

beyond... the mbh newsletter



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Editors Comment

How many essays, articles, editorials have begun with a comment about “the rapid pace of change’ in the last decade? One might think we would get used to such turbulence & uncertainty, however, change management is as difficult and costly as ever for the majority of businesses out there. Why is it that project management is so poorly recognised as an instrument for handling this messy change? It is a common answer: people don’t like what they don’t understand. The article below discusses project management in software development and some key findings by the Standish Group’s “Chaos Report” from 1994!

Article: Does Project Management = Bureaucracy?

Many people view project management as a science, some view it as an art form, others as a professional discipline, and sadly some see it as yet another business function. The last view is probably the most damaging: project management is designed for change, not for business-as-usual.

It is desirable for a firm’s competence in project management to be high and thus project management is used well and without resistance in competent organisations. However, project management is not performing its purpose if the projects are not viewed and prioritised outside the usual business structure, if project teams are not cross-functional and finally if projects are not clearly defined in terms of achieving strategic goals.

Project selection & management is fundamental to the successful execution of business strategy; it truly is the key to reinvention and sustainability in a competitive environment.

What about the science of project management? There are technical aspects that project administrators and some project managers must master and these aspects are simply in the use of technology to simplify the processes of managing issues, task relationships and communicating project status. Jargon can make project management sound scientific but like any successful management, simple language is the best form of communication. Some project managers may like the sound of scientific project management because “if you can’t dazzle them with brilliance, baffle them with [jargon]”.

Very good project managers can make the smooth flow of a project look like art in motion. Bringing in a project on time, on budget and according to constraints is fantastic, but what if the deliverable doesn’t suit the current problem ie the proposed situation is no longer viable? Despite the best efforts of a project team, sometimes the customer still doesn’t get what he/she wants. This is because the world changed since he/she placed the order and the specifications no longer suit the business. The fact is, the customer wanted a solution that either took too long to build, or one that fitted last year’s problem rather than seeking to innovate and become next year’s order-winner. That is why proper planning and change control are so important within the project format as well as in the wider business through project initiations.

So, project management is not afforded the luxury of black & white rules or of bureaucratic comfort. Rather, such an environment challenges the strengths of a team, requires the strongest rapport between customer, sponsor and manager and necessitates flexibility.

A recent Economist article discussed new approaches to project management in software development known collectively as “agile programming”. One such methodology is known as “Scrum, an approach to project management that focuses on the team that is working out what are the main roadblocks in a project ...” Another example involved “pairing” where one programmer writes code, the second programmer checks and fixes bugs, side by side as development proceeds.

What is common to the basket of new approaches includes:

- Increased communication
- Increased programmer [team] morale
- Introducing the customer as a colleague

(Team spirit: Agility counts, 20 Sept 2001)

These principles sound familiar, even obvious, to the best project managers but as the Economist writer says, “In some ways, the software world is a latecomer to the notion of a team-based innovation that is both extremely responsive and highly adaptive”.

Now software development is showing the benefits of adaptive projects requiring the strongest collaboration. However, businesses still need to take responsibility for project selection at the highest level to ensure that projects are fitted to the business strategy and that all participants understand how their contribution to the project links to achieving business strategies.

A report written by the Standish Group in 1994 titled “The Chaos Report” found enormous consistency in surveying companies on critical success factors for managing by project (not just managing a project). The sad story is that in this survey of large companies - by Australian standards - only 16.2% of projects were considered successful. Instead, 52.7% were defined as “challenged” ie the deliverables and constraints were compromised; and the remaining 31.1% of projects were cancelled. What an expensive waste of resources and opportunities! Standish estimates \$US81bn was wasted on cancelled projects in the USA in 1995!

The most important factors contributing to successful projects were:

1. User involvement
2. Executive support
3. Clear statement of requirements
4. Proper planning

For projects considered challenged, the top reasons included:

1. Lack of user input
2. Incomplete statement of requirements
3. Changing requirements [problematic if team is not strong]
4. Lack of executive support

For cancelled projects, the failure points were:

1. Incomplete requirements
2. Lack of user involvement
3. Lack of resources

4. Unrealistic expectations [due to lack of planning perhaps?]
5. Lack of executive support

A very clear picture can be formed from these survey results. It is so important to have the customer as part of the team and to spend time planning properly instead of jumping into and failing in execution. The most important lesson again is that strategy and project management are inextricably linked. Therefore top executive competence and involvement is absolutely critical to the success of the project portfolio and can be attributable to the continuing innovation and success of the business.

Project management is still considered primarily the domain of construction, secondly to IT but slowly, this type of management technique is increasing in awareness and usage in industries such as financial and other service industries.

Project management isn't a way to build a wall of bureaucracy, it is a way to achieve the fundamental reason for business existence: to set and achieve goals that increase intrinsic value whether the organisation is for-profit or not.

Closing Comments

This web article is a refreshing reminder of what not to do rather than the key tips for project success. Try not to blush if you just committed one of these sins <http://www.michaelgreer.com/screw_up.htm> and write a New Year's resolution to never employ a guaranteed screw-up technique again!