Fixing A Troubled Project

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Projects don't all fail for the same reason. So, this is the starting point when you are asked to fix a project. No universal magic silver bullet will fix a project and therefore it is important to understand why it is where it is. Start with the business benefits that the project is aiming to achieve?

Step 1. Define the project failure

Start by understanding the drivers for the project. Review the project plan or user stories or product backlog. Interview the project sponsor, key stakeholders, scrum master, product owner, contractors, and key project team members to seek their explanation for the project failure.

Projects fail when:
- there is little or no executive sponsorship (the number one reason)
- scope (product backlog) exceeds the estimated time and budget
- budget control is poor
- planning is not well done
- the assembled team is unqualified
- resources are not supplied on time
- the initial design is bad (a lack of consideration of the impact on the system)
- requirements are misunderstood
- assumptions are large in number and ill-defined
- execution is ill-conceived
- communication within the team (or teams/streams) is difficult with misperceptions, insecurities, and communication difficulties
- changes in leadership are destabilising
- appropriate capability is lacking
- politics overcomes outcome delivery
- coordination is poor
- the elements are over-complex
- return on investment (ROI) is not delivered
- strategy business alignment with company requirements is no longer present
- abrupt changes to the project are introduced without proper consideration

Step 2. Revisit the business case

Review project documents, correspondence, management reports, and contracts. Review stand-up meeting minutes and agile logs for reviews, Kanban charts and other written artefacts.

Over time the market and competitive environments may have changed, perhaps obviating the need for the project at all, or perhaps resulting in the need for the project or the expected outcomes to be modified. Validate the justification, and ensure that continuing the project will deliver the solution that meets the business need. If not, advise cancellation of the project and

write it off as sunk-cost. Do not persist with a project that has no business need - you have found the root cause of the failure.

> Restate the business drivers that are addressed by the project - determine the increase in value or improvement in the performance for the business. A business driver is a resource, process, or condition that is vital for the continued success and growth of a business.

> Update the assumptions (too many assumptions lead to an inability to manage reality). Wrong assumptions can impact project success.

> Check costs that increased above projections. Cost of resources over time, scope variation, and arbitrary increase in the number of product features impact the project cost significantly. Check for overstatement of benefits in the investment appraisal process. Benefits associated with the project can be overstated to ensure its approval.

> Confirm that the risks identified during the time of project initiation are still valid. If the business risks are no longer relevant, this project may need to be re-scoped or the business may need to respond with a different project.

Step 3. Perform Root Cause Analysis

Understanding the underlying reasons for the project failure is mandatory.

The root cause analysis (RCA) should establish a sequence of events or timeline to understand the relationship between contributory factors and root causes of the failure.   There will never be only one root cause.   Use any of the RCA tools like 'Why-Because Analysis' or 'Five Whys' or systems failure charts to determine the root cause. Validate the root cause by asking: 'If the cause had not been, could the effect have happened?'

The RCA should be conducted with evidence and without any assumptions. If vendors are involved in the project, understand their role, review contracts, and assess performance, behaviour, and their relationship with the organisation. Use the same RCA techniques for vendors.

Step 4. Redesign the Solution

Conduct workshops with the product owner or sponsor and key stakeholders detailing the findings. Re-establish the needs of the client and their thoughts on redesigning the solution.

Rework the requirements, refining scope and outcomes (with the teams) after gaining a complete insight of benefits and risks.

Step 5. Develop Proof of Concept (POC) or a Prototype or Pilot Project
Prove that the solution is workable, integrates well with reused components, and that the new, integrated delivery will fix the problem. Test the solution in miniature to minimise cost and improve likelihood of success.   Communicate and engage ALL parties in the POC. Risks will be reduced by this step, as unknowns and assumptions can be tested. Validate the feedback and

modify the design as needed after testing. If using agile project delivery methodology, this may require a single sprint with

Step 6. Create a New Guiding Coalition and Project Control Group
Lack of sponsorship is the leading cause of project failure. Make sure that the project has visible and consistent executive sponsorship. Identify and address factors of organisational culture, approval processes, and delegations (particularly if you are using agile self-organising teams) that may affect project success.

> Project Status: a visible project status board must be available at all times to provide information about the status of the project honestly. Project sponsors need to be educated on how to spot the signs of trouble and to understand its goals and potential pitfalls. The status of the project must be made visible to the entire management team. Get progress reports from subcontractors as well.

> Tracking Progress: Press for challenges and conflict identification at the project review meetings. Every project member must have the same perspective of the project status after each review. Keep a close eye not just on milestones and definition of 'done', but also on factors that have an impact on project success such as utilisation, blockages, sprint process backlog, budget, materials costs, change orders, and subcontractors' progress. Also, track money that is not being spent. If money is not spent, either the right things were not identified or management is hesitating to make decisions because the project objectives are not clear. Delays in any of these areas can throw a project out of control quickly, so it's important to track them on a daily or weekly basis.

Step 7. Re-motivate the Project Team

When a project is declared as a failure, or when a project manager is replaced, the team members can go through a difficult phase. Some may be concerned about their job security, and a few may take personal responsibility as their perceived hard work and individual contribution goes unrecognized. Some may lose confidence and become demotivated.

A revitalised project opens opportunities for the team members to be in the spotlight and prove just how valuable their contributions are. The team may be waiting for the changing-of-the-guard moment to fix all the issues. Acknowledge them, encourage them to go in the right direction. Meet team members and engage them in conversation.

Conclusion

Taking over a failing project requires processes that integrate the bottom-up approach from a small task level with the top-down orientation of strategic management. Additional funding may be required and a financial write-down may be required for sunk cost of the elements of the project that were unsuccessful. Organisations generally are unwilling to cancel a project outright, and want to 'push-on regardless'. As the repairer of the project you need to be absolutely honest about removing the dead wood and putting the project on a footing to achieve the required outcomes. If there is no support for the required hard decisions - walk away and protect you own reputation.

Useful References

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