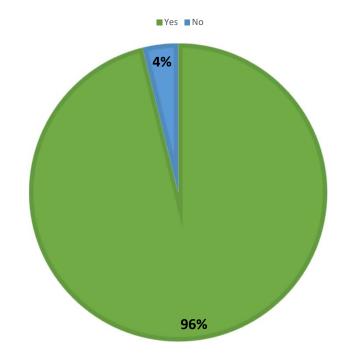






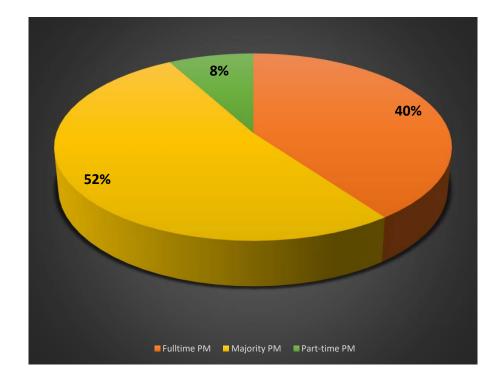
Management Support

- The majority polled have management support.
 - Critical for successful PM





PM Utilization

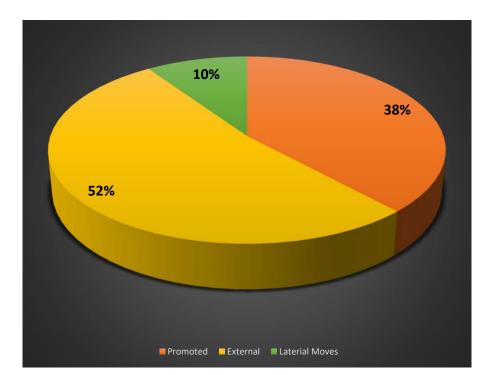


- PM's are dedicated to Project Management roles:
 - Full time PM 52%
 - Majority PM 40%
 - Part time PM 8%



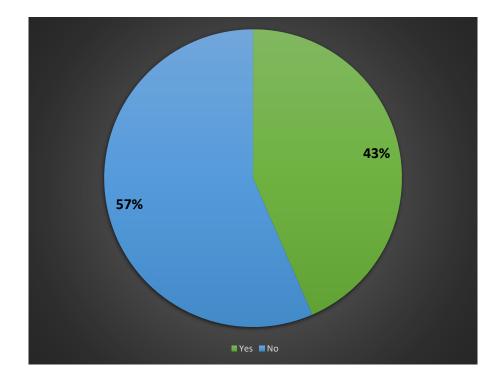
New Project Managers

- The majority of new Project Managers are:
 - External hires 52%
 - Promoted from the field 38%
 - Lateral Moves 10%





Training

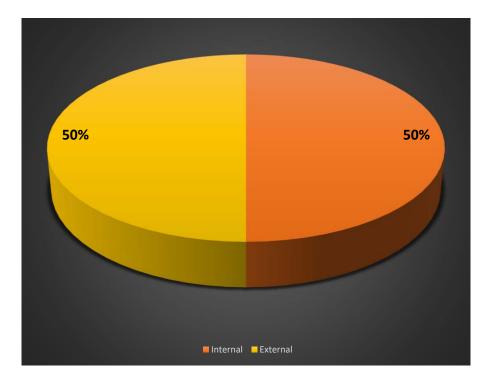


- New PM's do not receive training:
 - No 57%
 - Yes 43%
- Lack of training can result in failure of organizational and projects goals.



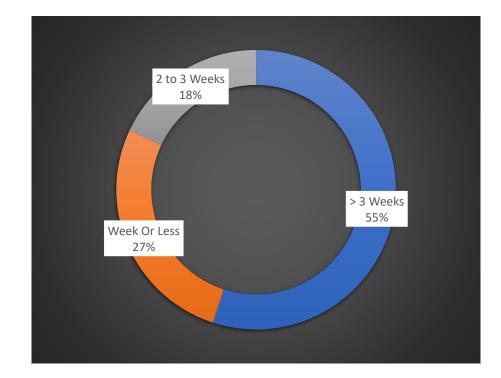
Type of Training

- Training is broken down into two major categories:
 - Internal 50%
 - External (BICSI, others) 50%





Length of Training



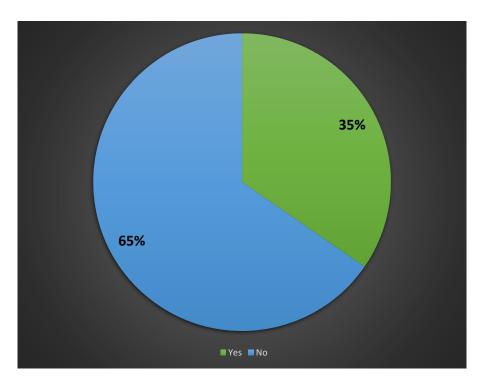
- The majority of the Project Managers who receive training get:
 - More than three weeks -55%
 - A week or less 27%
 - Two weeks to three weeks 18%



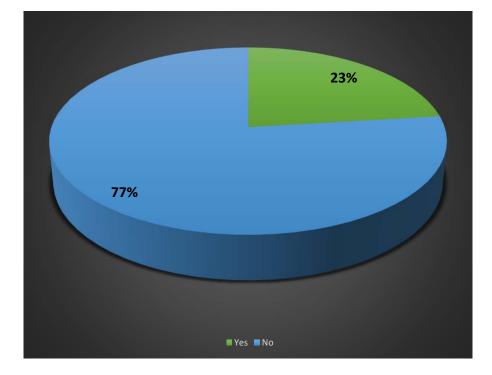


Mentoring

- The minority (35%) offer mentor programs.
- Lack of mentoring programs can hinder Project Managers understanding organizational and project goals.



Certifications

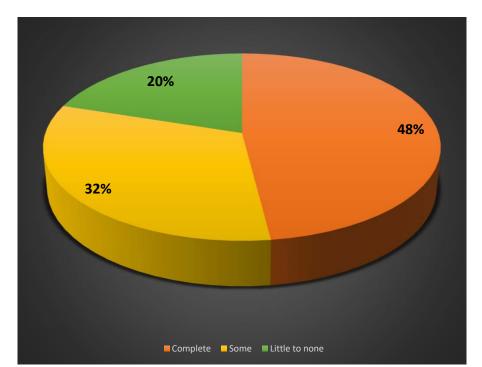


- Majority do not require certifications for project managers.
- Certifications show a base level of knowledge.



Authority

- The level of control given to project managers:
 - Complete 48%
 - Some 32%
 - Little to none 20%
- Control of projects should be determined by scope and size of the project as well as qualifications of PM.



How do we prevent failure?

- <u>Learn</u> Create training and mentoring programs.
- <u>Anticipate</u> Ensure training programs are meeting the demands of project requirements. Grant authority as necessary.
- <u>Adapt</u> Lessons learned to ensure changes to training, as necessary.

"Superior project management is attained when the organization has a culture based upon effective trust, communication, cooperation, and teamwork."

-Harold Kerzner, *Project Management Case Studies*, Second Edition





Planning & Risk Management

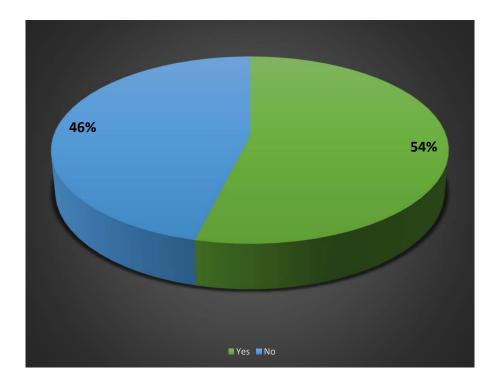




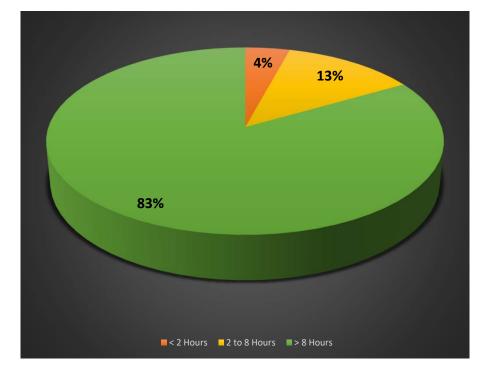


Planning Time

- Are PM's allowed enough time to plan:
 - Yes 54%
 - No 46%
- Having enough time to plan projects will have a direct effect on successful project outcomes.



Planning Time

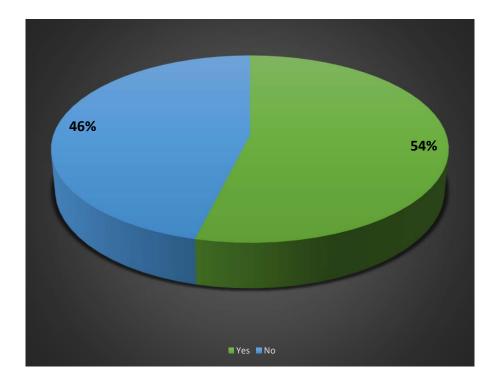


- How much time allocated:
 - Less than 2 hours 4%
 - More than 2, less than 8 13%
 - More than 8 hours 83%
- Ensure PMs allocated sufficient time based on the project's complexity and scope.



Formal Risk Management

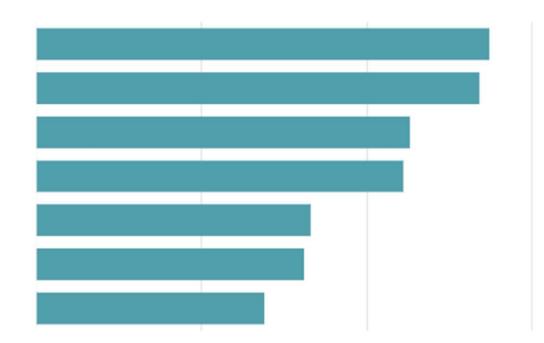
- Formal Risk management processes:
 - Yes 54%
 - No 46%
- Risk Management is a critical part of all projects to prevent project failure.





Major Risks

- 1 Personnel
- 2 Schedule/Time line
- 3 Budgetary Constraints
- 4 Supply chain
- 5 Stakeholders
- 6 Lack of management buy in to ...
- 7 Environmental





How do we prevent failure?

- <u>Learn</u> Study past project planning to ensure enough time is allocated for proper planning based on scope and size of the project.
- <u>Anticipate</u> Ensure formal risk management processes are in place to prevent failures where possible.
- <u>Adapt</u> Conduct lessons learned on every project o make changes as necessary to processes.

"Disaster is the consequence of a failure to anticipate a predictable situations."

-Eliot Cohen



Summary





Overcoming Failures

- Identify project failure type Learn, Anticipate, Adapt
- Create formal Project Management processes.
- Ensure consistent use of tools for the project. Use a Project Charter.
- Develop a culture to foster Project Managers
 - Management Support of PMs
 - Fully develop Training programs and revise as necessary.
 - Create a mentoring program to ensure PMs success
- Ensure time is allocated for planning and risk management.

References

- Telecommunications Project Management Reference Manual (TPMRM), Second edition, BICSI
- Project Management Case Studies, Second Edition, Harold Kerzner Ph.D.
- Military Misfortunes: The Anatomy of Failure in War, Eliot A Cohen



