



Project Intelligence - Winter 2011

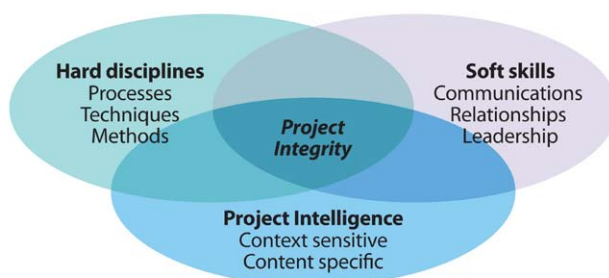
Project failure and Now to avoid it

Peter Mayer, Managing Partner at Pellicam Project Assurance



The title is a mistype, but I like it – urgency is often missing in projects, and we all know the sooner you tackle a problem, the sooner it's resolved and the less it costs.

Most enterprises recognise the value of standard processes, techniques and methods. Also the need for 'people skilled in communication and leadership. But Pellicam have previously demonstrated these two "dimensions" (hard and soft) don't include all the elements necessary to guarantee success. Why is that? Two reasons (ONE) Because no two projects are the same – why? (a) the context (where we operate - the environment, the organisation, the politics); and (b) the content - complexity, design, products. (TWO) How to ensure the right things are done well - the granularity, precision, accuracy and focussed decision making that is required?



We are always asked "what makes a good project manager?" Yes there's the normal stuff about intelligence,

We have chosen not to send Christmas cards this year so that the savings we make on cards and postage will be donated to our chosen charity, Lifelites. Lifelites provide technology for children in hospices to help them to enjoy themselves at a time when every second counts.

We wish you all a very Merry Christmas and a Happy New Year and hope that you enjoy our newsletter.



In this issue...

Project failure and Now to avoid it - Peter Mayer, Managing Partner

Majority Verdict - Nick Sanderson, Managing Practitioner

A new competency paradigm - Vince Rawle, Managing Practitioner

Intelligent Projects Forum - Kate Woodmansee, Marketing Manager

Pellicam Get Pedalling for Lifelites - Kate Woodmansee, Marketing Manager

energy, people skills – but surely the significant competency is the ability to decide what to focus on – what needs to get done, what problem needs to be resolved, what problem can be ignored?

Pellicam call this third dimension 'Project Intelligence'. It's a combination of skill, instinct, technique and experience.

We've consolidated findings of 50 recent project intelligent reviews – scaling from £2m to £500m - across a number of industries – **and it's produced FIVE learning points.**

ONE – previous surveys (e.g. MIT, Standish, MCA) highlight a very poor delivery record. Our findings give good

granularity as to why projects are failing; and contrasts with prior research.

TWO - Projects scored 50% against best practice. Why so low? Because by definition, best practice must take into account every situation and permutation; and projects are not designed that way. My hypothesis remains – best practice is not a helpful measure for us.

THREE - Projects reviewed early in the life cycle are more likely to be successful. Conversely, projects reviewed late in late stages (test/ implementation) are often ‘too far gone’ and beyond help.

FOUR - High incidence of Critical/Red/Black/Toxic issues (there’s only so many ways of saying these are really, really important):

- **Serial killers:** dependencies not mapped, dis-engaged stakeholders, poor business case, flawed governance, poor planning, unclear quality, lack of testing quality, risk/issue/change ignored (all occur in more than 66% of projects).
- **Persistent offenders:** suppliers, people and relationships, existing systems, complexity, solution definition (39 to 53%).

- **Aggravating theft:** corporate alignment, technology alignment, communications, and cost management (11 to 26%).

FIVE – Every organisation has common failure points. Review 3 to 5 projects and the same issues will occur. Fix these issues across the organisation and fix all your projects.

In summary:

- **Project Intelligence is not well understood in ‘projectworld’ but needs to be embraced and learned**
- **Each organisation has its own serial killers – they should be locked up**
- **Organisations are/not responsive to make the necessary changes.**

Peter Mayer is Pelicam’s Managing Partner and can be contacted on +44(0)7974 084333 or at p.mayer@pelicam.com

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Majority Verdict

Nick Sanderson, Managing Practitioner,
Pelicam Project Assurance.

It’s time to stop the shockingly high proportion of CRM projects failing; a clue may be a different approach to how these projects are managed.

We’ve all seen the headlines about the disappointingly high proportion of IT projects that fail. You may be less familiar with the bottom-line cost these flubbed



initiatives represent to the organisations that commissioned them, often with high hopes of them making positive contributions to their businesses. It’s actually a truly staggering number: one December 2009 estimate puts it at no less than \$6.2 trillion dollars (<http://www.objectwatch.com/whitepapers/ITComplexityWhitePaper.pdf>).

That’s *six times* the GDP of the UK.

And one area of consistent disappointment is Customer Relationship Management (CRM) – the attempt to streamline and improve through technology the way you communicate and work with your all-important customers. Indeed, objective research estimates the majority of CRM projects fail: analyst numbers range from 56% (Economist Intelligence Unit, 2007) to 47% (Forrester Research, 2009) of all CRM activity is wasted effort and budget.

You probably know – from bitter business experience – the

reality behind such chilling numbers.

Maybe it’s time to start thinking of a new way of doing both projects and CRM in particular. If we could figure out a way to get more CRM work over the finish line, the end result could be of great benefit to both business and us as customers. If you look at companies that do this right – the Amazon central web site would be the case study here, most of us would agree – working with them becomes a pleasure for the customer, not a chore. This is good for Amazon as it makes us like to buy from it, sure, but it also saves that organisation money, as it doesn’t need to employ people answering phones and dealing with hassles with orders, as a well-structured online process heads a lot of that stuff off at the pass.

So how do we get to such a state with our CRM projects? Before anything else, best practice suggests having a clear mission statement. Do you know what channels you want customers to use? What services do you want them to access via, say, your online presence? Have you carried out the right sort of market research to indeed find out from the horse’s mouth what your marketplace is missing from interacting with you?

One could go on – the point is that good CRM, like any good business project, has to start from clear benefits analysis.

The next piece of the puzzle is to never end up bedazzled with a particular technology. Yes, we’ll need software to implement the CRM functionality – but the package to be used is simply a tool and must be bent and used to meet the initial project targets. Experience tells us that the inception of a CRM project should be technology agnostic. The key initial stage is to determine the desired outcomes

from the initiative and then identify where the changes will need to manifest. A team of users should then be established to map out the future operating model to deliver the desired outcomes and at this stage process changes and the technology options can then be considered.

The old adage of KISS applies: keep it simple, stupid – spending vast amounts on technology very rarely delivers anticipated results.

So far, I've said nothing terribly revolutionary or contentious – but these things do need saying again as, to be frank, so few of us seem to follow these very sensible core disciplines at the outset. But now, we need to start thinking about project management - in our case here in terms of getting a successful system for customer service and outreach installed and benefiting the company – and how to do that maybe a bit better.

We have enough methodologies out there, PRINCE 2 being the exemplar, that provide excellent structure. But my experience, and that of our team at Pelicam, is that what has been overlooked by all these frameworks, or, maybe worse, just given lip service, is the vital component of project assurance.

In its simplest form, we think of this as ways to scientifically capture all the variables in and around your business that serve to degrade your project's integrity.

The old Project Manager Workbench or your basic GANTT chart can tell you if you haven't the right bodies in place at any one time or there is a dependency you haven't spotted. This concept is much more structural than that. The heart of the matter is the context of the project and if you don't adopt a holistic approach and look at all the factors in the business context that are critical, you are hampering your own efforts.



Experienced project managers will know what we mean here. But the problem is that a lot of the information that needs to be captured to do real project assurance is quite ineffable – it's that soft skills stuff, the personal

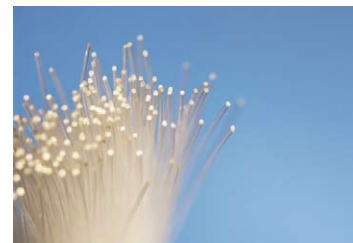
communication and culture aspects of business that a PRINCE2 can't capture or a technology-head may not be that adept at measuring either.

In our case, we have distilled some of the experience we as a company have acquired on this front on many very complex projects, including major enterprise-wide CRM engagements, into a software system that has no less than 460 touch-points. That's the level of complexity and breadth you need to be able to work with if you want to seriously engage with IT project assurance.

So to sum up: assurance is the missing ingredient from all too many projects – CRM in particular. Best: work with companies that are aware of this, instead of trying to force-fit you into their specific tool - and stop your company's money becoming part of that shocking \$6.2 trillion drain on global business.

What a good CRM project should look like?

Working with a major mobile telecommunications operator with over 1 million customers and 40 retail outlets, Pelicam successfully renovated its tired core revenue and customer management systems. This was a significant project – EU50m – that had reached a point of being totally stalled with very poor morale and little business support and with our help transformed into a highly dynamic and exciting programme which got great business participation and ultimately led to the successful launch 9 months later. This involved a team of over 200 people (both internal teams and our consultants) and was in fact the largest project ever undertaken by the organisation. We started off with some health checks that identified change management processes that were not in place – in the customer's words, "identified gaps and loop holes that would not have been picked up until later". As a result, the client has a new business systems technology platform that is reliable and flexible, allowing it to deliver new products to market quickly for customers.



Nick Sanderson is a Pelicam Managing Practitioner and can be contacted on +44(0)7711 632519 or at nick.sanderson@pelicam.com

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A new competency paradigm

Vince Rawle, Managing Practitioner, Pelicam Project Assurance.

Earlier this year, we launched our Project Management Competency Framework (PMCF) to assist our clients and partners in assessing the capability of their project management community. The framework is based on the Pelicam Health Check with a similar level of granularity and precision. It is designed to develop and enhance delivery performance.

The framework has now been used in a live environment for the first time with one of our clients who wanted to work with their 150+ project and programme managers to identify opportunities for development, resulting in a personalised development plan for each practitioner. The results are currently being analysed but early indications suggest that the assessment has produced some very interesting results, with far wider reaching intelligence than was originally expected. More about this, and other new products, next time...

Vince Rawle is a Pelicam Managing Practitioner and can be contacted on +44(0)7717 555777 or at vince.rawle@pelicam.com

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Intelligent Projects Forum

Kate Woodmansee, Marketing Manager at Pelicam Project Assurance.

One year on, the group of senior projects people from blue chip organisations has gained some real momentum. Formed in November 2010, with the aim to build a framework for success, the group has now met four times over the year. During this period Pelicam has led the discussion with findings from 50 recent health checks - investigating trends, patterns and insights around project success and failure.

The members have been able to contribute openly, sharing insights and compare how their own organisations cope with the many challenges of delivering successfully to meet business demands.



The IPF meet in a central London restaurant at 6.30pm during the week and the group is aimed at senior decision makers who have a responsibility for project success.

Please contact kate.woodmansee@pelicam.com for more information. Click here.

Pelicam Get Pedalling for Lifelites

Kate Woodmansee, Marketing Manager, Pelicam.

A Pelicam Project Assurance team of four intrepid cyclists braved the 55 mile London to Brighton bike ride, raising over £1,500 for our charity partner Lifelites in the process. While some say "that to find yourself you must first get lost", we're not sure Team Pelicam felt quite at peace as 'early navigation issues' led to a rather more scenic route than first anticipated.



Despite the detour, dastardly Ditchling, an 'over the handlebar' crash, a broken bike and a bruised collar bone, Vince completed the challenge in an incredible 4 hours 40 minutes with the other team members also finishing in very respectable times.

Vince added that "Despite all of my training, I was in no way ready for the London to Brighton bike ride, I now understand why people talk so much about Ditchling... nothing can prepare you for it"...this was a consistent theme with all the debut riders after the race.

Congratulations to Team Pelicam for their achievements and thank you to everyone for your generous sponsorship which helped raise over £1,500. This is such a terrific sum of money and it will make a huge difference to this small but extremely worthwhile charity.

The bike ride, which includes the infamously gruelling Ditchling Hill, is an annual event open to novice cyclists. Vince Rawle, managing practitioner for Pelicam was asked beforehand if he would be taking on the hill from behind the saddle, "Of course, it's a bike ride not a walk," our fearless fundraiser replied, but after the event when asked if he made a successful assault, he replied "You must be joking!"

Lifelites is a charity that helps to support the 40 children's hospices around the UK by supporting their technological needs to help the lives of terminally ill children.

Contact us

To explore how things can be improved in your organisation, please get in touch at info@pelicam.com

Submit an article

If you have any interesting articles about improving the chances of project success or more explicitly delivering project intelligence that you would like to share please send them to kate.woodmansee@pelicam.com

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This newsletter is brought to you by:
Kate Woodmansee, Marketing –
kate.woodmansee@pelicam.com

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Pelicam Project Assurance, Ramsey House, Bellington,
Buckinghamshire, HP5 2XP United Kingdom