

## IS YOUR PROJECT BUILT ON A HOUSE OF CARDS?

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*Every organization engages in some form of planning prior to executing a project. After many decades of experience, our industry is infamously ineffective in this skill. The following is an experience of a global manufacturing company whose IT director described as “a complete disaster.” The name of the organization will remain anonymous to protect the innocent.*

### BACKGROUND

The organization needed to re-platform an application for sales trace data that was at end-of-life and out-of-support. The company’s planned six-month replacement project encountered numerous delays that were unexpected by management. After 19-months and multiple redesigns, the project was finished at three times the original budget and with years of planned post go-live initiatives to address the scope not delivered by the original project. As a consequence of the project:

- Sales commissions went unpaid for approximately six months
- Rebates were overpaid to distributors for several months
- The delayed go-live created a backlog of 1.7 million records that required the manual intervention of temporary staff at an unexpected cost to the organization.
- The staffing reductions that were a key part of the business case occurred 14 months after the targeted date, effectively ruining the payback period.

### WHAT WENT WRONG?

**Initiative Strategy** – Upon its initial launch, the purpose of the project was to replace a homegrown application that ran on hardware that was no longer supported. Over time, the purpose of the project evolved into a hastily made vendor decision. As the team continued to work, they decided



*“Inadequate planning set this project up for disaster from the start. A facilitated initiative planning exercise would have uncovered all the downstream implications and eliminated continual re-design and re-scoping, and saved more than \$.5 million.”*

*-IT Director*

*(assumed project after 12 months)*

to conduct a process improvement initiative right in the middle of a software project. When planning an initiative, it's important to define the purpose in the context of the strategic goals. If the team views the project as open-ended, scope will change and evolve over time. If the purpose and the success of the project are defined by how it helps to accomplish the organization's goals, the team will be compelled to limit their scope to exactly that work.

**Collaboration** - The sponsor used the project to achieve their organizational objectives, which of course is part of the deal. But in this case, the sponsor guarded the project and didn't include other organizational leaders in the process. The result was that the team was woefully unaware of the needs of downstream consumers such as finance, sales operations and technical services. When planning an initiative, every part of the organization with legitimate needs must be represented, whether they are organizationally connected to the sponsor or not. Many organizations have realized that few strategic projects are contained to a single organizational unit. Close collaboration of key stakeholders and skilled facilitation are both good ways to help keep everyone aligned.

**Realism** - There are a few keys stats that show us that the team had no concept of reality when creating their plan and estimating the necessary time and money to accomplish it. The budget and schedule were both blown by a factor of three after several major items were de-scoped and placed into "subsequent projects." The transition was ignored and almost two million database records had to be manually addressed. Even if the project team had a perfect understanding of the initiative strategy, the implementation leads were obviously not engaged in a scoping effort to determine the actual work needed to implement this project. I'm quite sure if the organization understood the real effort necessary to implement their new product, they would have selected a different option.

## IN CONCLUSION

This global manufacturing company puts a lot of research and development into its products, which sometimes take years before reaching the marketplace. Unfortunately, they didn't put the same care and thought into planning the replacement of their critical sales tool. That they built a plan on a house of cards which inevitably collapsed in grand fashion is not surprising -- it happens every day. The fact that we continue to convince ourselves that we're looking at a plan built on a solid foundation without putting in the time - now that's hard to wrap your mind around.

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