

Successful Project Delivery Insights

## **Achieving Success in Strategic Projects**

A GPS for Directing, Managing and Delivering Complex IT Projects

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## Projects in chaos

In 1995, the Standish Group published its first [Chaos Report](#). Based on assessments of 8 380 software application development projects, the Report found that only 16.2% of these projects could be regarded as successful:

**Only 1 in 6 were delivered on-time, on-budget and with their features and functions working as initially specified.**

The remainder of the projects were either challenged (52.7%) or cancelled (31.1%). A challenged project was defined as completed and operational but with overruns on budget and time. Challenged projects also delivered less features and functions than originally specified. Budget overruns on these projects averaged at 189% of the original forecasts.

In 1995, the failure-cost to American corporates and government agencies was estimated at \$140 billion, with cancelled projects costing \$81 billion and challenged projects accounting for \$59 billion.

## Still in chaos nearly 20 years later

The most recent Chaos [Report](#) indicates that the success rate of projects during 2012 reached an all-time high of 39%. Although the incidence of successful delivery has more than doubled since '95, many billions of dollars were still allocated to projects that were either cancelled (18%) or did not deliver on expectations and overran on budgets and time (43%).

The Report's strongest recommendation is to avoid initiating single, large projects with manpower budgets over R100m. For these big projects the success rate drops to just 10%, with outright failure at 38% and challenged projects at 52%.

In complete contrast, projects with manpower budgets of less than \$1m were successfully delivered in 76% of cases, with only 4% failing and 20% classed as challenged.

As the Report says, "Think Big, Act Small." In essence, that means breaking big projects down into a sequence of smaller components in order to boost the likelihood of overall success. These component projects should be focused on delivering incremental, prioritised business benefits and be conducted by permanent, multi-functional project teams that are empowered to produce rapid results. This recommendation endorses the fundamental principles of so-called Agile project management.

Published in 2001, the Agile Software Development Manifesto highlighted how to establish the right mind-set within teams that work on an IT-based development project. The attributes that comprise the right mind-set were defined in the [Twelve Principles of Agile Software](#).

## Caveat emptor: Agile is not a panacea for project success

Many organisations have lost sight of the fact that Agile represents a 'philosophy' and is not in and of itself a methodology. In fact, there are many methodologies that implement the principles of Agile to varying degrees. Examples include the Unified Process, Extreme Programming, SCRUM, Lean & Adaptive Software Development, DDSM, Crystal, Feature-Driven Development and Pragmatic Programming.

## The Agile approach relates to *what* must be done, not *how* to do it.

All too often organisations will standardise on a single, specific Agile methodology (SCRUM being by far the most popular) and will build the capacity and capability of their development organisation around that choice.

The first Chaos Report refers to a comparison between building bridges and developing software-based business solutions. Alfred Spector of Transarc Corporation had suggested in 1986 that bridges are normally built on time, on budget, and do not fall down.

In contrast, software never comes in on-time or on-budget - and it always breaks down.

Just as the nature of the bridge to be built will determine how best to build it - think of a wooden footbridge over a small stream versus the 4km Akashi Kaikyō suspension bridge in Japan - it should be clear that a one-size-fits-all approach to software development and project management is not realistic.

## Select a methodology that delivers on spec, on time, and on budget

Methodology is a key component in the routine delivery of successful projects. When selecting a project methodology, organisations must consider a number of factors that will influence the success of a specific project:

- Degree of novelty of the solution
- Maturity of the organisation - both the development team as well as the business it supports
- Business and technical risks associated with the initiative
- Extent to which requirements are known
- Ability to make appropriate trade-off decisions as the project unfolds
- Scale of the solution
- The solution's effect on the business

Understanding such factors informs the selection of methods and techniques that are most suited to delivering a successful project.

To stress that point, it's perhaps worth considering that while a GPS will show and tell you the way, it has no influence on the transport best suited to either the route or to carrying whatever must be conveyed along it.

This means organisations have to adopt a toolbox approach to their development. They must also place far greater emphasis on truly understanding the motivation for developing software solutions rather than simply going through a recipe-based, mechanistic application of a specific methodology.

## Invest in the skills essential for project success

A relevant and operationally-practical project methodology has to be supported by a commitment to enrich and retain the skills of Business Analysts and Project Managers.

Investment in project teams must produce higher project throughput, faster response to the demands of competition and eliminate the recurring costs of unnecessary rework.

Such investments must also raise the credibility of the team across all the business communities it serves and build levels of performance that repeatedly satisfy stakeholders.

Without question, organisations certainly can forge skilled and productive delivery teams by engaging consistently successful project-delivery specialists. Focused on solving the challenges of complex, strategic ICT projects, The Projects Guarantor (TPG) programme from Tharollo Consulting deploys highly experienced practitioners that work alongside delivery teams.

Established mentoring skills allow our consultants' extensive knowledge to be transferred and embedded. This creates motivated, loyal and capable individuals who are inspired and empowered to succeed.

When allied to the right methodology, the benefits of applying the right skills create a number of positives that contribute to successful delivery of complex, strategic projects:

- Project risk is minimised by prioritising and sequencing business needs
- Incremental business results are rapidly delivered throughout the project
- Overall costs are reduced through improved efficiency
- Tangible benefits to all stakeholders are apparent sooner
- Competitive advantage is reinforced

## Governing for project success: The SAPIEnT Approach

To create productive, credible teams that meet their obligation to realise strategic goals, an organisation should adopt a structured project framework, such as our SAPIEnT Approach to directing, managing and delivering complex ICT projects.

### Scope

Ensures a common understanding among all stakeholders of what the TPG engagement will accomplish. It defines, agrees, documents, and approves the engagement's objectives according to the maturity of the organisation and individuals within the project delivery team.

### Assess

Provides a low-cost understanding of why the delivery team will not meet its objectives and identifies remedial actions. Evaluates the skills and experience of Business Analysts and Project Managers to perform according to the Project Skills Criteria and defines the composition of the project delivery team based on individual strengths and weaknesses.

**Plan**

Enables investment in the project delivery team to be targeted, appropriate and cost effective. Configures the TPG programme to the specific needs of the organisation and to the skill levels of each individual within the delivery team.

**Implement**

Protects the investment made in the project delivery team and enriches the skills of individuals so they can apply best practices embodied by the TPG mentors. Professional 'on-project' TPG mentoring by highly skilled and experienced practitioners in the project delivery environment identifies and develops increasingly skilled and talented Business Analysts and Project Managers and contributes to increased retention of these skills within the organisation.

**Evaluate**

Prepares the organisation to deliver strategic projects that will be driven largely by in-house rather than external resources. It also highlights the type of external interventions that will most effectively leverage the enhanced skills and knowledge of in-house delivery teams.

A culture of continuous improvement in skills and knowledge across all delivery tasks is established by identifying measurable improvements in delivery performance.

**Test**

Identifies and measures the benefits realised during each, incremental phase of the TPG programme.

The Projects Guarantor programme is proprietary to Tharollo Consulting.

Our profound understanding of the real factors that cause project failure is complemented by proven methods to safeguard project success. Using multi-disciplinary teams of highly skilled and experienced delivery practitioners, we ensure the pragmatic application of best practices in project management.

Our proven and referenced expertise lies in delivering R40m to R300m projects. Established in 1997, Tharollo's outstanding project-delivery capabilities are exemplified by a 100% success-rate in all its consulting engagements.

Tharollo is a North Sotho word meaning, 'solution for a problem.'

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