



PMI NEWSLETTER

Project Management Institute / Mumbai Chapter

301 Pujit Plaza, Plot No. 67, Sector-11, CBD Belapur, Navi Mumbai 400 614, INDIA. TEL: +91 (22) 757 7327-29, FAX: +91 (22) 757 6461, E-mail: info@pmi-mumbai.org

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Your key to
successful projects

From the Editor's Quill

Thank you all for the favourable response to the first printed edition of Prakalp. It has certainly given us an impetus.

This quarter, we are going to have the Annual general meeting and election of office bearers for PMI looking forward to your active participation in this.

We are also going to distribute licensed hard copies of PMBOK during the October training having realized that printed material is the most effective even in the electronic era.

Coming back to Prakalp, this issue we are focusing on "Why projects fail?"

We all know that, don't we? We don't have enough authority, we don't have enough time, we don't have enough resources and... so on..

It is a paradox that while there is a general consensus in the entire project management community on the, there is not much consensus on the steps one can take to mitigate the risks of project failure.

Is it because each project being 'unique', we feel we are in a 'unique' position to take on the risks.. or is it because project management is still not considered as important as 'general' management...?

Perhaps both factors contribute to the risks still being largely prevalent.

The 'uniqueness' of a project makes it more, and not less, prone to the risk factors.. hence the approach to handle the risk factors more stringent.

Unfortunately, this is not the case and many projects are managed with all the risk factors with the hope that it will reach a miraculously successful finish.

And, miracles, as we all know, are very rare indeed.

Some more introspection and focused action is required to make sure we work towards eliminating the risks so that our success ratio is much more impressive..

As a start, we are printing two articles here which show how similar two viewpoints are on the major risk factors of a project. Hope this leads to more brainstorming and less risk prone project management.

We are also printing the second part of the "Goal Question Metrics" by Hitesh Sanghvi, the first part of which was printed in our last issue.

Mr Nitin Patwardhan has taken a break from the Editorial Board due to other commitments taking up all his time - he, however, continues to play an active role in PMI, Mumbai - and we hope to have him back on the editorial board when he is able to spare some time.

As always, your suggestions and views are most welcome..in fact, solicited to make this publication more effective.

-Editor

editor@pmi-mumbai.org

Top Ten Reasons Why Projects Fail

By Payson Hall
Catalysis Group
Publication

If business projects are part of your profession, you know that many projects fail to live up to their potential. Some projects fail to achieve their schedule or budget goals or fail to deliver everything initially promised. Still other projects simply fail altogether. Many of the problems faced by projects can be avoided, or at least contained, by effective project management practices. Using our "Top Ten" list as a framework, this article highlights 10 of the most frequent reasons for project failure, and examines some alternatives and remedies for each. And so, without endorsement from David Letterman, we offer the following

Top Ten Statements suggesting a Project is in trouble:

1. "This project is too important to fail." Often the response to concerns expressed about some important part of the project, this statement generally sends the message that "negative thinking" is unacceptable. Get over it. Any project, no matter how important, can fail. Probably the single most dangerous project management attitude is one that denies failure is a possibility. Identifying project problems early and working to address them increases the likelihood of project success. Team members must be encouraged to voice issues and concerns, not

reprimanded for "negative thinking".

2. "Everyone knows that this budget is unrealistic, just don't tell the sponsor." A project is not a project unless it has a "sponsor" or "client", a person who funding the effort and ultimately believes that the value of a project is worth the cost. Sometimes a misguided project manager or team leader comes to believe that he or she is a better judge of the client's needs or what is justified than the client. When this occurs, the frequent result is new information suggesting that the initial budget cannot be achieved is ignored or suppressed to avoid "upsetting the sponsor." This goes beyond misguided to unethical if you put yourself in the sponsor's shoes: Imagine that you provide a contractor with detailed blueprints for your dream house, a plot of land, and a fixed budget that you both agree to at the beginning of the construction project (your entire life's savings). Three months into the project, the contractor realizes that there isn't enough money to complete the project.... When do you want to know? As soon as possible! You won't be happy, but you need timely information to deal with the situation. Spending all of your money for half of a house denies you the chance to make informed decisions about reducing the scope of the house or postponing parts of the construction, or perhaps canceling the project to **c u t y o u r l o s s e s .** Good project managers remember that the project belongs to the sponsor.

3. "This is going to be a real stretch and lots of long hours over the next year, but if we work hard enough

we might pull it off." This is really related to statement number 2 (unrealistic budget), although it sounds like the person speaking, usually the project manager, is not admitting to him or herself that there really isn't enough resource or time allocated to get the work done (this is called "being in denial"). This statement usually precedes confusion and overtime, is usually followed by frustration and blaming, and almost never followed by a successful project. As a rule, if a credible schedule can't be developed at the start of a project with the staff assigned working full time, it's pretty safe to say that the project will not be accomplished on time and within budget. Planning on "Going to the whip" and over-committing the project team from the start of the project almost always leads to one or more of the following: **Morale Problems Personnel Turnover Failure to achieve the goals of the project as scheduled, scoped and staffed.**

4. "Aaarg! The Network is down again!" O.K., we have all heard this, or something similar ("the copy machine is broken", "the truck won't start", "the parts aren't in stock", etc.) from time to time... Murphy is an honorary member of every project team. The point is that project teams require tools and support to do their work efficiently and effectively. The tools may consist of hardware or equipment and support may be composed of the people needed to maintain those tools and assist the team with their use. If the tools and support are an afterthought, or insufficient resources are allocated to provide them, the project is in trouble. Most project plans make

unrealistic assumptions about the productivity of the project team from the beginning. Productivity rapidly drops to zero when necessary tools and support are unavailable or unreliable.

5. "We can fix that during the next phase of the effort...". Hearing this is usually a sign that the schedule is in trouble, and that someone is about to declare a phase of the project "complete", whether it is complete or not. Consider also the word "fix" which suggests that something is broken. While there are occasions when it might be prudent to delay correcting defects immediately, it isn't prudent nearly as often as it is suggested. Common sense tells us that it is cheaper and faster to fix an error in the blueprint with a pencil than to move a misplaced foundation with a jack-hammer. Delay in fixing obvious problems is frequently short sighted, since the correction will usually take more time and resources later, and may affect the quality of the final product. Additionally, after you hear this phrase several times on a project, the team will usually begin to reply under their breath "There is never time to do it right, but always time to do it twice." This response speaks volumes about the morale problems and lack of cohesiveness that this tactic can create on a project along with schedule and cost overruns.

6. "Have they found a replacement for the Project Manager yet?". This can suggest disaster for several reasons. First, good project managers are hard to find, but instrumental to project success. The project manager is like a pilot - steering the effort toward completion. If the project manager is missing, who is flying the plane? The project manager

should have a back-up ready to keep things on course should the project manager be hit by a truck, win the lottery, or (heaven forbid) simply get sick and miss a week or two. No significant amount of time should pass on a project without a Project Manager at the helm. A second consideration when the project manager is missing is "Why?". When a project is in trouble, the project manager is usually one of the first to know. If the project manager doesn't have the skills or can't get the support from the sponsor to resolve the situation, he or she will sometimes strap on a parachute and jump. Whenever a project loses a project manager in the middle, it's reasonable to worry about his or her motivation for leaving. Finally, if team members feel they have to periodically ASK if there is a project manager, it suggests pretty terrible project communication.

7. "Here's the last spec we published, but you must understand this is an evolutionary process... the spec will never be completely up-to-date." This one can seem subtle to some people, but it can suggest a real problem if you think about it. Most projects (high tech, low tech, no tech) end up discovering omissions and errors as they go forward. These must be addressed as they are detected... it is silly to assume that everything can be anticipated. The problem suggested by this phrase is that it appears our speaker has given up TRYING to do define the end product up front, or keep the specification current. When we stop trying to build and maintain reliable specifications or descriptions of our

work products, we lose control over the definition of the final products and the costs and schedule required to build them.

8. "We've really been in a crunch till now, but I think this new [tool, method, person] will get us caught up." This statement suggests what is called "magical thinking". With the right magical ingredient, everything will be all right. Project managers whose projects are behind and would rather believe in magic than face the facts frequently fall prey to consultants or tool vendors who offer enticingly easy answers to difficult problems. Unfortunately, someone occasionally finds a tool or expert or method that DOES seem to save the day for a project, which propagates the myth that there is a tool/method/expert that will save any project if you look hard enough. In general, if a project is being a "crunch" for an extended period of time, what is needed is not a "magical cure" but probably a more mundane review of the current schedule and resource plans and constraints, a review of the work products that are being produced, and an evaluation of the trade-offs that might make sense given the experience to date. Careful evaluation of the current plans and creation of more realistic plans is not as exciting as the miracle cure, but it is almost always more reliable.

9. "I thought we all agreed to change that!" It is essential to define a project's goals up front. Once defined, it is important to track and communicate changes to the definition in a systematic way. This is called "Change control" or "Change Management". When done poorly, change control is a bureaucratic waste of time. When it is not done at all, projects rarely deliver what was agreed

to, and often require more resources and time than should have been needed in the first place due to the amount of rework that is required to get things to come together. Satisfaction with the end product can also be problematic, because there will probably be several conflicting views about what the end product was supposed to be. When change control is done well, proposed changes to the project's work products are evaluated for overall impact to the project's schedule, scope and resources. If a change is approved, it is clearly and quickly communicated to the team to minimize rework.

10. "Two months! That task can't possibly take two months! I'll estimate five weeks will be enough." Have you ever noticed the paradox suggested when a project manager says "Mary, you are the best qualified specialist I have for this part of the work. Give me your best estimate regarding how long it will take." Then in the next breath, argues with the answer? While some of this is due to the limited training most people have regarding how to build and validate estimates. Much of it goes back to magical thinking. We would all like to think that just saying something makes it so, unfortunately this is rarely the case. Second guessing estimates is frequently one of the most destructive things that a project manager can do, because it undermines the commitment of the team and the credibility of the schedule. The people doing the work must be involved in the creation of estimates for their work. If the people doing the work don't believe in the estimates, estimates become just numbers and dates on paper and will have little bearing on performance

or reality. This is NOT to say that it is not reasonable to discuss the rationale of estimates with the estimators. It should always be reasonable to say: "Mary, let's talk about the scope of the work as you see it to make sure we both understand and agree what must be done". "Mary, let's review your assumptions about the resources required to do this work, are there any additional resources I could obtain that would help you do the job more quickly?". "Mary, what assumptions are you making about the work that are driving your estimates? Let's make sure we agree on the environment in which the work will be done and the resources available." The final say needs to rest with the person you trust to do the work, or else what you are saying is that you don't trust them to do the work... so you must have the wrong person!

Defining, planning and managing business projects requires project management skills that take time to learn, and practice to master. It isn't hard to fail... failure is easy. Remember that most projects involve creation of a product or service, and creation is always a difficult task because it involves trying to predict the future and manage to that prediction. The key to success is to realize that your predictions will not always be right, and to deal with reality as it unfolds. There is an old Scandinavian proverb that says: "When the terrain and your map disagree, believe the terrain!" Effective project management avoids or minimizes most of the situations described above by encouraging effective and timely

communication, acknowledging that plans are educated guesses about the future that will not always be correct, and trying to work with the project team to deal with reality as it is revealed rather than trying to deny it as long as possible.

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There is no security on
this earth; there is
only opportunity.
- General Douglas MacArthur

Ten Ways To Screw Up Any Project

Author : Michael Greer

1. Don't bother prioritizing your organization's overall project load. After all, if there's a free-for-all approach to your overall program management (i.e., "survival of the fittest"), then the projects that survive will be those that were destined to survive. In the meantime, senior management need not trouble themselves aligning projects with strategic goals or facing the logical imperative that people simply cannot have 12 number one priorities!

2. Encourage sponsors and key stakeholders to take a passive role on the project team. Let them assert their authority to reject deliverables at random, without participating in defining project outcomes in a high-resolution fashion. And above all, don't bother project sponsors when their constituents (such as key SMEs and reviewers) drop the ball and miss their deadlines.

3. Set up ongoing committees focusing on management process (such as TQM groups, etc.) and make project team members participate in frequent meetings and write lots of reports... preferably when critical project deadlines are coming due.

4. Interrupt team members relentlessly ... preferably during their time off. Find all sorts of trivial issues that "need to be addressed," then keep their beepers and cell phones ringing and bury them in emails to keep them off balance.

5. Create a culture in which project managers are expected to "roll over" and take it when substantive new deliverables are added halfway through the project. (After all, only a tradesperson like a plumber or electrician would demand more money or more time for additional services; our people are "professionals" and should be prepared to be "flexible.")

6. Half way through the project, when most of the deliverables have begun to take shape, add a whole bunch of previously unnamed stakeholders and ask them for their opinions about the project and its deliverables.

7. Encourage the sponsor to approve deliverables informally (with nods, smiles, and verbal praise); never force sponsors to stand behind their approvals with a formal sign-off. (In other words, give 'em plenty of room to weasel out of agreements!)

8. Make sure project managers have lots of responsibilities and deadlines, but no authority whatsoever to acquire or remove people from the project; to get enough money, materials, or facilities; or insist on timely participation of SMEs and key reviewers.

9. Describe project deliverables in the vaguest possible terms so sponsors and reviewers have plenty of leeway to reinvent the project outputs repeatedly as the project unfolds.

10. Get projects up and running as quickly as possible don't worry about documenting agreements in a

formal project charter, clearly describing team roles/responsibilities, or doing a thorough work breakdown analysis. After all, we know what we're doing and we trust each other. So let's get to it without a pesky audit trail!

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FINAGLE'S RULES:

- 1) To study an application best, understand it thoroughly before you start.
- 2) Always keep a record of data. It indicates you've been working.
- 3) Always draw your curves, then plot the reading.
- 4) In case of doubt, make it sound convincing.
- 5) Program results should always be reproducible. They should all fail in the same way.
- 6) Do not believe in miracles. Rely on them.

Application of GQM (Goal Question Metrics) To Risk Management

Author : Hitesh Sanghavi
(M.D. Cunix Infotech Pvt Ltd)

B.E.;MBA;Lead Assessor ISO;CQA;
Chairman SPIN(Mumbai-India)
Email: cunix_sqa@hotmail.com
Website : cunixinfotech.com

Continued from the last issue

Solved Case:Risk Management

Step 1 : Identify the Measurement Domain :Risk Management:

Applying GQM to Risk Management. "Risk is the potential for realization of unwanted negative consequences of an event".

"Risk is the measure of the probability and severity of adverse effects."
"Risk is the possibility of suffering loss"

Step 2 :Business Goals Statements

Discrete quality Goals should be identified and planned for Risk management before the start of the project as shown below :

Application to Case :Process area : Risk Management:

Business Goals:

- 1.Minimize the risks within optimum budgets.
- 2.Create Risk Repository for Project reviews.
- 3.Ensure high success predictability.
- 4.Reduce Risk and repair costs.

Examples of Costs

- personnel time
- personnel salaries & benefits
- capital equipments costs
- office supplies
- support tools

- training costs
- delay in delivery
- changes in project plan
- penalties / loss of contracts
- delivered system changes

Cost-Benefit Analysis for Risk Management:

Examples of Benefits

- a. reduced probability of risk
- b. reduced impact of risk
- c. increased personnel efficiency
- d. improved morale
- e. reduced schedules
- f. satisfied customer
- g. improved allocation of resources
- h. Reduced employee turnover

The following situations should not occur anytime during the execution of the project.

1. "There is risk to the schedule"
2. "Coordination and communication with the client is not easy"
3. "The GUI may not be compatible with the other system"
4. "Lack of an SCM tool will make coordinating changes across various time zones prone to errors"
5. "Only one team member is familiar with the prototyping life cycle method"
6. "Frequent loss of project team members due to resignations is not good for the morale"
7. "We have committed a bug-free product to the client , yet everyone thinks that it is SQA group's job to ensure this quality - our quality targets may not be met"
8. "There have been too many unexpected requirements refinements; we may not be able to deliver the product on time"

Step 3 : Identify sub Goals Statements

1. Communicate Risks to the team

and organization.

2. Reduce Rework time and cost.
3. Reduce Repair time and cost
4. Reduce Team tension.
- 5.Increase confidence in projects and process .
6. Accelerate production.
7. Prevents problems before they occur
8. Improves product quality
9. Reduces rework (improves productivity)
10. Enables better use of resources
11. Promotes teamwork

Step 4 : Identify the entities and attributes for Risk Management.

Statement of Risk

Purpose is to arrive at a concise description of risk. Involves recording of -the conditions that are causing concern.

-the description of the potential consequences of these conditions.

Context of Risk

-Purpose is to provide enough information about the risk to ensure that the original intent of the risk can be understood by other personnel particularly after some time has passed. -Involves recording :the additional information regarding the circumstances, events, and interrelationships within the project that may affect the risk.

Risk Consequences:

Most severe penalties for management?

- a) When serious customer complaints occur
- b) When product quality is low
- c) When staff morale is low
- d) When project costs are overrun
- e) When project schedules are missed.

To Be continued in the next issue

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Editorial Team

Bharat Bhagat, PMP

Jamuna Rangachari, PMP

Email: editor@pmi-mumbai.org

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Calendar of Activities during the Year 2002

Mark Your Diary	Prakalp	PM Forum	Seminar	PMBOK 2000 PMP Review Course	Committee Meeting
Jan.	15 ✓	-	-	-	20 ✓
Feb.	-	-	-	-	-
Mar.	-	-	-	-	24 ✓
April	15 ✓	-	20 ✓	27-28 ✓	-
May	-	-	-	& 4-5 ✓	19
June	-	-	-	-	-
July	15 ✓	-	-	6-7, 13-14 ✓	9 ✓
Aug	-	2	-	-	11
Sept.	-	-	-	-	15
Oct.	15 ✓	18	-	19-20, 26-27	-
Nov.	-	-	16,17	-	-
Dec.	-	20	-	-	15

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Project Management Institute
Mumbai Chapter

301 Pujit Plaza, Plot No.67, Sector-11, CBD Belapur, Navi Mumbai-400 614, India

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