






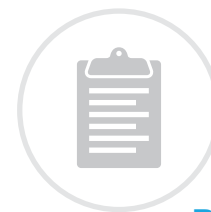
# Uncovering the Roots of Project Failure

As you may be aware—either from your own experience, or by reading an abundance of research studies and surveys—project failure is rampant across all sectors, industries and fields.

For instance:

-  IAG Consulting conducted in-depth surveys of over 100 companies and found that 68% of projects failed or had a marginal outcome.
-  The Standish Group analyzed a decade's worth of projects and found that 42% failed, and another 52% were "challenged" (i.e., over budget, late and/or have flawed implementation).
-  McKinsey & Company studied over 5000 projects and found that 56% delivered less value than expected, 45% were over budget, and 17% unfolded so badly that they threatened the company's very survival.
-  PricewaterhouseCoopers reviewed 10,640 projects from 200 companies in 30 countries and across various industries, and found that only 2.5% successfully completed 100% of their projects.
-  A study published in Harvard Business Review analyzed nearly 1500 projects and found that the average overrun was 27%, and that 1 in 6 projects had a cost overrun of 200% and a schedule overrun of nearly 70%.

However, knowing that projects fail far more often than they succeed is only part of the problem. The other part is uncovering the roots of project failure, because that's the only way to make project failure the exception rather than the norm.



Project failure in one form or another is surprisingly common, and often driven by a lack of visibility, communication, technology, resource management, and culture.

While projects are inherently unique and each organization has its own culture, systems, tools, processes and protocols, generally speaking **here are 5 common causes of project failure:**

#### 1. LACK OF VISIBILITY

Without clear insights of all aspects of a project — including but not limited to schedules, budgets, capacity, resources and more — decisions are made based on “best guesses” instead of accurate data. As a result, scope creep, cost overruns and schedule disarray are not just likely: they’re foregone conclusions, and it’s just a matter of when they’ll severely threaten project integrity — not if they will.

#### 2. LACK OF COMMUNICATION

No matter how robust or detailed they may be, project plans don’t do the work: people do. And that means effective communication among individual employees, workgroups, cross-functioning departments, and external stakeholders is essential. Unfortunately, effective communication is typically one of the first casualties on a failing project, which can turn challenges into catastrophes, and dilemmas into disasters.

#### 3. LACK OF TECHNOLOGY

Not all technology is created equal; especially those that were created for a project management world that no longer exists. Organizations that rely exclusively on outdated or inapplicable technology—such as spreadsheets, emails, and conventional project management software — quickly find themselves unable to find or share critical information. Instead of technology driving their projects forwards, technology works against them and turns even the simplest tasks into complex, time consuming, costly and risky ordeals.

#### 4. LACK OF RESOURCE MANAGEMENT

Projects are iterative in nature, which means some tasks and activities will require more resources than predicted, and others will require less. Organizations that cannot effectively manage and re-allocate resources either find themselves chained to resource plans that are no longer applicable, or they function in a frenetic ad hoc way that exposes them to risks, drives up costs, slows down schedules, and frustrates (or sometimes infuriates) project sponsors.

#### 5. LACK OF A SUPPORTIVE PROJECT CULTURE

Whether an organization is executing a single project or managing dozens of projects concurrently, a supportive project culture is essential for bringing individuals and workgroups together. Without a supportive project culture, collaboration quickly devolves into combat, as people retreat to their “disconnected islands of activity” and put both project and organizational goals at risk.

### About Clarizen

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