

High Impact Projects

A Newsletter About Getting Important Things Done.

How To Turn Around a Project in Trouble

\$5 Million Project Saved from Cancellation, Project Completed On Time, Profitably and With a Happy Client

\$230,000 Saved in Change Orders

"The client was so pleased with our work in completing this project that we were awarded a \$10,000,000 contract to outsource all of the Information Technology support functions."

Keith Long, Sales Executive

By Tom Ingram, PMP

A \$5 Million computer project is on the verge of cancellation. You are called in to turn it around. After nine months (in a 12 month project) only about 30% of the work is done. The project team is frantically holding meetings and producing paper. The client's people are not getting their tasks done. People in both organizations (vendor and client) seem to be working on anything but getting the project completed. The client project manager and the vendor project manager have both just been replaced, a layoff is in process and the division is up for sale. What would you do?

Following is what we did, some of the lessons we learned, and some things we would do differently if we had it to do over. When I was brought in to manage the turnaround I found a great project team and a strong project sponsor. The project had been properly sold, with a solid balance between the budget, scope, deadlines and expectations. The problems included evolving expectations, lack of change control and people being distracted by things other than the work to be done. Following are some key items that contributed to this turnaround. Hopefully these lessons will prove

useful to you if you find yourself in a similar situation some day.

"300% improvement in productivity in 6 weeks!"

Authority/Responsibility Match: I knew from experience, research and the training that I received from the Project Management Institute (PMI) that project managers often do not have the authority needed to execute their responsibilities. Fortunately, the vendor that hired me was willing to grant me a contract that would give me the proper authority. It turned out that I should have done a better job of spelling out the authority needed, but we got the project done – just barely. At three or four crucial times I had to tell people "no" to keep the project on track. These disruptions could have been largely avoided if I had done a more thorough job on the contract arrangements.

Scope and Change Control Enforced: The written scope document contained some ambiguities (is anyone surprised?) An early item of business was to measurably define and

clarify exactly what we were going to deliver. Another was getting the executive sponsor's agreement to enforce written change control procedures. Several people resisted these measures. They were used to demanding that their pet issues be added to the project and having the vendors simply agree. One manager, for example, demanded valuable technical time for a problem he was having in an unrelated area. It turned out he had ignored warnings to address the problem and was using our people to bail his project out. He was not happy that I denied his requests – but we could not spare our people to help him.

“...the first on-time completion of a computer project for this client in 10 years!”

Got Client Personnel to Complete Their Responsibilities On Time: This is a traditional trap in fixed price projects. Human beings tend to procrastinate. These delayed tasks can idle vendor personnel and make a fixed price project unprofitable in a hurry. The key was to identify who would do what on the client's side. These responsibilities needed some 'teeth', so I proposed financial penalties for failure to complete tasks on time. Both the senior salesman and the executive sponsor saw the necessity of these financial penalties and agreed.

Got Executive Participation: About 30 days into the project it became clear that we needed more participation from the Project Sponsor. We were at a crisis point. I went to him and explained that he needed to be more involved or the project was at real risk of collapsing. Some people on the vendor side were upset with me for disclosing our problems to the Project Sponsor. I was convinced that we simply had no choice but to be candid about our problems. Fortunately, the Project Sponsor appreciated our honesty and agreed to devote

more time to the project. We could not have completed the project without his increased involvement.

Successfully Stood Up To Politics and Pressures that Often Damage Projects: Most of us have experienced situations where vendor and client personnel are so focused on their personal interests that they actually hurt the chances of completing a project on time and as promised.

You might call this “politics” or “bureaucracy” or “self-serving conduct”. Whatever the name, this behavior was a real risk to our project. Two factors enabled us to resist many of these problems. (1) We had the support of the Project Sponsor and (2) I was working under an employment contract, and could only be dismissed under certain circumstances.

For example, one middle manager insisted on presenting a schedule to the Project Sponsor that the project team could not meet. In fact, the people doing the work were adamant that the schedule could not be met. I insisted on disclosing the situation to the Project Sponsor, against the middle manager's wishes. Again, the Project Sponsor appreciated our honesty and backed me and the project team up.

The middle manager was furious, but ultimately forgave me because he ended up with a happy client – and a very large follow-on order. Also, the productivity of the project team skyrocketed. They had worked on projects in the past that were hurt by political influences. This was the first time they had seen “right” prevail, and it motivated them to believe that the project could be done on time.

Reorganized and Trained Team: We went to a 24-hour, five-day-a-week operation to complete implementation. We had only 10 core employees to work with and 40 relatively new contractors. Initially, we had a mass of people and mass confusion. These problems were solved by organizing into 3 teams on

separate shifts. During the day shift we set up a training and testing lab for the contractors. We rapidly winnowed the contractors down to 25 high performers, who were then deployed to the other shifts and were immediately productive.

Team unity among the shifts, pride of workmanship, competition between the shifts and immediate positive feedback (dinner certificates) helped the project team gel into a productive unit. For example, the average time to complete the primary tasks was reduced by 300% by the end of the project.

Visible, Immovable Deadline: This project included a clear, immovable deadline due to factors surrounding the sale of the division. The fact that all parties involved would be subject to the scrutiny of a clearly measured, unavoidable deadline contributed to the turnaround success.

Be the “Target”, Find Something You Can Fix Immediately: I have learned to make it a point to fix something within 24 to 48 hours of arriving on scene at a troubled project. The project team and the client are usually frustrated by lack of response and unmet promises. If the new manager is responsive and able to make even a small difference immediately, project morale and confidence improve. In a postmortem, a project team member told me that he greatly appreciated my being the “target”. He said “I got him what he needed to do his job”, which included insulating him from distractions and continual changes. I had used the words, “Paint a target on my back,” and it stuck with him.

Things that Might Have Gone Better: A stronger contract for my services could have

prevented many problems. I also should have had my reporting structure clearly specified in writing.

I’m not sure I would accept this assignment again, if I had it to do over. The key people and I worked for 3 ½ months at the absolute edge of our physical and mental capacity. Had any one of us been unable to perform our duties, for any reason, the project might well have collapsed. Considering the need for a 24-hour operation, we should have had at least two more management people to bear the load.

The Results: The project was returned to on-time, on-budget status in three and a half months. 80% of the scope was delivered, 20% was deprioritized. The client, an old-line Dallas manufacturer, was delighted with the outcome, partly because it was the first on-time completion of a computer project in 10 years! The project was returned to profitability for the vendor and the client paid an additional \$230,000 in change orders, which more than paid for my fee.

Conclusion: Have you seen other techniques that helped turn projects around? I’d love to hear from you. This project turnaround resulted in a successful outcome, but it was far from perfect. It was stressful on all involved and, perhaps, unnecessarily confrontational. Let’s not assume that the way I led the turnaround was perfect or “the” right way, but perhaps some of these tips can stimulate your thinking next time you face a project in trouble.

Need further information?

Call us if you have questions or would like more information. This case is written as a teaching tool and is not intended to fully describe exact details or dialog.

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