**Module 06 Activity -** How to determine Project Success

Prepared for: GEB3422 SEC01 - Business Project Management

Project Management Week 06

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# How to determine if a project is successful

## Analysis objective

This analysis will examine one of the most important aspects of project management, project success! There are a few different ways that a project manager will arrive at this terminal assumption. The elements involved consist of overall budget, project milestones, human capital, and customer satisfaction.

These key points are objectively measured and evaluated based on criteria set forth by the project leadership. Discussed key points combine to paint an overall status of the project as it relates to success vs failure. Ultimately, the success or failure of a project will be determined when all elements are considered against the target goal.

Project Management Week 06

## Calling the budget shots

The project manager is the leader of the project team. He will oversee the final determination regarding the accuracy and validity of the key point data collected through the project. If this information is not accurately provided by his project team, the project manager could risk making an invalid report to the board or upper management.

For this reason, the data collected from budgeting must be checked and double checked before it reaches the project managers final assessment. Finance is arguably the most important aspect of a project team. There is always a budget and financial guideline that must be maintained. If this does not happen, the project could go over budget. “Statistically, at least 85 percent of every project is over budget to some degree.” This alarming statistic helps to illustrate the fact that some projects that are budget critical, start off with the odds stacked against them.

If the board decides that the project we are working on absolutely must stay under budget. This metric, or key point, will be used to determine project success upon completion.

## Project milestones

At each semi critical point in the project, milestones are created to ensure the management, project team, and customer are on the same page. With the milestones set, the project team will be able to easily determine requirements.

If milestones are missed, this could cause the project to slow down or begin to deteriorate on many levels. As milestones are successfully met and crossed, the project manager and his team, know they are on target. This also helps the project manager communicate the status of the project to the customer, who might have dependencies based off those milestones.

Project Management Week 06

## Human capital and its influence on project success

Human capital can be described as the human element involved in the project or projects the company is managing. This key point represents a huge resource for the company as manpower, is the basis by which most projects are managed and executed.

The human capital element also represents a relative risk for the project. Humans take sick days and quit work for no reason. They could also perform poorly if they are not led by a trained leader. Hopefully you can begin to see the burden a poorly performing team could cause a production company.

If something like this were to happen in real time, the project would likely suffer. Workmanship would deteriorate, milestones would be missed, and people could get hurt. This could significantly impact the overall success or failure of a project, no matter how good the project manager is.

## The bottom line

Some companies stake their entire business on customer satisfaction and others understand that customer satisfaction is the most important metric. This is a bold statement and rite fully so, “According to White House Office of Consumer Affairs, on average, loyal customers are worth up to 10 times as much as their first purchase.”

With the possibility of future business / contracts, it is critical that the customer is satisfied with the product or service we provide. This serves as a great example of the power customer satisfaction holds, a loss here would almost certainly spell disaster for the project team.

All of these key performance metrics are gathered and analyzed by the team and project manager in order to paint a better picture of how the completed project is performing against the initial goals and requirements. Together, these key points enable the project manager to consider the project a success or deem it a total failure.

**Resources:**

5 Reasons Why Customer Satisfaction Is Important. (2018, November 06). Retrieved from <https://survicate.com/customer-satisfaction/importance-customer-satisfaction/>

Kerzner, H. (2017). Project management: A systems approach to planning, scheduling, and controlling. Hoboken, NJ: Wiley.

Adams, R. (2016, December 12). 10 Reasons Why Good Customer Service Is Your Most Important Metric. Retrieved from https://www.entrepreneur.com/article/284799