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Strategies for Successful Completion of Projects—Part 2 of 3: Significant Reasons for the Failure of Megaprojects

Outlined are ten areas to consider when assessing potential project failure risks, including those associated with large-scale endeavors.

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THE HIERARCHICAL LEADERSHIP PYRAMID STRUCTURE (HLPS)
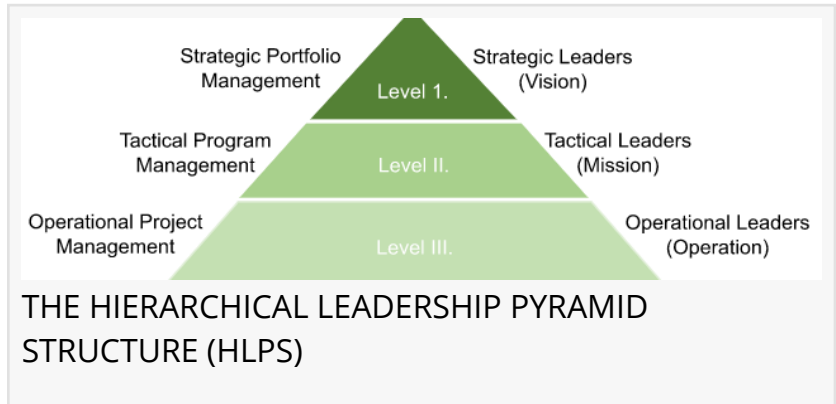
March 22 Part 1 of 3—Figure 1, represented the three significant project management faculties (1) Project Management Theory and Practice. (2) Project Management Planning, Scheduling, and Forecasting, (3) Project Management Process Design. These three faculties are analogous to a three-legged stool, with each leg weighted equally in capacity to maintain the integrity but unlike the leg of the stool, each faculty of project management is an aggregate of complex, multilayered, and highly-integrated specialties.

The obvious analogy is that weakness in any one-leg of the stool (or faculty) will cause failure. Hence, the need for multi-disciplinary experts with knowledge of each faculty to implement project management. However, the first challenge for the owners of projects is to acknowledge project management as vital for the successful completion of their projects. Second, how to quantify the "earned value" of project management, and third, the cost and where will the money come from? The summary statement below answers the question,

A CASE FOR IMPLEMENTING PROJECT MANAGEMENT:

The 2018 Pulse of the Profession ®, a global survey conducted by Project Management Institute (PMI), reveals around $1 million is wasted every 20 seconds collectively by organizations worldwide due to the ineffective implementation of business strategy through poor project management practices, equivalent to roughly 2 trillion dollars wasted a year (https://www.pmi.org/about/press-media/press-releases/2018-pulse-of-the-profession-survey).

Project Managers often are appointed to the position as a predicate of their scientific and technological expertise of the endeavour instead of requisite proficiency in project management. These include composite knowledge, experience, policies, roles, responsibilities and accountabilities, guidelines and procedures, tools, techniques, processes, methodologies, enterprise resource planning (ERP), and enterprise reporting (ER). It is from this background the paper highlights this sample of ten areas that contribute to project failure:

SAMPLE OF TEN AREAS OF PROJECT MANAGEMENT THAT CONTRIBUTES TO PROJECT FAILURE:

1. The Project Charter:
Many organizations follow a general template to write a Project Charter instead of crafting a unique and specific document for their project. Furthermore, they recognize a Project Charter as a dynamic and foundational document for ongoing corporate governance of mega projects. But more importantly, underpinning all aspects of a hierarchical pyramid leadership structure for Authorization, Reviews, Approvals, Signing Authority, and Sign-offs, as depicted in Figure 2.

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2. Project Budget Creation:
Many organizations fail to recognize that project budgets are dynamic and not static. Secondly, budgets fall into four categories (1) Order of Magnitude (O of M). (2) Intermediate. (3) Most likely to occur, and (4) Definitive Budget. Likewise, failure to establish the initial budget(s) based on four foundational structures. (1) Work Breakdown Structure (WBS). (2) Material Breakdown Structure (MBS). (3) Resource Breakdown Structure (RBS), and (4) Cost Breakdown Structure (CBS).

3. Project Integration Management:
Many organizations fail to utilize highly integrated computerized project planning, scheduling, and forecasting tools, such as Micro Project Management Software and Oracle Primavera P6, to integrate the significant aspects of their mega projects. Note: Primavera P6 can facilitate 100,000 activities and six types to create scheduling logic network diagrams (cloud-based) across multi-national stakeholders and their teams.

4. Project Communication Management:
Many organizations fail to create a digital communication pipeline that integrates across the three faculties of project management (Part 1 of 3—Figure 1)—simultaneously creating digital interfaces with stakeholders, systems, tools, accountabilities, and responsibilities, recognizing the three hierarchical levels for leadership—strategic, tactical, and operational (Figure 2.), underpinned by enterprise reporting (ER).

5. Project Scope Management:
Many organizations fail to recognize that multi-year mega projects' scope is dynamic and not static (fixed), thus heightening the need for near and long-term forecasting at the portfolio,

program, and project levels. Furthermore, failure to establish an integrated Lessons Learned, Issues, and Risk Management Process, supported by pre-defined pro-active Countermeasure Action Plans (CAP)—audited quarterly.

6. Project Time Management—Task Management versus Schedule Management:
Many organizations fail to comprehend the fundamental difference between "task management" and "schedule management" and "real-time versus "elapsed time" schedule development. Likewise, failure to develop their project schedules using traditional Critical Path Methods (CPM) augmented by Multiple Baseline Reference Schedules, underpinned by four fundamental levels of schedule reporting (1) Master Level I. (2) Coordinate and Control Level II. (3) Detailed Schedule Level III, and (4) Task Management Level IV (Note: Task Management Software lacks algorithmic rigour to manage mega projects in today's highly-integrated multi-national project management environment at Level I, II, and III).

7. Project Budget and Cost Management:
Many organizations fail to delineate between a Responsible, Accountable, Support, Inform, and Consult matric called a RASIC and a project-specific Approvals and Signing Authority Matrix for all significant project variables, including—budget, scope, procurement, time, risk, resources (inclusive), quality, tools, deliverables, and training. Moreover, the failure to conduct corporate "policy-directed" monthly Review of Variance (ROV) integrated across Project Cost Engineering and Cost Accounting disciplines.

8. Project Resource Management:
Numerous organizations struggle to develop a comprehensive project time management plan that incorporates diverse calendar-based resource planning methods. This includes the use of resource histograms, alternative resources, time, milestones, target dates, and prioritized scheduling levels. Additionally, they neglect to employ various resource distribution contours for implementing smoothing techniques that could alleviate the strain on critical resources. Lastly, they frequently overlook the importance of conducting Earned Value Analysis (EVA) to compare Schedule Performance Index (SPI) and Cost Performance Index (SPI).

9. Project Contingency Management:
Many organizations fail to implement contingency-based project management schedules across essential domains: estimates, budgets, time, productivity, cost, resources, materials, transportation, and storage. They also struggle to proactively address potential changes in environmental conditions, government regulations, engineering designs, technology advancements, financial fluctuations, stock market crashes, social instability, resource scarcity, delayed deliverables, and climate change impacts.

10. Project Management Meetings:
A significant number of organizations do not establish Key Performance Indicators (KPIs) for their project portfolio as corporate policy directives or for formal project update meetings. Furthermore, they undervalue the vital role that records from project meetings (ad-hoc, weekly,

bi-weekly, and monthly) play in informing Lessons Learned and Audit processes.

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