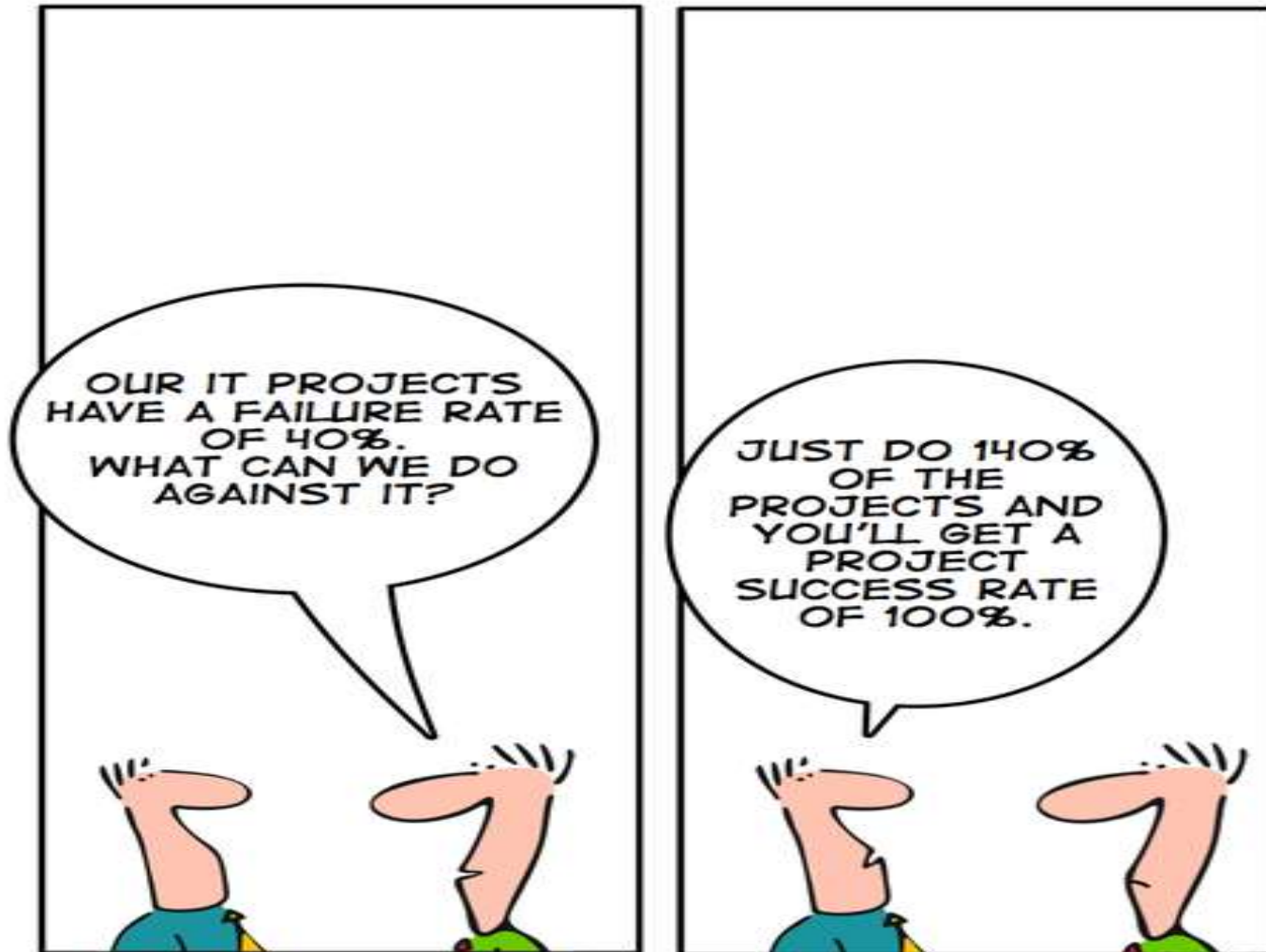# BPP 1113

Project Failure, Success and Lesson Learned

Lecture Objective

- Describe associated characteristic of project success and project failure

- Describe project termination issues and types

- Discuss the importance of managing knowledge in project environment for continual improvement

Characteristic of Project Success and Project Failure

Project Failure

- Learn from past mistakes
- "Knowledge advances not through success, but through failure"
- Whenever underlying causes (or theories) are advanced about why failure occurred, others can take actions to prevent similar failures from recurring
- Failure ⇨ Full Investigation ⇨ Public
- No failure occurs in isolation

Characteristic of Project Failure

- When fixed price project has a cost overrun, the developer must absorb the excess cost, suffering a lost or reduced profit [developer]

- The project end-items is not being accepted or utilized even though it was delivered on schedule, under budget and according to specifications [users]

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Project Management Causes of Project Failure

- Inadequate Project Management Approach
- Unsupportive Top Management
- The Wrong Project Manager
- Inappropriate or Misuse of Management Technique
- Inadequate Communication in the Project
- Inadequate Project Planning

Project Management Causes of Project Failure (cont'd)

- Inadequate Project Definition
- Bad Estimating of Time and Resources
- Incorrect Scheduling and Handling Resources
- Numerous Changes during the Execution Phase
- Inadequate Control
- Project Termination is poorly Planned

Absence of failure = project success?

Although eliminating the problem factors reduce the chances of failure, this alone will not guarantee success

Similar to Herzberg's Theory

Project Success

- Satisfies project objectives
- Trade Off – mutually agreed by the developers and the users
- Successful projects were judged to be those doing "better than average" on the criteria of cost, schedule and satisfaction of key project participants

Project Management Causes of Project Success

- Characteristics of successful project:
  - Project objectives achieved
  - User involvement
  - Executive management support

Project Management Success & Failure: Conclusion

4 generic factors associated to project success

- Efficiency of project execution
- Customer satisfaction and use
- Impact on the firm conducting the project
- Contribution to the project firm's future

4 fundamental reasons for project failure

- Project was not required for this task in the first place
- Insufficient support from senior management
- Naming the wrong project manager
- Poor up-front planning

Mantel, pg 270

Project Termination

Project Termination

- **Project Ends**
  - Terminate Project Early
    - Termination for Cause
    - Termination for Convenience
  - Finish Project on Time

Project Termination: Early

- Termination for cause
  - Problem with project's cost, schedule and performance
  - Buyer (stakeholder) decides to terminate a project early because he has lost confidence in the contractor who is performing the project

Project Termination: Early (cont'd)

- Termination for convenience
  - For the convenience of the buyer not because of the contractor
  - Buyer faces unexpected difficulties or changing priorities
  - Invoke contract clause

Project Termination: Early (cont'd)

- Termination for convenience (cont'd)
  - Project manager possibly head off early termination by:
    - Find other stakeholders in the customer organization or elsewhere who can provide some funds to keep the project viable
    - Project manager can look internally to find ways of continuing with the project, but at lower cost

# Project Ends

Finishing a Project

- Challenges at the end of projects:
  - Keep the right workers engaged until project completion
  - New project starting up and more interesting
  - Not all the deliverables are yet completed
  - Incomplete documentation

Secure Customer Feedback And Approval

- Project customer (internal & external) can provide valuable feedback concerning project process and results
- Scope verification is the process of formalizing acceptance of the completed project deliverables
- Scope verification occurs;
  - Interim deliverables
  - Final deliverables

Knowledge Management

- Much of the knowledge that is of most value in organizations is tacit knowledge

- Tacit knowledge is complex, developed and internalized by the knower over a long period of time
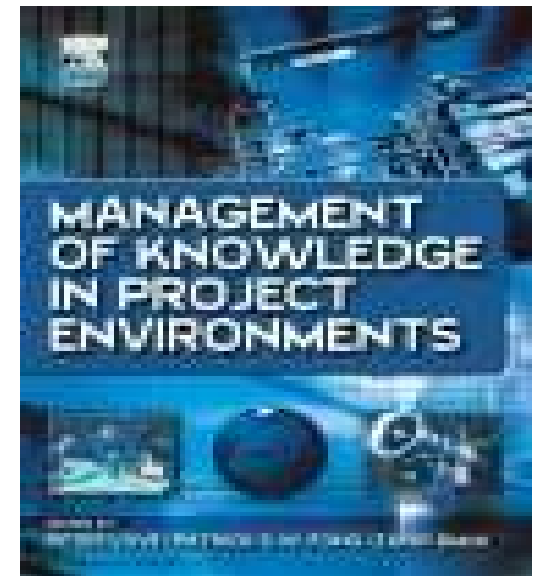
Knowledge Management (cont'd)

- Strategies and processes designed to identify, capture, structure, value, leverage, and share an organization's intellectual assets to enhance its performance and competitiveness.

- It is based on two critical activities:

  - capture and documentation of individual explicit and tacit knowledge, and

  - its dissemination within the organization.

Knowledge Management (cont'd)

- Capture lessons learned
  - "the learning gained from the process of performing the project. Lessons learned may be identified at any point"

Knowledge Management (cont'd)

- Lessons learned include;
  - What worked well that the project team members think should be copied and/or adapted for use on future work
  - Areas for which a different method may yield better results
  - May capture from core project team and stakeholders

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Knowledge Management (cont'd)

- Disseminate and use lessons learned;
  - Organization may capitalize on those lessons by establishing standard documentation and sharing procedures
  - "How to store the lessons so all workers in a company can easily access them"
  - Database (knowledge base) and shared folders
  - It can be used for continual improvements effort in project management processes

Perform Administrative Closure

- Ensure that all work has been accomplished
  - PM must ensure that all work on the project has been successfully completed
  - May refer to project charter, scope statement, WBS, schedule and all communication plan
  - May use project closeout checklists that itemize typical project activities and/or deliverables

Perform Administrative Closure (cont'd)

- Reassigns workers
  - PM owes the members of its team timely updates for their personnel records, honest recommendations and rapid notification of any issues
  - PM needs to develops a reputation for taking good care of team members

Perform Administrative Closure

- Create close out report
  - Close out report includes summary status of the project, lessons learned, review of the project original justification
  - PM needs to ensure that records are in workable format and stored in a manner and accessible

Perform Contract Closure

- Contract closure refers to the process of completing and settling the contract, including resolution of any open items and closing each subcontract

- Formal procurement audit may take place

- Closing contract involved; verify acceptability of deliverables, money has been properly distributed and accounted, properties has been returned

Celebrate Success and Reward Participants

- **C**hallenge

- **E**nergize

- **L**imit

- **E**xert

- **B**landish

- **R**ecognize

- **A**cknowledge

- **T**ransition

- **E**ase Stress

Conclusion

- Often, project ends successfully but some failed to deliver within stipulated time, cost, and scope

- There are a lot of techniques for planning and control to ensure project success

- A proper project management will increase the possibility the project to be successful