

# Why projects fail?...

**Projects are always tricky to organise, but they're even worse when you're under pressure to deliver a successful outcome. And they don't get any easier in spite of all the latest tools and techniques. In fact, the failure rate today is just about the same as it was when we first started keeping count. It is also a fact that a large number of projects today have a considerable IT content and can often spell failure before they ever get started. The burning question has to be: why do these stubborn statistics refuse to improve?**

**We asked three eminent lead figures at Cranfield School of Management, John Algar, Steven Carver and Bill Johnson, to comment on the key issues that continue to inhibit project success.**

Just to avoid confusion, it is worth remembering that true IT projects are very rare indeed. The vast majority are business projects that happen to have a large IT component. Well, here's one reason so many fail – Managements usually understand what the desired outcome is but have little idea of how to get there and often fail to understand and manage the nuances of change. Niccolo Machiavelli however, understood the difficulties of implementing change and that was in 1532!

Is the problem that we've forgotten the words of Steven Covey? 'When you make a mistake, admit it, correct it, and learn from it'. This may seem naïve in our age of technology but again we remember the immortal words of Grady Booch – 'a fool with a tool is still a fool'. But is the nub of the issue as simple as not putting enough effort into learning the lessons of the past?

It seems that as projects become more complicated, so the reasons for their failure become ever more sophisticated. Can we see the 'Black Swans' on the horizon? This is not to belittle our greater understanding of the reasons for failure. But when we investigate these,

more often than not, the underlying causes boil down to the basics we discuss here.

In this short article we have chosen to focus on the basic causes for project failure as outlined in a study carried out by Harvard Business School in 1982. Yes, that's over 30 years ago! What is quite surprising is that most studies that have followed during the intervening period have also come up with broadly the same causes:

- Inadequate definition
- Scope not fully defined
- Poor or No planning
- Unrealistic timescales
- Ineffective controls
- Wrong leader
- Inappropriate team
- Poor communications

In 2000 the Industrial Society added three more:

- Unclear objectives
- Lack of stakeholder consultation
- Inadequate training

All of these use basic human skills and techniques that have been recognised for many, many years.

We can group the above as follows:

- 1. Unclear objectives – Inadequate definition – Scope not fully defined**
- 2. Wrong leader – Inappropriate team – Inadequate training**
- 3. Poor or no planning – Unrealistic timescales – Ineffective controls**
- 4. Poor communications – Lack of stakeholder consultation**

Looking at each of these shows a clear progression towards failure.

1. Many projects have multiple objectives which can cause confusion as different stakeholders focus on different things. We think that there should be a single objective with the rest of the desirables identified as success criteria or factors. It stands to reason that if the objective is unclear then the definition will be unable to set out what needs to be done - therefore sections of the scope will be missing at all levels. In some scenarios we know it will not be possible to fully define all of the scope at the outset. However, if a layered scope is developed using a WBS<sup>1</sup> approach, then it should be possible to define the entire project, early in its life cycle, at a high level, adding more detail as it becomes clear what needs to be done.

*"It seems that as projects become more complicated, so the reasons for their failure become ever more sophisticated. Can we see the 'Black Swans' on the horizon?"*

<sup>1</sup> Work Breakdown Structure

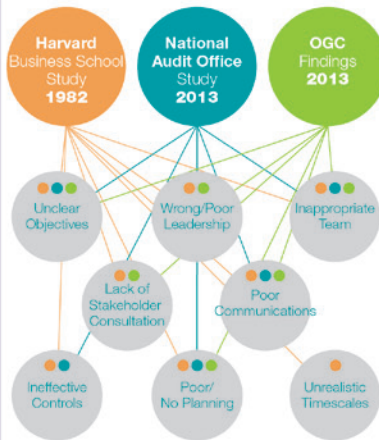
## WHY PROJECTS FAIL?

"There is nothing more difficult to handle, more doubtful of success and more dangerous to carry through than initiating changes."



Nicolo Machiavelli, 1532

### REASONS FOR PROJECT FAILURE

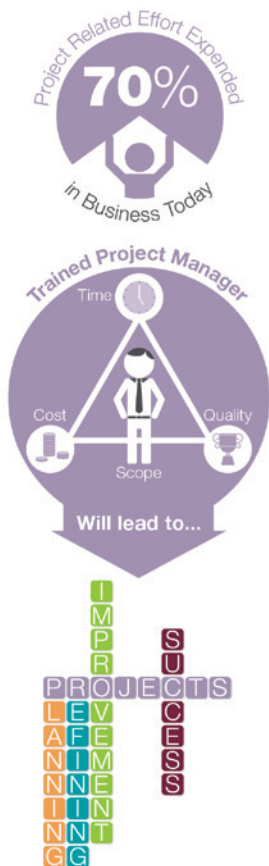


IN SHORT:  
**NOTHING HAS CHANGED!**



**17%**  
OF PROJECT  
INVESTMENT IS  
**LOST FOREVER!**

### PROJECT MANAGEMENT TRAINING is important because...



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2. It is well known that projects work better with a good team - yet we pay little more than lip service to team building. This is made much worse in a matrix organisation where the team never really has the chance to work together and, even worse, when they are in different countries and/or time zones. There is no real substitute for 'face' time. Many years ago Bruce Tuckman observed how people come together as a team - forming, storming, norming and then performing. Unfortunately it doesn't work very well in a virtual world. Then we consider the important relationship between the project sponsor and the project manager; we have seen many instances where they have never met face to face and, because of inadequate training the sponsor feels it is his/her role, even duty, to wield the big stick rather than to simply say 'how can I help?'

3. Back in the 'good/bad old days' before computers for everyone, planning was a largely manual exercise involving people discussing what needed to be done, when it needed to be done by and developing an understanding of the interfaces and 'pinch' points within the project. This aided the development of a sense of ownership and commitment within the team and helped make sure the plan resembled the probable reality. Without this dialogue we plan in isolation, we lose the collective commitment and the assortment of plans leads to false views of timing and achievable end dates. There is an old saying: 'what you can't plan, you can't manage' and 'what you can't manage, you can't control'. It is not a big jump to see how this leads to ineffective controls. It is surprising how many people think, mistakenly, that monitoring what is happening constitutes control; monitoring and control are not the same thing! On analysis one quickly understands the options for control are extremely limited followed by the realisation - it is best to get it as right as possible before we start.

4. In most project failure surveys, communication ranks as one of the key factors. Communication channels can be considered as the veins of Project Management. Information is the life blood of a project and it needs to flow effortlessly through those veins. We have seen too many projects where there is neither a communications strategy nor a plan. It is hardly surprising that these projects struggle to survive - let alone be successful. Two way communication is necessary for good governance so that the channels allow essential concerns at the work face to be fed back to senior management without fear of reprisal. It is also clear that if there is no communication plan then it is unlikely that stakeholders will be consulted in a "deep and meaningful" manner. And we know from long experience that when stakeholders are denied their input they are likely to quickly become "blockers" with a mission to deny the project even the smallest success! The amazing thing about all this is that most of the issues above are at least 30 years old. You would think by now that we would have learned how to overcome these basic Project Management failings, but it seems we haven't. To demonstrate our point, just look at some of the issues identified by the National Audit Office in September 2013 for the DWP Universal Credit programme:

- Unclear objectives
- Unrealistic plan
- Inappropriate team
- Poor communication
- Ineffective controls

Just to reinforce the point, let's also look at the OGC's Common Causes of Project Failure; 6 of their 8 causes can be identified in our 30 year old list:

- Unclear objectives
- Poor leadership
- Lack of stakeholder consultation
- Poor planning
- Poor communication
- Inappropriate teams

**"It is surprising how many people think, mistakenly, that monitoring what is happening constitutes control; monitoring and control are not the same thing! On analysis one quickly understands the options for control are extremely limited followed by the realisation - it is best to get it as right as possible before we start."**



### The Key Causes of Project Failure

**Unclear objectives**  
Inadequate definition  
Scope not fully defined

**Wrong leader**  
Inappropriate team  
Inadequate training

**Poor or no planning**  
Unrealistic timescales  
Ineffective controls

**Poor communications**  
Lack of stakeholder consultation

Sources:  
National Audit Office  
Office of Government Commerce



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the top 3 Business Schools in the 2013 Financial  
Times Executive Education Rankings.*

Organisations and government invest vast sums of money in projects and the amount lost or wasted is staggering indeed. PMI in a recent report suggested that 17% of these investments is lost and gone forever!

With decline in our manufacturing base it has been said that 70% of the effort expended in business today can be described as project related. This suggests that there are a lot of projects out there and therefore a correspondingly high number of project managers. It is, therefore, a little worrying that the APM, the UK's centre of excellence for all things project, can only count on some 25,000 members. Does this mean we are more interested in just getting things done rather than using Project Management properly? At the same time it seems anyone charged with achieving something is entitled to call themselves a project manager – we are mindful here of Dr Laurence Peters' description of an expert – 'a person who makes three correct guesses consecutively'. Just because you were successful/lucky three times in a row does not automatically make you a good project manager. A quick look at the Bodies of Knowledge of either the APM or PMI will clearly show how much skill and ability is really needed for consistent performance.

Over the last decade or so it has become apparent to us that many so-called "project managers" have little understanding of the basics of project management. Ignoring this simply increases the risk and therefore the chance of failure

Here at Cranfield we try to make sure our students and delegates understand the importance and relevance of the basic skills before moving on to work with more recent approaches e.g. Critical Chain, Agile etc. We have found the use of interactive project simulations

invaluable in bringing the knowledge taught into action in a safe but realistic environment. More importantly through this experiential learning the knowledge sticks and helps us all to move forward towards a future with fewer project failures.

### Our Thanks to the Course Directors:

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