

Recognising Project Warning Signs Part 2

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Following is a list of five broad categories of warning signs to help you get started on creating your own list. These five categories have proved to be common for organisations that are successful in using health checks to ferret out problems.

Project Control

Most organisations look at the schedule, cost, quality and resource usage of their projects. These issues are indeed important but are only the tip of the project iceberg. When you, as a project sponsor or executive, ask how much money has been spent, you're asking about the past.

Unfortunately, knowing what money has been spent is really not a good warning sign because it's historical information. What we really need to know is what costs the project will incur next month or next year — the project's burn rate. If we know the burn rate we can estimate what our costs will be and we can mitigate loss or increase our ROI by making resource decisions now to create, or at least shape, our future.

Compliance

Project managers worldwide are an independent group of people. They like to give orders, not take them. Consequently, they don't like being told what to do or how to do it. That's why many organisations struggle when introducing a project management methodology. Yet, we know that certain practices will have a beneficial effect on our project, and we also know that we need a consistent approach to practicing project management across an organisation. Otherwise, everyone will be going off in his or her own direction and doing what he or she thinks is best.

If you're a two-person shop doing Web development and living in a trendy town apartment, you don't need a methodology. If, on the other hand, you are Rene Speitel, Vice President of the Worldwide Engagement PMO for HP Services, with thousands of projects underway at any one time, you know that a methodology is extremely important because a methodology:

- Promotes consistency across all geographies.
- Embodies best practices that help project managers in their work.
- Improves productivity and efficiency of the project managers and the organisation as a whole.
- Improves communication because everyone is speaking the same language.

Designing, developing and implementing a project management methodology requires a significant investment of time and resources. The organisation has a right to receive a return on that investment. You need to ask questions concerning the use of the methodology as part of health checks to ensure that your project managers are using the best practices your organisation has learned over the years. In fact, by doing so, your organisation is ensuring that your clients are getting the best level of project management available.



Validating the Business Case

Projects are done for many reasons, including increasing customer satisfaction, enhancing efficiencies or developing a new product. You and your organisation are probably no longer approving projects unless you have concrete proof of a substantial return on investment. In addition, the scrutiny does not, or should not, stop at that point. Many organisations are monitoring business case objectives throughout the project life cycle.

This laser-like focus on project benefits means that the business case is being validated during project execution. The best corporations are looking at benefits management during project execution and killing those projects that won't make their investment objectives. But killing projects is hard, and in some organisations downright impossible, as was the case with RCA's SelectaVision, a videodisc player.

In 1970, RCA announced the development of the SelectaVision player even though experts in the field questioned the use of videodisc technology. Seven years later, the company launched the first prototype, long after all of its competitors had abandoned the videodisc research, citing the quality and increasing popularity of VCRs.

Despite all of this expert opinion, in 1980 RCA introduced the SelectaVision. Although the product received tepid consumer response, RCA did not abandon the project until 1984. Only after spending 14 years and \$140 million, did RCA finally declare the product a failure.

Everyone at RCA pressed forward because of a collective belief system. The engineers were so convinced that they had a successful product they were incapable of considering the idea that the product was going to be a commercial failure. (Royer)

Had the SelectaVision project been subject to regular and rigorous health checks that included case validation conducted by independent experts, RCA might have been spared the staggering losses it incurred.

Risk Issues

To many organisations, project management is risk management so, their health checks always include a section on project risk. These organisations scrutinise the risk management plan, identify top ten risks and issue risk management practices.

The "Human" Factor

Project management is a team sport. In the classic description of project management, the project manager perceives himself much like Ptolemy perceived the earth — like the centre of the project universe. Accordingly, the project manager needs to be concerned about the relationships among the various project stakeholders. Without solid working relationships among these players, the project's chance of success is threatened.

Project health checks look at how the team is functioning, if the sponsor remains committed, if the client is satisfied with the team's work and any other human factor that could adversely impact the project. Therefore, the successful project manager will always keep his or her finger on the pulse of project relationships to ensure that the team is headed in the right direction and that the appropriate stakeholders are well informed.

Project managers need to remain constantly alert for any possible disruption of these relationships. This diligence can be difficult for project managers, who are often task-orientated, not relationship-orientated.

Relationships of any kind, whether they are personal or professional, need constant nurturing and the good project manager knows that and will devote a significant amount of time to it.

Using Warning Signs to Rescue a Troubled Project

Once executives and managers have identified what signs of trouble to look for, the next step is to conduct the health check and to start turning the project around.



Find out how ESI International can help your organisation.

To learn more, please contact ESI at enquiries@esi-intl.com or +44(0)20 7017 7100.