

Successful projects don't just happen

What you need to know to avoid a project management meltdown



Contents

What you need to know to avoid a project management meltdown	01
Why do IT projects so often fail?	01
The road to success	02
Flexibility within structure	02
Conclusion	03

What you need to know to avoid a project management meltdown

One of the hallmarks of an effective IT organisation is its ability to successfully implement projects. Forward-thinking IT leaders have realised that the commodity functions of IT, like keeping the network up and the servers humming are now a baseline expectation, and increasingly, projects are becoming the yardstick through which success or failure is measured. Managing IT projects can be a mammoth undertaking, especially those with six-figure budgets and ambitious rollout schedules. With so much riding on the outcome of these projects, it's imperative that you stack your decks in favour of success. In this paper, we consider some of the key tenets of executing a winning project.

Without proper planning, you will have little chance of completing your project on time, on budget or with the required functionality... which are three common factors for project success.

Increasingly complex IT architectures... an expanding convulsion of compliance... the proliferation of convergence technologies... the rise of cloud computing models. Without doubt, the current business landscape is more volatile and more challenging than ever before. It's no secret that to stay at the top of your game, you need to constantly consider a myriad of new solutions that have the potential to harness greater efficiencies and reduce both capital and operational expenditure. Chances are that new systems will entail an upgrade or refresh of your IT infrastructure – projects that are critical to your company's success. With the fragile economy it is now more important than ever that the highest standards are applied to project management in your organisation as these days there is neither room nor tolerance for project delays and budget overruns. Increasingly, however, companies are being forced to manage critical projects with limited staff, smaller budgets and fewer resources.

As a result, all too often, CIOs find themselves engaged in an ongoing struggle to deliver their IT projects in line with expectations. Do any of these painpoints sound familiar?

Projects are consistently completed late, over budget, or fail to meet agreed upon requirements... standard processes and techniques are applied haphazardly... stress and overtime work run rife throughout the project's lifecycle... the end results fail to deliver the business value promised...

Indeed, statistics demonstrate that a high percentage of IT projects miss the mark. According to a 2009 study* by the Standish Group, only 32% of all IT projects 'succeed' (delivered on time, on budget, with required features and functions), 44% are 'challenged' (late, over budget, and/or with less than the required features and functions) and 24% 'fail', (cancelled prior to completion or delivered and never used).

Why do IT projects so often fail?

What causes so many IT projects to flounder? Managing an IT project is very much a juggling act. Information technology is always moving, changing, adapting and challenging business as we know it. IT projects fail because they're simply harder. They include the usual project-management factors, such as deadlines, budget constraints and too few people to devote to the project. But they also face unique technology challenges, from hardware, operating system, network or database woes, to security risks, interoperability issues, and the changes manufacturers make to their hardware and software configurations. IT project management is complicated further by shifting business needs and demanding stakeholders, the combination of which creates the perfect storm for project inefficiencies and failures. And the problem only intensifies as IT grows ubiquitous.

Insufficient planning is another common cause for the demise of IT projects. Organisation, rigour and discipline are non-negotiable. You need to consider the resources you need to devote to a project, the skills required and realistically consider the time it will take to develop, test and implement the project deliverables. Without proper planning, you will have little chance of completing your project on time, on budget or with the required functionality... which are three common factors for project success.

IT projects also often fail because they're rushed. Because so many companies today rely on IT for a competitive advantage, they speed through development efforts and systems implementations in order to be first to market with new, IT-based products, services and capabilities. But projects that are tackled without sufficient time being set aside for planning, risk assessment and testing will be doomed from the start.

* CHAOS Summary 2009 report, The Standish Group.

The road to success

So what are some of the basic rules of thumb for ensuring that your next IT project doesn't end up on the casualty list?

A robust project management methodology

First and foremost, it is critical to adopt a standard approach to managing your IT projects. A project management methodology is a knowledge base containing guidelines, standards, procedures, tools and techniques to support the successful execution of IT projects. By adopting a standard approach to project management, you are able to establish ground rules and expectations for the project team. You'll also provide project managers, functional managers and operational staff with a common language around project management that facilitates communication and helps ensure that everyone is 'on the same page'. Opting into an assortment of different project-management techniques will render you incapable of measuring the success of your projects. And if you can't measure your projects, you can't determine which processes and methodologies are working and which ones need to be revisited.

"When processes are described in common terms, and are repeatable and managed, performance quality is higher and more consistent,"

says Mike Davies, Dimension Data's director for professional services and international service delivery.

"While there is no project management 'bible', a standard methodology tells users what to do, when and how to do it, what documents to create, which checklists to use and makes everyone's roles and responsibilities clear. Importantly, it also facilitates the collection of useful data regarding projects and how they have performed, to give decision-makers the insights they need to make effective project portfolio management decisions."

Ultimately, using sound project management techniques and processes will increase the chances that your project will be completed on time, within budget, and to an acceptable level of quality. Having good project management skills does not mean you have no problems; it doesn't mean that risks go away; and it doesn't mean that there are no surprises. But the value of good project management is that you have standard processes in place to deal with contingencies.

Flexibility within structure

Good IT projects often turn bad if an organisation has neglected to build a sufficient degree of flexibility into its project management methodology. According to Davies, this is a common stumbling block.

"If your project management methodology isn't well-thought-out and customised, both in terms of national and organisational culture, you're likely to miss the mark when it comes to execution. What 'fits' in Europe will not necessarily work in other regions, individual countries, economies or industries. It comes down to context."

Success requires a project management methodology that applies to all projects, while allowing each kind of project to be performed in accordance to its specific needs. Further, the project management methodology must be scalable to make it practical for large, medium and small projects.

"Project management delivers value – as long as you adapt the discipline according to your needs. You have to put project management within the context of your organisation to extract the maximum value. By investing in project management, you are minimising the losses you would experience from poor or no project management. However, if the system becomes too bureaucratic and inflexible, much of the value will be eroded,"

Davies adds.

The value of sound project management methodologies to the organisation include:

- Better expectation-setting through up-front estimating, planning, and project definition
- Faster execution through the re-use of common processes and templates
- Fewer project problems encountered when utilising proactive project management processes
- Better organisational decision making through more effective project communication
- Higher client satisfaction and less rework by building a higher quality product the first time

Partner wisely

Attempting to get products to market on time and with operational efficiency is becoming a nearly insurmountable challenge, given the 'lean and mean' workforce culture that permeates all areas of business today. Yet trying to do more with less can be risky – and costly. Executives have learned that despite an uncertain economic climate, shrinking budgets and staff cutbacks, they can't skimp on project management. Instead, they're re-evaluating their options and are embracing the concept of project management outsourcing.

The truth is that most companies lack the internal resources to accomplish complicated project installations on their own. Building up an in-house team of competent project managers takes several years – and these resources are typically expensive and difficult to retain. This effort takes time and money that many companies simply no longer have. And in the interim, companies lose potential profit through missed delivery dates and failed projects. Contrary to the belief that outsourcing poses a threat to a company's existing project management resources, project management outsourcing enables organisation to leverage their in-house skills to get technology products and services to market more quickly and at the lowest possible cost.

"By outsourcing their project offices, companies can achieve a higher project success rate at a lower cost, enabling them to elevate the value of project management competency within the organisation,"

explains Davies.

"In addition, by working with a skilled service provider, internal resources benefit from a valuable knowledge transfer that can enhance their understanding of project management and impact positively on their overall performance."

Success requires a project management methodology that applies to all projects, while allowing each kind of project to be performed in accordance to its specific needs.

There are two basic project management outsourcing options to consider: outsourcing the entire project office function, or using a blend of internal and external resources to manage projects. Each has its own advantages and drawbacks. Outsourcing the entire project office function involves bringing in a partner to install, develop, manage and maintain the project office at a project, programme or enterprise level. The partner provides the project management methodology and trains internal project staff in its use. It can also recommend and implement project management software and train in-house staff in its use. A fully trained team of skilled project managers, planners and control personnel are supplied by the outsourcing partner to plan, manage and complete all projects in a timely and cost-effective manner. During the initial implementation phase, change management and communications plans are developed to facilitate acceptance by the client.

The advantages of outsourcing the entire project management process are clear: project management best practices are immediately available, projects are led and managed by an expert team of personnel and no up-front investments and recruiting costs are required.

Using a blend of internal and external resources involves the outsourcing partner supplying a staff of professional project managers and project control personnel as needed. With this option, the company often continues to use its own methodology, and the partner trains its staff accordingly. The service provider's project team serves as a mentor to the internal staff. This option ensures that experts are on hand to manage the

more complex, unique or difficult-to-staff projects. In addition, internal staff have access to coaching and mentoring from the outsourcing provider. The company pays only for the outsourcing staff needed, and cultural resistance among internal staff is less likely.

Whether you opt to out-task your entire project management function or just parts thereof, the importance of selecting the right service provider should not be underestimated. Implementation partners are a critical piece of any IT project, perhaps even more so than the software and hardware at hand. So what are some of the key considerations when it comes to vendor selection?

Firstly, look for specific experience fit. Ideally, the service provider you select will be proficient in the type of project that you're undertaking. Make sure it has a sound track record in completed commercial projects on that platform for other satisfied clients. This principal holds true for all types of projects. For example, if you need a multi-national deployment of expensive TelePresence equipment, you'll get best results if the service provider you engage with has verifiable experience in the visual communications domain, is conversant in Cisco technologies and has 'feet on the ground' in all relevant geographies.

Though it might be tempting, never select a vendor based solely on price. Experienced IT decision makers who have outsourced countless projects and evaluated hundreds of proposals almost always recommend discarding the highest-priced and lowest-priced bid. Clients frequently report that their most successful projects are the ones where they felt the service provider offered a balance of good value and quality results.

Conclusion

When project failures and ineffective project management practices are impairing business performance, organisations are looking for solutions. The good news is that project management success is within your grasp – if it's done right.

Using sound project management techniques and processes will give you a higher likelihood that your project will be completed on time, within budget, and to an acceptable level of quality. The availability of clear and flexible templates, techniques, tools and definitions, based on best practices, makes for greater efficiency and common process means not having to 'reinvent the wheel'.

Bear in mind that project management is just as much an art as a science – an effective project management methodology is one that applies to all projects within the organisation, while allowing each kind of project to be performed in accordance to its needs.

Also, remember that if you have any doubts about going down this road alone, there is no shame in hiring an external entity to help. Taking the project management function out of the organisation and giving it to an outside service provider, – either in part or in full – enables you to manage the enterprise portfolio of projects, bring in priority projects within budget, and helps get products to market faster... all of which mean you can hit the ground running with productivity gains.

The truth is that successful IT projects don't just happen. IT projects will always involve a certain element of risk ... that's the nature of the beast. There are so many technological intangibles in an average IT network that it is nearly impossible to plan for everything that may arise. Nevertheless, putting in place a robust yet flexible project management methodology and having a competent partner at your side will go a long way to putting your next IT project on the path to success.

What's in it for me? The benefits of project management outsourcing

A healthier bottom line

Bringing in a project management outsourcing partner reduces the need to invest in internal project management training and infrastructure development. It also eliminates the need to recruit and assimilate project management specialists for unique situations. The savings can be significant.

Quicker time to market

Projects that are completed on time are the key to bringing products and services to market ahead of your competitors. Products that are late to market can lose much of their profit-making potential.

A foundation for continuous improvement

Bringing in established, best-practice based processes and support services and experienced specialists can invigorate the entire project management function. What's more, by reducing the burden of managing projects internally, you can focus on improving other areas of your operations, such as research and development, staff productivity and quality assurance.

More satisfied customers

Achieving greater levels of efficiency and service quality will impact positively on customer satisfaction levels, which in turn paves the way improved sales and profits.

MIDDLE EAST & AFRICA

ALGERIA • ANGOLA
BOTSWANA • GHANA • KENYA
MOROCCO • NAMIBIA • NIGERIA
SAUDI ARABIA • SOUTH AFRICA
TANZANIA • UGANDA
UNITED ARAB EMIRATES

ASIA

CHINA • HONG KONG
INDIA • INDONESIA • JAPAN
KOREA • MALAYSIA
NEW ZEALAND • PHILIPPINES
SINGAPORE • TAIWAN
THAILAND • VIETNAM

AUSTRALIA

AUSTRALIAN CAPITAL TERRITORY
NEW SOUTH WALES • QUEENSLAND
SOUTH AUSTRALIA • VICTORIA
WESTERN AUSTRALIA

EUROPE

BELGIUM • CZECH REPUBLIC
FRANCE • GERMANY • HUNGARY
ITALY • LUXEMBOURG
NETHERLANDS • SPAIN
SWITZERLAND • UNITED KINGDOM

AMERICAS

BRAZIL • CANADA • CHILE
MEXICO • UNITED STATES