



Insuring the Success of Your Projects

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Agenda

- Today's Reality
- Telco Case Study
- Keys to Success
- More Case Studies
- Summary



Today's Reality



Odds for IT Project Success

- Only 28% of IT projects succeed, 49% were challenged, and 23% failed. (Standish Group)
- Challenged projects were 50% over budget and 70% over the original time estimate. (Standish Group)
- The average project exceeds its planned budget by 90% and its schedule by 120%. (Standish Group)
- Project failures account for nearly \$100 billion in wasted capital every year. (Standish Group)



Leading Causes of IT Project Failure

- 14% of all IT projects fail due to a company's inability to cope with technology; 86% owe to some common management woes (KPMG):
 - Improperly defined objectives (17 percent)
 - Unfamiliar scope (17 percent)
 - Lack of effective communication (20 percent)
 - Poor project management skills (32 percent)
- Through 2002, 75 percent of e-business projects will fail to meet the business objectives, due to fundamental flaws in project planning. (Gartner Group)



Telco Case Study



Background

- In 1997 the billing environment for business customers consisted of multiple legacy-era billers in vertically integrated product “silo’s” (e.g. Voice Services, Internet Solutions, Data Networking Services, etc.) The leadership team recognized that a flexible infrastructure was key to faster time to market and reduced operations.



Planning and Execution

- Representatives from product management, sales, and customer care, along with consultants planned and executed the implementation of a flexible, scalable and efficient next-generation billing infrastructure. However, things didn't go as planned. Leadership changed, scope spiraled out of control, and marketing executives fought the migration of their customers.



Today

- After three CIO's and millions of dollars, the system works but is only serving 20% of the target market and 1% of all business customers. Initial projections and enthusiasm have faded and the next-generation infrastructure is not the be-all, end-all solution intended.



Keys to Success

Repeatable Process

- Successful teams expect to win and they have a repeatable process.
- Embrace and commit to a process discipline, any process discipline that works for you
 - Rational Unified Process
 - PMI's Project Management Body of Knowledge (PMBOK)
 - Total Quality Management (TQM)
 - Software Engineering Institute's Capability Maturity Model (SEI-CMM)
 - ISO-9000 Certification
- Refine your process on a smaller projects

Size Does Matter

- Smaller projects are more successful because they inherently reduce confusion, complexity, and cost.
- After tracking 23,000 projects since 1994 the Standish Group found that IT projects most likely to succeed take less than six months, require no more than six people, and cost less than \$750,000.
 - Less than \$750,000 and 6 months succeeded 55%
 - \$750,000 - \$1.5 million and 9 months succeeded 33%
 - \$1.5 - \$3 million and 12 months succeeded 25%
 - \$3 - \$6 million and 18 months succeeded 15%
 - \$6 - \$10 million and 24+ months succeeded 8%

Shorter Time Frames

- Shorter time frames, with delivery of software components early and often, increase the success rate.
- Shorter time frames foster an iterative process of design, develop, test, and deploy small elements.
- "Growing" (instead of "developing") software engages the user earlier and confers ownership. And because each software component has a clear and precise statement and set of objectives, realistic user expectations are set.
- If possible, get a prototype out early
 - Vertical slice through the system
 - Works out risk



Risk Management

- Identify and produce a list of risks that may prevent successful delivery of the project.
- Assess the probability of each risk and its impact.
- Prioritize risks by assigning the highest priority to those with the most impact on critical path tasks.
- Create a plan for managing each high-priority risk.
- Constantly manage, monitor and control risks.
- The earlier the risk is uncovered, the less costly both in time and effort it is to mitigate.
- Prototype technical risks up front!



Expect the Unexpected

- Many projects, especially ones involving new technology, have significant risks arise during the course of the project
- Expect some re-work when staff determines ways to do things better or faster
- Minimize the unexpected by...



Know your strengths and weaknesses

- Identify personnel with areas of expertise:
 - Domain knowledge
 - Technical knowledge
 - Analysis and design expertise
 - Business liaison's
- Don't be afraid to get help
 - Especially when using new or different technologies
 - Training is good, mentoring is better
 - Internal or external
 - Use consultants who are willing to get their hands “dirty”
 - Make consultants part of the core team



Project Management

- Standish Group research clearly shows that projects are likely to be less challenged and more successful with a competent and experienced project manager.
- Skills needed in a project manager include **technology** and **business** knowledge, judgment, negotiation, good communication, and organization.
- Project managers must be competent in leadership and business skills.
- Project managers are managers rather than doers.



Manage Scope Ruthlessly

- Determine scope early on the project and stick to it
- Reiterate scope often to the client
- Be realistically positive about the ability to deliver



Keep executives informed

- Make sure executive staff buys off on all aspects of the project
 - Timelines
 - Budget
 - Scope
- Inform executives of high risk items
 - Identify how the risk is being mitigated
- Be realistic, but positive



Tips for a failing project

- Redefine success
 - No one wants a project to fail. Work with clients to help determine success
- Develop ideas for achieving success quickly
 - Crash the timeline
- Keep information flowing, even if it is negative
- Get help!



More case studies

- Two projects at one company
- Project A: An automation project designed to increase data accuracy and timeliness of information
- Project B: A process/interface re-design application that also used automation



Similarities

- Same company
- Same “clients”
- Both used automation
- Both were large 1+ year projects
- Both had extensive, detailed requirements
- Both were funded by a reduction in head count



Differences

- Management teams were different
- Project A was new functionality
- Project B was repackaging and enhancing existing functionality
- Project A was 100% new functionality
- Project B was 50% new functionality
- Project A was designed to be a 2+ year project
- Project B was designed to be a 1 year project

Which was successful?

- Key difference:
 - Project A had a release plan of 25%, 50%, 75%, 100%
 - Project B had a release plan of 90%, 10%
- Scope creep for Project A was easily pushed to a later release
- Scope creep for Project B “had” to be in the first release
- Project A was wildly successful
- Project B had to redefine success



Summary



Recipe For Success

- Reduce requirements to a minimum.
- Manage expectations by providing constant communication.
- Add an empowered project manager with authority to make decisions.
- Combine project management tools and an iterative development process.
- Bake no longer than 6 months.