

WHITEPAPER

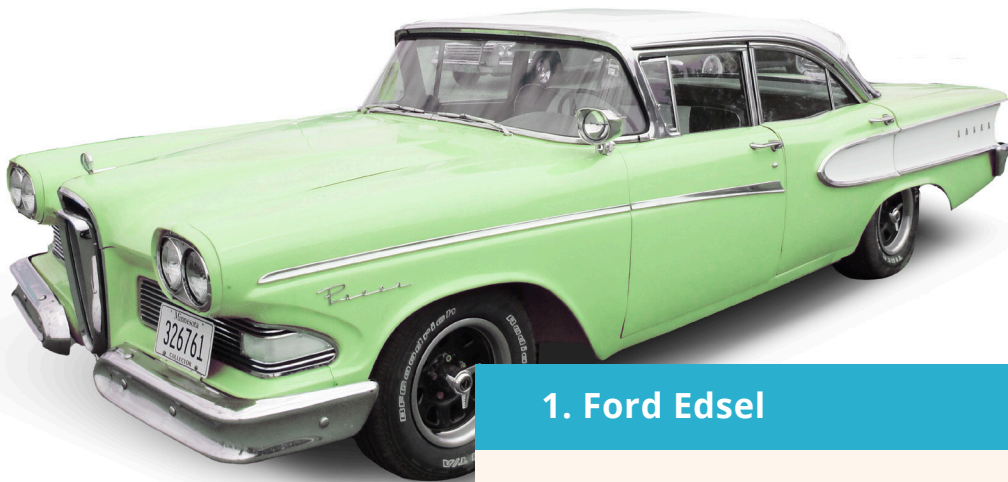
4 Famous Project Management Failures and What to Learn from Them



4 Famous Project Management Failures

Every project begins with a single idea or goal, and the best of intentions. But as they progress, mistakes are made, communications break down, and deadlines and budgets change. It's these problems that mean, even when projects are started for the right reasons, 55% of businesses experience failed projects. In fact, 17% of large-scale IT projects go so badly that they threaten the very existence of the company.

Why do projects fail? And what leads to a failed project? This whitepaper will look at some project failure examples, including the worst-case scenarios, to identify the root cause of the problem, in the hope that we can ensure project managers don't make the same fatal mistakes.



1. Ford Edsel

Ford Edsel is one of the most spectacular project failure examples in automotive history. Ford's team did extensive market research before it released the Edsel, even doing studies to make sure the car had the right 'personality' to attract the ideal customer. They spent 10 years and \$250 million on research and planning—but by the time all this was completed, and the car was unveiled in 1957, Ford had missed its chance. The market had already moved on to buying compact cars, which didn't include the Edsel.

Lessons learned:

The Ford Edsel is the perfect fail project example that emphasizes the importance of speed to market and how even a major brand and product can fail if a project loses velocity. Poor communication and inaccurate deadlines can slow a project down to the point where it's no longer relevant or valuable, let alone successful.

Paying ultimate attention to areas like resource availability and utilization—ensuring project workers are working to capacity and to the best of their ability—creates more accurate project timeline estimations and stops projects from dragging.

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2. NHS Civilian IT

Back in 2007, the UK's National Health Service (NHS) looked to revolutionize the way technology is used in the health sector, through the introduction of electronic health records, digital scanning, and integrated IT systems across hospitals and community care. They called it the 'Civilian Computer System.' It would have been the largest of its kind in the world. But it failed because of contractual changes—including changing specifications, supplier disputes, and technical problems. Estimates of the cost of the now-abandoned project hover around the £11.4 billion mark.

Lessons learned:

Change is almost inevitable during the course of a project, especially with large and complex ones like the NHS undertook. This is one of the most talked-about project failure examples that shows the importance of flexibility for achieving great results. You need to be able to react to changes as they occur, but also preemptively identify potential problems in order to stop them before they wreak havoc.

Project and resource modeling allows project managers to create a model where they can test, in real-time, the effects of changing or modifying their projects to keep ahead of schedule. So even in the event of unexpected changes, you're prepared for what's next.

3. Knight Capital

In 2012, when Knight Capital was brought on to work on new code for a new SEC program, an over-optimistic deadline caused them to go to production with test code. After production, a glitch cost the company \$440 million within the first 30 minutes of trading, and company stock fell 75% within just two days.

Lessons learned:

You need a granular-level view of your projects to forecast how long a project will feasibly take to complete and avoid setting unrealistic targets or deadlines. Resource management is crucial in analyzing and utilizing project resources, so projects can be completed as efficiently as possible without the need to rush work or take shortcuts.



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4. Airbus A380



Building the Airbus A380—the world’s largest commercial aircraft at the time—required production facilities from across the globe to build individual parts of the airplane. Unfortunately, these teams used different computer-aided design (CAD) programs. During installation, they discovered the parts designed by different teams didn’t fit together. This cost the company \$6 billion to put right and set the project back two years.

Lessons learned:

The Airbus A380 is one of those failed projects examples that teach you the importance of proper workforce coordination. Unexpected problems will always be a challenge, but there are added challenges when your workforce is based remotely or in silos. For instance, it can take longer to report problems and coordinate the right response. If Airbus’s dispersed project teams had better-prioritized communication, the problem could have been solved before the installation phase, before it was too late.

When teams work across geographies, it’s important to set goals and metrics to ensure everyone understands their tasks, like what they’re expected to achieve and when. Resource management allows you to manipulate resource data in real time, so, if something goes wrong, the problem can be resolved as soon as possible. Using remote workers makes it difficult to gather everyone in a room, explain the problem, and find the solution. Resource management tools provide real-time reporting for full visibility over your resources, so you can instantly enact change.

The project failure examples listed above were carried out on a monumental scale—involving a sea of moving parts and relied on a lot of people to complete. While no project can guarantee success, resource management can help measure and manage the moving parts of a project. The right resource management solution can help a project manager gain more control over their projects, providing insight into every step of the process.

Tempus Resource is a sophisticated resource management software that includes practical functionality like modeling, forecasting, and ‘What-If?’ analysis. Tempus Resource can help organizations of any size and any level of project maturity reduce the risk of project failure.

To find out more on how resource management can reduce the risk of project failure, get in touch with ProSymmetry today.