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## ***Rescuing struggling projects***

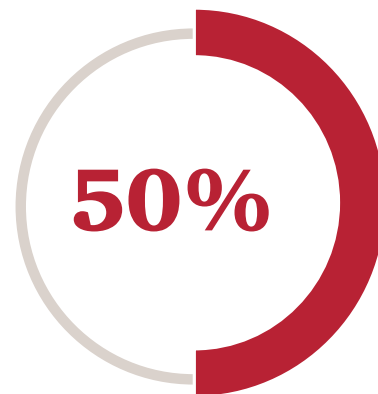
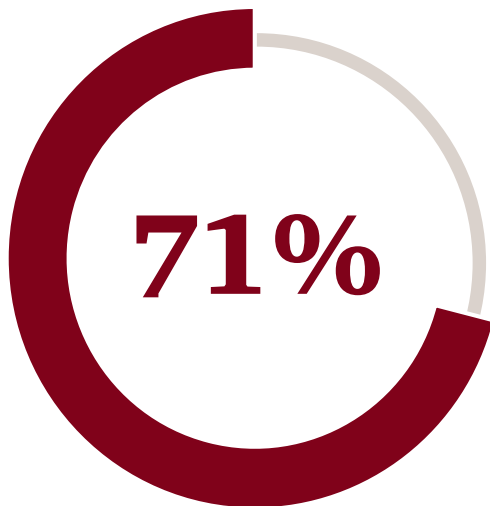
Move beyond mere survival  
to find a sustainable path  
to recovery

From evolving consumer needs to market globalisation and increasingly complex regulatory environments, businesses today face challenges like never before – all of which are changing at an unprecedented pace. In response, organisations are having to implement an ever-increasing volume of programmes and projects to drive innovation, grow as a company, manage and anticipate emerging risks, keep up with compliance requirements or expand into new markets. With more projects on the table, each one more complex than the last, it all becomes harder to manage, and transformation projects struggle to stay afloat and fail at an alarming rate.

Teams managing large-scale and complex transformation projects work under immense pressure, with high expectations in terms of delivery. Stepping in to rescue an ailing project requires courage, judgement and expertise. When a project is in trouble, it's critical to approach it with a structured rescue and recovery process based on root causes to sustainably restore the expected business benefits and value the project was intended to deliver in the first place.

*PwC's Global Programme Management Survey, which included 3,025 people (C-suite/PMs) in 110 countries, found:*

71% of companies have projects not driven by strategy.



50% of projects fail or exceed their budget.

# Is your project in trouble?

Project success and failure have traditionally been measured in terms of the iron triangle (focusing on budget, schedule and scope). But in today's environment, successful project management and delivery require a broader perspective with regard to

- project value and the realisation of business benefits
- management of stakeholder expectations
- an understanding of the perception stakeholders have of project success and organisational readiness to enable acceptance.

Trouble can basically occur anywhere at any point in time within a project life cycle. Whatever the situation, the earlier trouble is detected and addressed, the better. When divergence from the defined baseline is too extreme, the project becomes a candidate for cancellation, termination or – even worse – failure.

The perception and evaluation of trouble depends upon tolerance levels within an organisation: in some cases, the budget or schedule don't allow any slippage at all; in other environments more tolerance is acceptable and, unfortunately, accepted.

However, anticipating trouble is never easy. It can arise spontaneously, which makes it very difficult to anticipate and gives you little time to address the issues. Or it can emerge slowly over time, with

the problems going unnoticed until the impact is too significant to ignore. It will never be possible to systemically predict truly spontaneous trouble, but implementing project management standards and methodologies as part of the development process can help dampen the impact of developing issues.

In today's world, change happens so quickly and there is such a large volume of projects of great complexity that challenges arise that we can't anticipate. It's no longer about **whether** trouble will hit, but **when**. Regardless of whether the trouble is sudden or brews gradually, saving a project requires an experienced and agile team willing to react quickly, and leadership prepared to make decisions.

Figure 1: Project trouble continuum (authors' illustration)

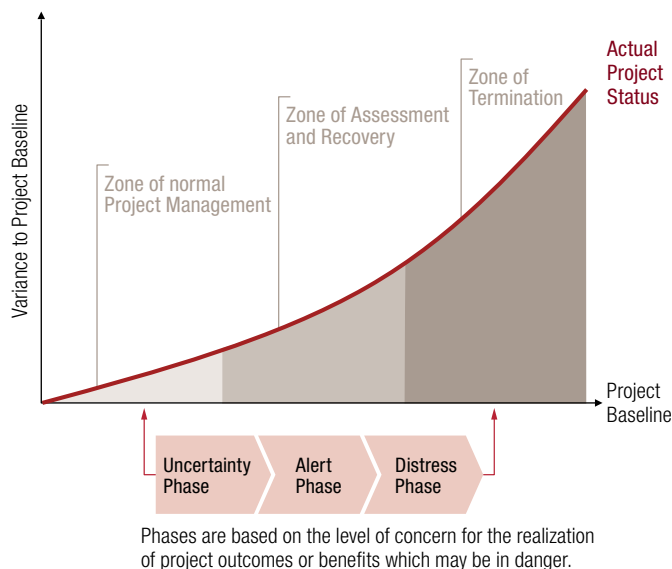
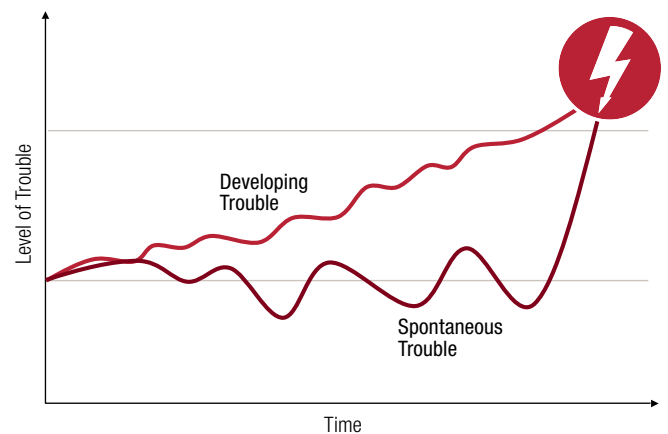


Figure 2: Trouble themes (authors' illustration)



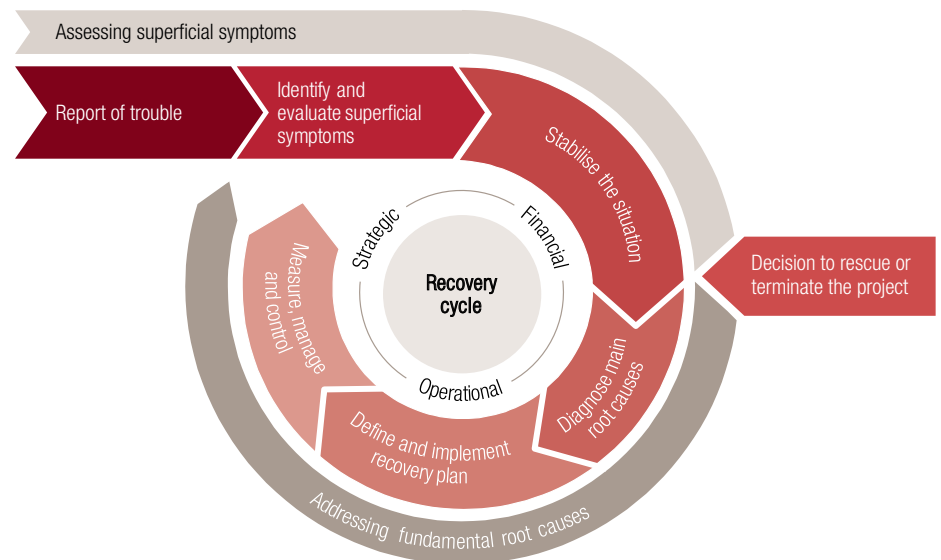
*A challenging phase doesn't necessarily mean that the project is in trouble. But as soon as uncertainty arises it can quickly lead to a struggling project with an increased likelihood of failure.*

*When trouble hits, it often feels spontaneous. But the reality is that teams are often so inundated with the day-to-day management of the project that they miss the signs signalling that trouble is developing.*

# My project is in trouble. What now?

When managing the project recovery process it's crucial to avoid taking action for action's sake, treating the situation as a fire drill, or only addressing the superficial symptoms rather than the real underlying issues. You have to take a structured approach, starting with stabilising the project on the basis of the visible symptoms, and going on to do an in-depth root cause analysis as the basis for defining a recovery plan. This will help the project move beyond mere survival to achieve a sustainable solution in the long term.

Figure 3: Programme and project recovery cycle (authors' illustration)



## Assessing superficial symptoms

When you realise your programme or project is in distress, quick action is needed to escalate the issue, and it is critical to jump starting the recovery process or deciding to abandon the project.

### Report of trouble

Making your stakeholders aware of the issue and being transparent about the challenges you're facing is critical for gaining their support throughout the process. Communicating the where, what and when keeps the conversation centred on the facts and looking forward by focusing on the current situation and possible outcomes. Too often, teams focus on the 'who' and 'why', which can distract them from addressing the issues at hand. This is also the time to agree on clear recovery governance, including a defined recovery sponsor and a dedicated project rescue team.

## Identify and evaluate superficial symptoms

Once an issue is reported, a project rescue team can be mobilised and can start the initial pre-assessment to identify and evaluate the superficial symptoms. Every project is different, but a robust pre-assessment should include a summary of the current state, the issue at hand, overall health of the project, key vital signs, maximum time for survival in the current state, and dependencies.

### Stabilise the situation

Once the pre-assessment is complete, the recovery team should focus on stabilising the project so that it can continue to progress as the in-depth root cause analysis is performed.

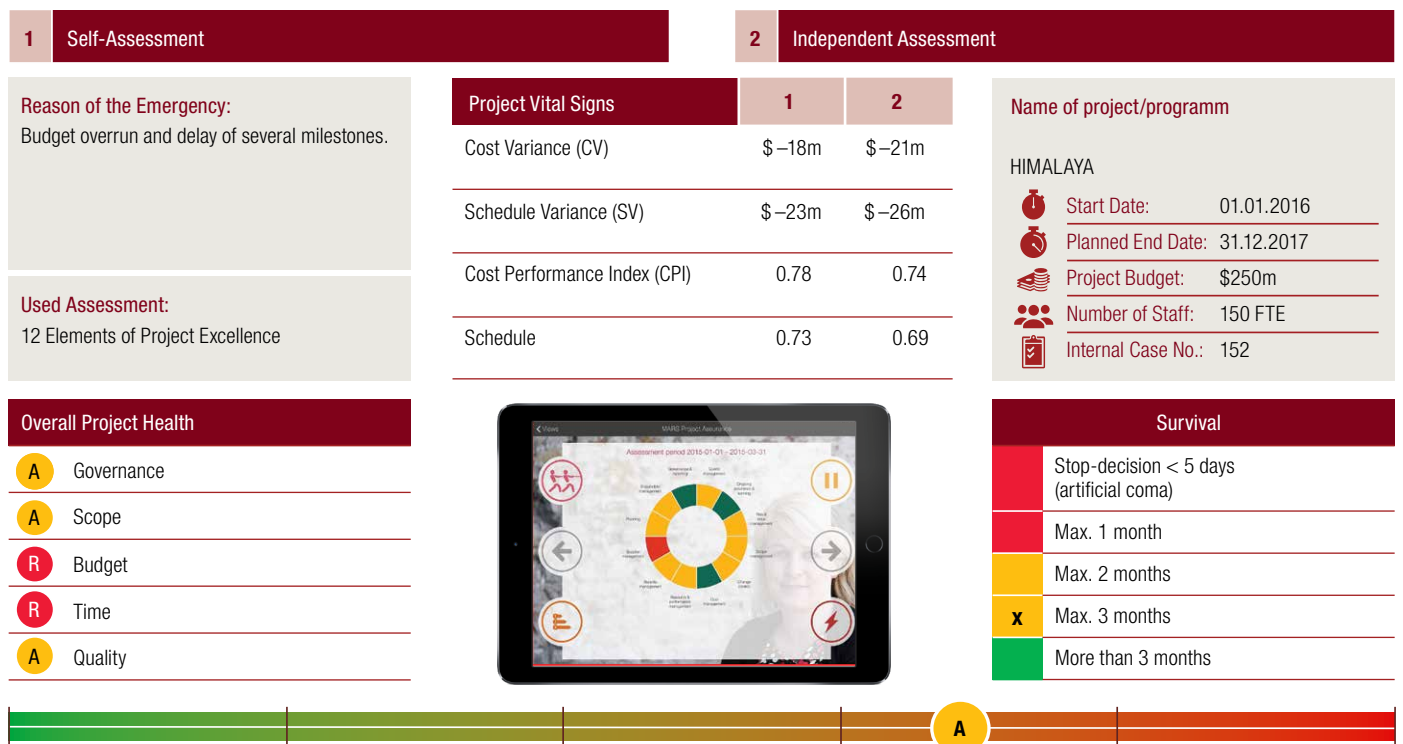
A common response to facilitate immediate action is to pile on additional resources (people and funding). However, in most cases the programme or project can't be considered in isolation. Instead, you need a triage process encompassing the project, programme, and sometimes even the portfolio level. Usually there are

only limited resources available, and there are dependencies with other programmes or projects. This means you should use the limited resources available for stabilising the troubled project for projects that make the greatest contribution to value but still have a high probability of survival.

Performing a pre-assessment and stabilising the situation is the critical first step down the path to recovery – in the event that the project isn't terminated. But it's also important to recognise that this is just an initial evaluation based on the visible issues and easily gathered data. Too often, stakeholders assess the situation on the basis of these superficial symptoms alone, without delving into the root causes. This merely prolongs the challenges and struggles in the long term.



Figure 4: Illustrative example of a pre-assessment dashboard (authors' illustration)



## Addressing fundamental root causes

When you perform an in-depth diagnosis of the troubled project, you need to assess the root causes – in other words issues that aren't visible at first sight but which are the underlying drivers of the problems the project faces. In our experience, the best results come from a project self-assessment in combination with an independent project health check performed by an experienced, unbiased outside party.

### Define and understand the trouble

An in-depth project diagnosis to understand the main root causes begins with defining a problem statement. Creating a problem context helps consolidate thinking by bringing large amounts of data together onto a single page. Once the problem has been clearly defined, it needs to be broken down into its component parts. This enables you to manage the components of the problem, assign them priorities, and appoint a person to take charge.

### Map all symptoms and analyse the main root causes

Once you've formulated a problem statement you can begin to analyse the symptoms pinpointed in the pre-assessment and identify the root causes. You can then gather data to support your hypotheses and build a summary of the root cause analysis, including defining actionable recommendations. Once you've identified the drivers of the problem and have got the agreement of stakeholders, a recovery plan needs to be implemented.

### Define and implement recovery plan

Every project is different, but the first step in building a recovery plan is to review the original business case for the project and evaluate whether the reasons for the project, and its objectives, are still relevant. If they are still relevant, how can you get the project back on track? If they aren't, how have things changed, and how should the project be re-envisioned?

As soon as you've thought through the recovery strategy, the next step is to initiate a sustainable rescue process based on a

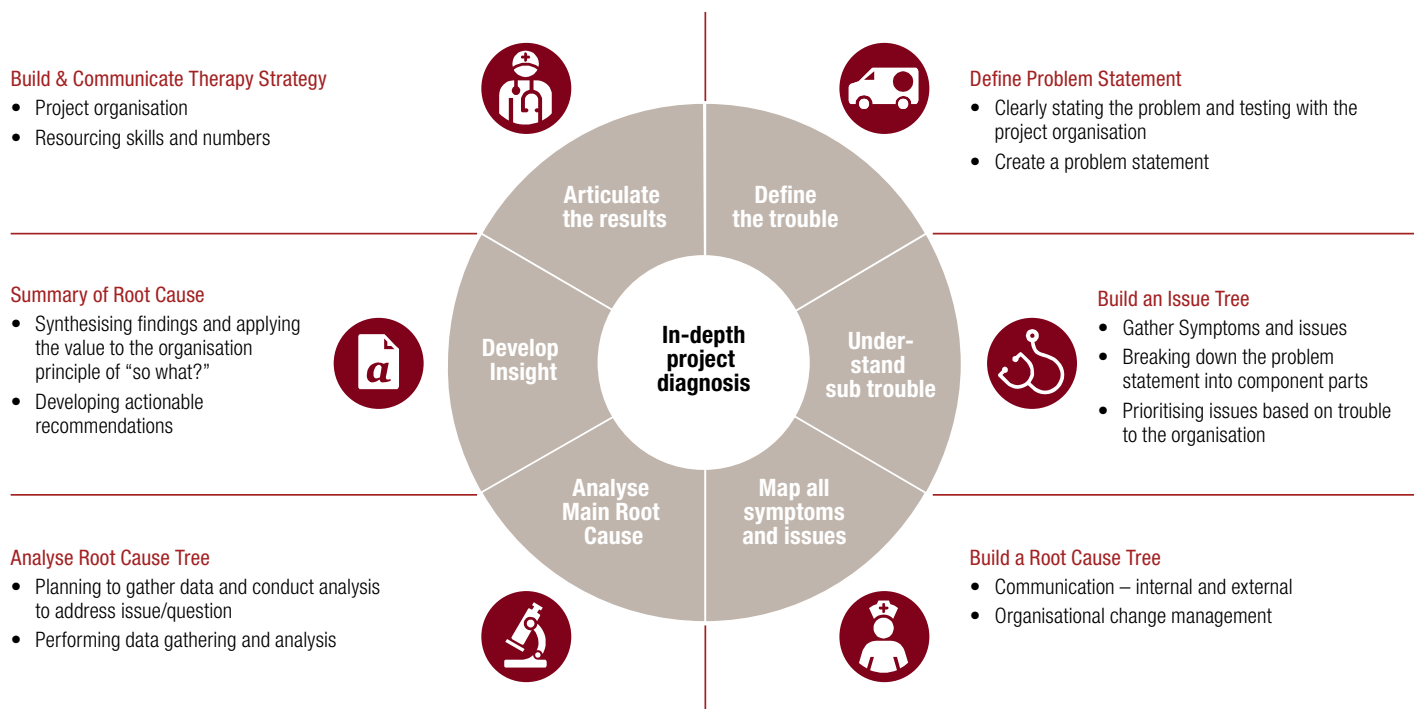
transparent and approved project recovery plan. At this stage, it's advisable to separate the recovery project from the troubled project environment to restore confidence and the morale of the project team. Then, if the recovery works and brings the expected benefits, the project needs to be brought back to regular project execution.

### Measure, manage and control

To measure the overall success of your project recovery efforts and make sure the project doesn't fall back into emergency mode, you need to closely monitor the root causes identified. This will also help you prevent other projects from being affected by the same root causes.

This process includes performing continuous project health checks to identify trouble at an early stage. In most cases, governance boards and sponsors only call for a project health check or trouble assessment when a project is already in danger. Maintaining a control process throughout the project life cycle can prevent future struggles and help provide transparency to stakeholders.

Figure 5: In-depth project diagnosis (authors' illustration)



– Be aware that the problem is not always the real problem  
 – Don't reinvent the wheel  
 – Don't make the facts fit the solution  
 – Each organisation is unique; hypotheses will not always work

# Keeping out of trouble

Companies today face the challenge of keeping up with a rapidly changing market, and are expected to complete programmes and projects with shorter timelines and lower budgets while delivering exponentially more business value. This extreme pressure means that all programmes and projects are likely to get into trouble at some point.

As a consequence, the success of a programme or project depends on how project management, project teams and sponsors manage troubling project phases by addressing the fundamental root causes rather than superficial symptoms.

Putting clear recovery governance in place, including a defined recovery sponsor and a dedicated project rescue team, and doing continuous project health checks to identify trouble at all stages within a project life cycle, can help you keep a project on track and out of trouble.



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