

10 Ways to SINK a Project

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Abstract

Many projects face problems for multiple reasons, but some difficulties are common and should get more attention from the project manager. This presentation presents, in a humorous manner, 10 risk scenarios that can cause failure in any project, and discusses how these risks can be neutralized.

Introduction

Many projects face problems for multiple reasons: problems of scope, insufficient planning and bad risk assessment are frequent nightmares in any project manager's life. The root causes of these problems are diverse, but some difficulties are common to many projects, and, for this reason, should get more attention from the project manager and his/her team. However, when fighting against these most frequent project enemies, the project manager will reinforce his/her capacity for risk response planning and increase his/her chances for success.

This paper presents ten situations that can bring project failure, with the objective of alerting project managers to some key risks that are frequently ignored during project planning and execution. In a humorous manner, I'll approach the common causes of these problems, not with the purpose of proving that only these 10 situations should command all the project manager's attention, but to highlight that risk prevention IS the project manager's greatest responsibility and IS the decisive factor of success. I will, as well, offer suggested courses of action that can be taken by the project manager to face each and every one of these 10 risk situations and in this way keep the project "floating".

How to sink a project

To sink a project is easy! Therefore, good project managers spend their time trying to prevent their projects from "taking on water", whilst others wait as the water rises to their necks before looking for a solution. There are risks in every part, in projects of all kinds, sizes and budgets; and if the attitude of the "crew" is not one of prevention against the risks that can sink the project, the destiny of the "ship" is certain!

Although there are many risks imaginable, there are some risks that can be common to many different kinds of projects. The occurrence of these risks is independent of the executing company, the complexity of the scope or the size of the project budget. The fact that these risks repeat themselves in many various types of projects is precisely why the project manager needs to take advantage of the lessons learned from past projects to prevent those common (but powerful) risks from damaging the project's "hull".

This article discusses, from here on, ten risks that can be common to any project, and that can, alone or combined, behave like real "torpedoes" (or icebergs) that can sink your project if the necessary care is not taken.

1. Be vague: the most generic scope keeps your client away from asking for details

Be Careful! A very well defined project scope can limit you! If too well defined, it will force you, automatically, to do exactly what was requested. What's the problem with that? If your company made a mistake in the time or cost estimates, there won't be a way to make any adjustments in scope to compensate for the differences.

A detailed project scope will make the client constantly complain about small particulars, generating unnecessary conflicts and taking the focus away from what really matters: to finish the project! Some clients also like to reconsider the scope after signing the contract, which can cause more conflicts with the project manager. If the commercial proposal has been approved and the contract has been signed, these discussions are unnecessary. It's the Project Technical Team who will be in charge of executing the work in the way they know best.

If a change turns out to be necessary, during execution, the project manager can slightly alter the project scope. As long as there's no damage to the final product, with a less defined project scope, it won't be necessary to get client approvals for each small change. The executing team is able to define what is, technically, best for the project, based on their experience.

2. Begin the execution as soon as possible (why spend time planning if you already know that a lot of changes will happen?)

Certainly you've heard someone say that "the only thing that we know for sure about a project is that changes will happen". Time after time this is confirmed, and obliges the project manager to continually make lots of changes in the project plans. Beyond that, in the last few years, it's been possible to see a significant reduction in the amount of time given to project execution, which can push the project manager to begin execution as quickly as possible.

Since the client is waiting anxiously for the project execution to begin (to see the construction start or to see the programmers begin to write code), the project manager shouldn't leave the client waiting. As there isn't always enough time for planning, this phase should not delay the beginning of the project. For sure any plans you make will change, there won't be time enough to keep them up to date, and most likely the project manager will just file the paperwork away for "future" consultation.

Updating the project plan takes away precious time from the project manager. During that time he/she should be involved in project execution or project meetings. The project manager's efforts must be concentrated on controlling the cost and time of the project. Only in this way will there be a much more satisfied client!

3. Focus on the team's work – talking too much with the client will distract you

Some clients interfere significantly in the execution of the project; constantly scheduling meetings, regularly making direct contact with other involved departments without your knowledge and, most importantly, constantly requesting changes in scope. Many times, this proximity creates dangerous interference in the work. This can result, in the end, with the client overriding the power of the project manager in front of his own team! Clients that participate too much during project execution are always demanding that the project manager report to them, influence the direction of the work and undermine the agility of the project manager to make his/her day-by-day decisions.

This excessive involvement can wear down the relationship between the project manager and the client, creating unnecessary tension, and can cause many conflicts that may cause a breach in the contract. With clients who usually micro-manage, from the beginning, the project manager should define clearly the roles and responsibilities of both parts, and show that he will not accept constant interference in the work.

During project execution, the manager should concentrate his efforts on his team's work, focusing on the execution of the tasks and staying close to his resources. He should invest his time working with his team and insuring that the client doesn't overstep his bounds.

4. Don't document the changes – this will save you from discussions with the client

Adjustments are always necessary during every project. In fact, one of the few things that a project manager knows for sure is that the project will change, independent of its kind, size or resources involved. If the project manager has to put the work on hold every time a necessary change is detected; fill out a change request, then discuss the changes with his client and get his signature on many forms, the only thing that he will get are conflicts and mistrust.

If both parts are aligned on the project objectives, and agree that some adjustments are necessary, all those many forms will only be seen as a defensive behavior from the executing company. This practice will delay the necessary changes, and will take away the agility of the project execution. It will also wear down the relationship. What is expected in a project environment is a trusting relationship; so, if both parts agree that a change is needed, the project team's time should not be wasted documenting what's already been agreed.

Formal change requests and impact analyses usually result in cost changes for the client, which, obviously, won't leave them happy about the project. Beyond that, all this documentation is useless at the end of the project, so don't waste your precious time taking care of documents that won't be used afterwards.

5. Exceed the client's expectations: add extras to the project scope

Nowadays clients expect much more from you and your company. The competition is strong and you must make good use of this opportunity to earn the client's trust. Therefore, some additions to the project scope can help you further impress your client, earning their confidence and guaranteeing future work.

These additions, big or small, must be in accordance with the wishes of the client. This will increase your cost to some extent and will, therefore, reduce the project's profitability. However, this difference will surely be compen-

sated for by future opportunities created as a result of this current project. To surprise the client and exceed their expectations isn't an easy task, and will require a lot of creativity from the project manager.

As well, it will be necessary to convince your boss or bosses that the extra work is necessary and important, even if it is not part of the contracted baseline. The most important thing, at this moment, is to keep your team inside of the client's site and to hold the competitors back. In the future, new contracts will be signed, and the lost profit will be recovered.

6. Risk Management? Counting on your luck is the only way out!

Problems happen in all projects, even if the team has preventive action plans in place. By definition, risks are uncertain events (PMI, 2004) whose occurrence can impact the project objectives. Since the occurrence of these risks is uncertain, and the final impact is often unknown, why waste hours and hours trying to predict the future?

Even using advanced technological tools, futurology exercises or meetings using crystal balls, the majority of the time the risks occur at random, and little can be done by the project team to change this situation. The best thing to do, from the beginning of the project, is to stay focused on the execution and try to finish the tasks as soon as possible. Keep the team alert and prepared to take action to solve the problems as they happen.

Every project faces problems, and these problems can ruin the project if adequate care is not taken. The project manager and his team must be alert and solve the problems as they arise. Long planning meetings trying to predict what will happen have little effect when the time comes to deal with the risks that can happen in the future.

7. Giving attention to quality matters most only in the final stage of the project; after all, what really counts is the 'finished product'

Companies usually have complex quality rules, standards, forms, processes and procedures that must be followed; but if you really try to follow all the existing rules, the project will never be completed! It's impossible to do all the tasks according to all the required processes, and many hours of the team will be consumed in endless and unproductive meetings about standards, quality plans and internal audits.

It is certain that the project's product quality is essential, and is something that the project manager has to worry about. It is important that this quality control be rigorous only at the end of the project, to ensure that the client receives a product free from defects. The final tests are necessary, and at this time the project manager should mobilize his team to guarantee that the product meets all the pre-defined requirements.

It's worthless to worry so much about Quality documentation that you risk losing focus on the final product picture. What the client will notice when he receives the product is its final appearance; and if you lose time at the beginning of the project with standards, rules and forms, your product may not reach the hands of the client as early as you needed.

8. Avoid bureaucracy – filling forms is a waste of time! This documentation will only fill up the archives!

As explained in the previous topic, nowadays companies have many different document types, processes and procedure verification forms that must be filled out throughout the project life cycle, proving that you are in compliance with the company's rules and standards. This paperwork includes, for example:

- Quality standards and process verification forms;
- Project management process forms;
- Project plan and quality plan templates;
- WBS and schedule templates;
- Forms for validating / changing the scope;
- Checklists for cost and man-hour estimates;
- Contract templates.

During the execution of a big project, hundreds (or even thousands) of hours of the project manager and all the stakeholders are spent filling out, evaluating, changing and forwarding the many different kinds of forms that there are. Just imagine the benefit for the project if all these hours were used in the execution of the project activities! Avoid losing all this precious time filling out papers that won't in the end be useful to the project results; your company's archives will thank you!

9. Make the team work hard to avoid delays – overtime is essential to keep the team focused

All projects are practically BORN behind schedule! The deadline seems unachievable and the last days become a real torture! To avoid delaying the project, the team must always be “on”, that is, to keep on top of the schedule. The project manager must control all his team’s tasks to guarantee that all their efforts are being applied effectively to the project.

Overtime can often help the project manager keep the team’s dedicated spirit going the whole time, and not just during the most critical stages. This way, the project manager can keep the team’s commitment, motivation and attention to the scheduled tasks, all under his control. Projects are temporary endeavors (PMI, 2004) and, therefore, require extra energy from the team to succeed. A good project manager can get this “something else” from his/her team during the development of the project. He/she must begin to pressure the team right away, from the beginning of the project, even though there isn’t a need for overtime in the early stages. The team must know the project manager’s time expectations, and those who aren’t willing to contribute to finish the project on time, probably will have to be replaced.

10. Get rid of the paperwork after the project close out! Past information will only take up too much space in your office!

By the time the project ends, boxes and boxes of papers and documents have accumulated in the project manager’s office, besides all the electronic files spread throughout the company’s network. Considering this historical documentation important, the project manager often decides to keep the entire project archive. This just chokes up the company’s store room. Nobody will use this material, not the same team, and not even other professionals in the company. Why keep useless material?

If a new project is beginning, all those documents will only confuse the life of the project manager. What are we doing with all this stuff? Why send it into the company’s archives, when we know that these boxes will only collect dust until someone decides to get rid of them? Wouldn’t it be better, faster and cheaper just to immediately get rid of all those, apparently worthless, piles of paper?

Working towards success: how to keep the project ‘above water’

To keep the project ‘afloat’ isn’t, certainly, an easy job. It requires extraordinary dedication from the project manager and his/her team; and success comes much more because of competence than chance. And that’s why, to succeed, the project manager’s attitude is an essential element in keeping the team constantly mobilized to deal with these risks. The project manager can’t prevent a storm from hitting his project, but he can anticipate its consequences, and in that way, prepare his/her team to withstand it.

How then, do we face the previously identified risks?

a) The generic scope: never think that defining the scope with the client is a waste of time! The scope is the starting point for all project “time and cost” estimates; the client will check all deliverables and accept the final outcome only once he has matched them against the original project scope. USE TIME to detail the scope and align expectations with the client and, whenever it’s possible, involve the most experienced technicians on your team. Determining a precise scope is the first step towards success!

b) Don’t plan, just wait for the changes: going directly to execution without planning adequately is working towards failure! Changes will definitely happen; therefore there is nothing better than defining processes by which the changes can be managed, as seen in the Perform Integrated Change Control process from the *A Guide to the Project Management Body of Knowledge (PMBOK® Guide - PMI, 2008)*.

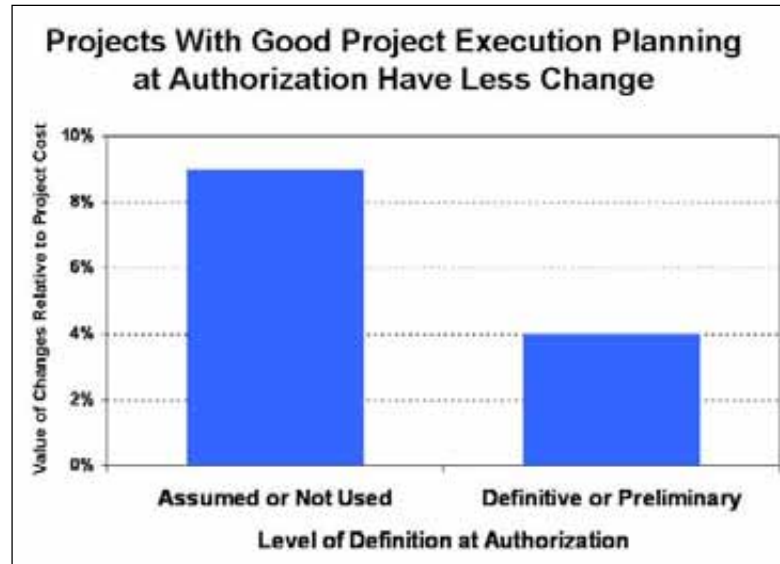


Figure 1 – Capital projects without a good project execution planning tend to have more costly changes
Source: Industry Benchmarking Consortium 1999

A research developed by the Independent Project Analysis shows that projects without a good planning are more likely to have more costly changes (Tapia, 1999, p. 46), as shown on the Figure 1. The impacts that can result from a change request are evaluated based on the project plan; without a good plan to support this evaluation, wrong decisions can and often will be made. Without planning, the project loses its course, and a ship without a course is almost guaranteed to NOT reach its final destination!

c) Avoid communicating with the client: some clients involve themselves too much in the project execution, and sometimes it causes difficulties in the project manager's work. But, even so, it is fundamental to be on friendly terms with the client. The project manager must understand the needs of the client and his company, and therefore, needs to establish good communication channels and to work as the client's partner. A distrustful, meddling or undecided client can be hard to handle for a project manager, but keeping such a client distant will be even harder.

d) Not documenting the changes: not documenting the project changes is like driving the ship directly into an iceberg! All alterations must pass through an impact evaluation before getting (or not getting) the approval of the right people. Sometimes, after all the changes, the product delivered by the team can be significantly different from the one defined in the first version of the scope. If the project manager doesn't update the plan along with the project execution, the final result will certainly be disastrous! Think about this situation: the changes weren't documented, then the client refuses to accept the final product, based on the original scope. Where is the team left?

e) Adding extras to the contract: how many times have you heard that "Gold Plating" can be extremely damaging to the project? The client is anxiously waiting for you to deliver what's in the contract and nothing beyond what's in the contract. And to deliver that, within the desired time and cost, with the desired quality, is a great accomplishment! Significant changes to the project scope during execution can have huge impacts on project cost and schedule. According to Tapia (2001, p. 63), the schedule slip in capital projects, for example, is significantly influenced by project changes, as shown on the Figure 2.

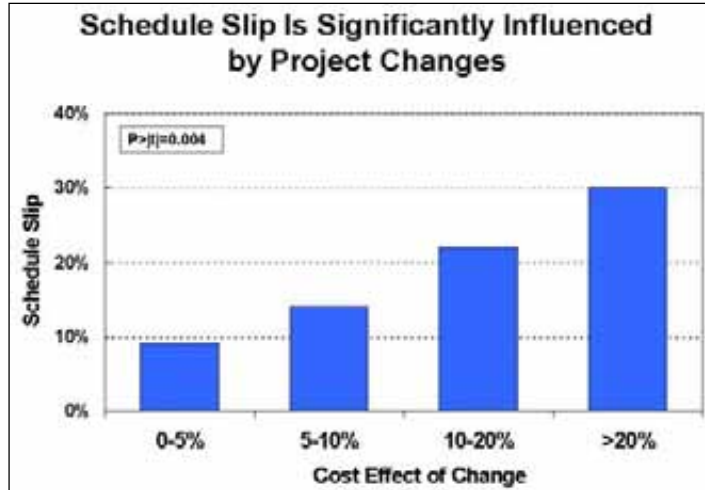


Figure 2 – The schedule slip in capital projects is higher when costly changes happen during execution
Source: Industry Benchmarking Consortium 2001

The proportion of project failures is high, so worry about executing exactly what was contracted. According to Tomczyk (2005), Gold Plating leads to scope creep, which may make it difficult or impossible to reach your project goals.

f) Not creating a risk response plan: this paper is about risk management! And I believe that you must have identified at least one of the ten risks listed as one of the “potential threats” to your current project. Or, possibly, you have suffered from the impact caused by one of them. It’s certain that we can’t predict or eliminate 100% of the risks from our projects, but waiting for luck to save us is like blindly navigating in an unknown ocean. The knowledge, hard work and wide vision all will be useless if the project manager doesn’t have the right attitude in leading his/her team in risk prevention. Risk management has a great value for all kinds of projects, and there are many tools that can help a project team act preventively. As show on the Figure 3, according to Giguere and Merrow (2007, p. 16), when no risk analysis or mitigation techniques are used, the execution schedule is frequently longer in capital projects, compared to projects that used some risk response techniques.

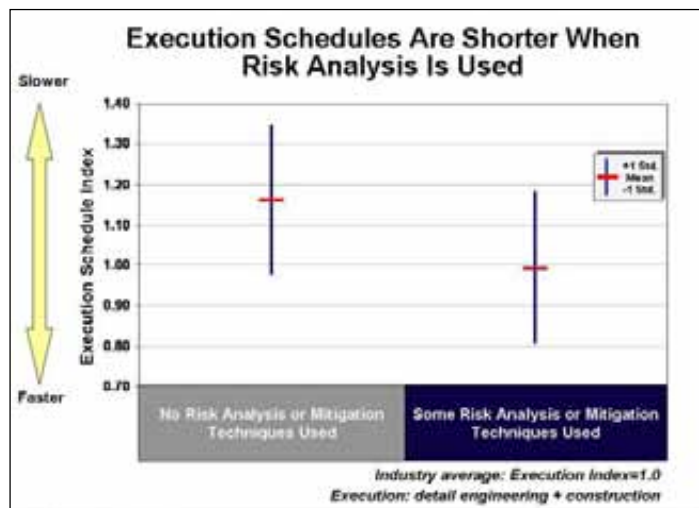


Figure 3 – The execution schedule is longer in capital projects when project teams do not perform a risk analysis
Source: Industry Benchmarking Consortium 2007

g) The concern with Quality: how can you correct a problem in the structure of a building, using just the final coat of paint? How can you guarantee the correct performance of software in its alpha test, if it was badly conceived? Do you still think it’s possible to correct defects only in the product’s final stages? All products must have their quality plans, and the achieved results must be compared to the plan at every milestone. The client will only be satisfied if he receives the project’s final product in conformance with the requirements. It’s also important to

remember that, beyond taking care of the quality of the product, the manager is also responsible for the quality of the project management, meaning that the project must comply with what was planned.

h) Documentation vs Bureaucracy: not documenting the assumptions made in planning, the execution issues or the controlling actions of the project is like not following (and checking) the course of the ship during its voyage. How could you make a corrective action without making a project performance evaluation? How would you make a change without the formal approval of the client? Documentation is necessary to the success of the project, and must be treated seriously. Don't forget about your "On Board Diary", because, if conflicts occur during the project, only what was signed for will be valid.

i) Overtime: some extra effort is always necessary during project execution, be it because of a more stressed working environment, or because of over time work necessary before the most important deliverables. However, using overtime systematically during the whole project can be very damaging to the team. The natural exhaustion caused by excess work will decrease productivity, contribute to quality problems and put an end to the team's motivation. For example: according to Merrow (2002, p.36), researches developed by the Independent Project Analysis shows that in a work week of 75 hours, the labor productivity in capital projects decreases around 14 percent compared to the normal work week of 40 hours; as shown on the Figure 4.

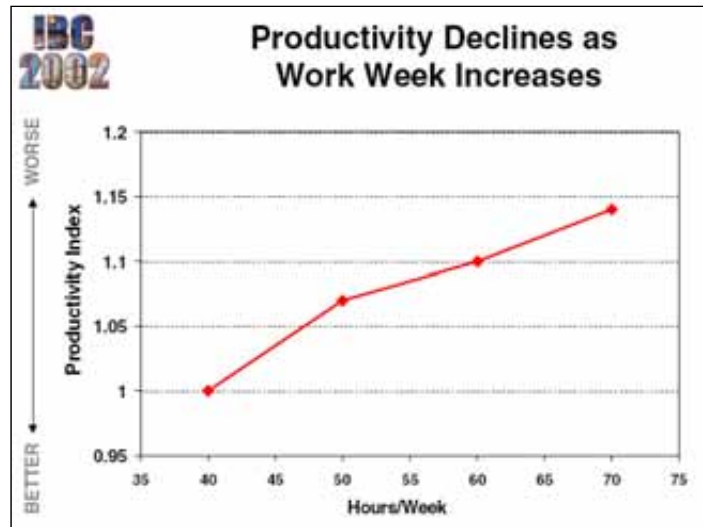


Figure 4 – The relationship between the use of overtime and poor productivity in capital projects
Source: Industry Benchmarking Consortium 2002

Never use overtime as a planned solution, that is, don't consider that the team will continuously work beyond normal hours to finish the project in a tightly timed schedule. Consider instead an increase to the project team if necessary.

i) Getting rid of the paperwork at the end of a project: do you think that the documentation has no value at the end of a project? Don't you want to take advantage of the lessons learned? The documentation collected during project execution is of great value to your company and its professionals. Past task execution data, and cost and risk information, are some of the best study materials a project manager can be lucky enough to get his/her hands on! Create a system for keeping the documentation organized throughout the whole project, thus making future consultations easy. This information is the starting point for continuous improvement!

Conclusion

Risk occurrence is common during project execution, no matter the size or the complexity of the project. To prevent risks from sinking the project, it's essential for the project manager and his/her team to be aware of all the potential risk situations. Many risks are common to many types of projects, and many are caused by the lack of knowledge of the project manager or by not adhering to the best management practices. Therefore, it's up to the project manager to command the team and to establish preventive procedures in order to keep his/her project "sailing along" on its way.

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