

Case Study 4 – What glitters is not always gold

Consider a project with a budget (cost) of \$10M, a schedule (time) of 12 months. The project manager announces to management that the project was completed at a total expense of \$7M (\$0.3M below budget), in 10 months (2 months earlier), according to the project scope, to a good quality and with no inter-personal strife?

How should management react to the project manager's statement that the project has been completed? Should the project above be considered a success:

- Yes.
- Need more information.
- No.

In a business world, where publicly traded companies report results on a quarterly basis, with high-level executives living and dying by the sword, accomplishing a project below budget is welcome news and there will be a natural tendency to crown this project as a success.

In reality and irrespective of whether the project has met its goals, the answer should be "Need more information," in order to conduct a proper analysis of the project and more specifically of the project tasks. If, for example, the project was made up of 100 tasks of which 10% were on target, 40% missed the target slightly and the remaining 50% missed the target by a lot, then it is evident that the project was not properly managed. If a single task accounted for a very big percentage of the project goals, then maybe this task was overestimated at the beginning, which subsequently offered a huge buffer to the remaining tasks and ensured the success of the project.

It is expected for the project management techniques and procedures to achieve something that is better, faster and cheaper than what we would have achieved, had we not used project management. The goal of project management is to manage a project in order to meet the expected goals. If we manage to exceed the project's goals, then by definition, the project has

not met its goals and the management of the project cannot and should not be considered successful.

Discussion points

1. The specific project is not important.
2. How do the various people inside and outside the project environment deal with announcement of the project results.
3. What is more important is how high-level management will usually deal with the project deliverables. The high-level management outside the project may be ecstatic with joy while the project team members may be disappointed.
4. High-level management outside the project.
5. Project committee.
6. Project manager.
7. Project team members.
8. How many organizations deal with the specifics of the Lessons Learned and try to benefit from the exercise? How many will rush on to the next project?
9. Is there any chance that the specific project will be characterized as a failure?
10. Since the project goals of cost, time, scope and quality were not met, is this project a failure by definition?