

Reasons for Project Failure

Project success does not come easily. Much has been contributed over the last decade to our understanding of the nature of and reasons for successful and unsuccessful project completion. In addition, many projects fail to complete at all. Sometimes failure to satisfy all the original goals of a project can still be regarded favorably if the main sponsor is nevertheless satisfied with the outcome and the key stakeholders have gained in some way.

Why do Projects Fail?

A simple way to separate the reasons for project failure is to divide them into two categories:

- Under the scope of the Project Management role
- Outside the scope of the Project Management role (Within the Project Manager's Control)

Project Managers have a pivotal role in project outcomes. There are many areas where deficiencies in the Project Management activities can lead to project failure. These are some of the most recognized reasons for project failure.

Poor Integration Management

The lack of a clear project definition and plan is a basic neglect of responsibility on the Project Manager's part, usually to the major detriment of the project. In addition, this must be accompanied by ongoing revision as required as almost inevitable time, scope, cost or quality slippages occur. These revisions must also be managed to ensure control of the changing baseline is maintained, otherwise it can become unattainable.

Poor Scope Management

Poor initial scope definition, or underestimation of project complexity, along with a failure to progressively elaborate and document scope changes, can lead to project failure. Sloppy requirements and scope creep as major causes of sponsor dissatisfaction. Project Managers must be prepared to say no when necessary to limit scope. They must also ensure all deliverable components are small enough for the scope of each to be sufficiently clear.

Poor Time Management

A failure to identify and define all activities required for the project, as well as gross underestimation of these activities, can make it very difficult to meet project deliverables on time. Delays can cause increasing sponsor anxiety, which can result in project termination. In addition, if activities are poorly scheduled, bottlenecks can be created, as human resources are unevenly loaded, creating stress and inefficiencies. Underlying all these time management activities is a project baseline that may change due to other issues.

Poor Cost Management

Both static and dynamic issues can affect project budgeting. Inadequate provision for required resource scope and cost during the initial planning (often quotation) stage will lead to a "cost blowout" later in the project which may cause cancellation. Even if a project is properly costed, the Project Manager needs to ensure there are no dynamic cash-flow issues by carefully balancing spending with income during the development process. This is especially relevant

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when a large initial development investment is required that is only recovered when the customer approves project completion.

Poor Quality Management

Performing regular quality evaluation and remedial action where and when required is essential if the quality of the project deliverables is to be as required. A project will fail if the quality during development is too low for the sponsor to maintain faith in the final outcome and cancel the project.

Poor Human Resource Management

Poor team planning and development, including under-staffing, vague responsibilities and instability, lead to a lack of staff motivation and direction. This will cause a lapse in quality and slow down progress.

Poor Communication Management

Good communication between the Project Manager, team members and the project sponsor is essential for avoiding misunderstandings. It is explained that untimely reporting of issues to the executive sponsor does not allow them the maximum opportunity of providing assistance - "the level of help you get is inversely proportional to your delay in asking."

Poor Risk Management

Failure to manage risk items, often in the form of untested assumptions, by adequately addressing them early in a project, can lead to a huge cost blowout later on as the severity of these items becomes fully apparent. Poor Procurement Management Poor management of the procurement process can leave a project short of resources at critical stages. Some deliverables may require special third-party tooling with long lead times which, if not properly planned for, can have dire consequences for the project due to the inflexibility of such times.

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