Collaborative Discussion 1: Project Failures Study

Initial Post

Question 1: What do you believe are the three most common reasons for project failure?

- Unrealistic due dates

  With an unrealistic due date, the project has a higher risk of failure as there might be insufficient time to finalize, review, and test comprehensively.

- Lack of communication

  Communication is the key to accelerating the collaboration with other teams.

- Lack of transparency

  Transparency can increase the visibility of each team's progress and specifications, and further align the developments between each team.

Question 2: Give two examples of failures that support your choices

Case 1 - Knight Capital

With its high-frequency trading algorithms, Knight Capital was the largest trader in U.S. equities in 2012. In August 2012, when Knight Capital was brought on to work on new code for a new SEC program, an over-optimistic deadline caused them to go to production with test code. After production, a glitch cost the company $440 million within the first 30 minutes of trading, and company stock fell 75% within just two days. (Greg, 2018)

The software development team was asked to make changes to their trade execution systems in one month, which was a tight deadline. (Henrico, 2019) This is an example of a project failure caused by unrealistic due dates. Even if the development team was able to deliver the changes before the tight deadline, it raises the risk of the product as the team would not have sufficient time to review the modification. As far as I am concerned, this case might also be related to communication. If sufficient communication was taken place, it might prevent the company from making the unrealistic due date.

Case 2 - Airbus A380

Building the Airbus A380, the largest commercial aircraft at the time, required different individual parts to be built based on the production facilities across the globe. Unfortunately, these teams used different computer-aided design (CAD) programs. During installation, they discovered the parts designed by different teams didn't fit together. This cost the company $6 billion to put right and set the project back two years. (Greg, 2018)

In this case, the different teams across the globe were focusing on the development of their scope without seeing the bigger picture about the specification and compatibility of other teams. The lack of transparency ends up causing a huge price.

Reference

Greg, B. (2018). *4 Famous Project Failure Examples | ProSymmetry*. https://www.prosymmetry.com/resources/4-famous-project-management-failures-and-what-to-learn-from-them/

Henrico, D. (2019). *Case Study 4: The $440 Million Software Error at Knight Capital - Henrico Dolfing*. https://www.henricodolfing.com/2019/06/project-failure-case-study-knight-capital.html

Feedback from Dr. Doug

Hi Hung Wei Lin

thanks for your post and for the interesting case studies you provided - I think they make the case not for just unrealistic schedules but also for technology issues - a lack of testing and possibly specification issues.