Troubled Project Identification, Triage and Recovery

Troubled Project Definition

A troubled project is where there is a reasonable chance that the project might not deliver benefits to the stakeholders, or it is deviating significantly from the intended performance baselines, which are outside the acceptable thresholds. This can include factors such as the project becoming too costly for the expected benefits or value, being completed too late, failing to achieve its targeted benefits or value, or no longer satisfying the stakeholders' needs

Project failure can be attributed to:

- **Management mistakes**, including failure in stakeholder management, allowing too many unnecessary scope changes or gold plating, failing to provide proper governance and ignoring "health-checks", refusing to make decisions in a timely manner, and ignoring the project manager's request for help. This can also be the result of wanting to gold-plate the project.
- **Planning mistakes** resulting from poor project management.
- **External influences**, such as failures in assessing the environmental factors correctly.

Projects do not get into trouble overnight. There are early warning signs, but these are often overlooked. Failure to recognize these signs early can make the cost of downstream corrections a very costly endeavor. Additionally, failure can occur in any life cycle phase; success occurs at the end of the project

Troubled Project Identification and Triage

Troubled projects can be identified through the 100 point IVV Checklist. High risk areas (scoring 3 or below) can be early warning indicators of project trouble. Additionally, constant changes to scope, inability to resolve issues, inability to get back on schedule should be interpreted as warning signs.

The earlier the warning signs are discovered, the more opportunities exist for recovery. Identification and evaluation of the warning signs can tell us if the troubled project:

- Can succeed according to the original requirements but some minor changes are needed
- Can be repaired but major changes may be necessary
- Cannot succeed and should be killed

There are three possible outcomes when considering how to address a troubled project:

- The project must be completed; i.e. required by law
  - Projects falling into this category should be slated for project recovery.
- The project can be completed but with major costly changes to the requirements
  - Projects falling into this category should be evaluated by the sponsor and governance and a determination made whether to proceed to recovery.
- The project should be canceled (i.e. cost and benefits are no longer aligned or the idea no longer has merit)
  - Projects falling into this category should be evaluated for cancellation.

If the decision is made to recover the project, a concerted effort is made to recover the project objectives as much as possible

Troubled Project Recovery

Project recovery involves the following four broad stages:

1. Understand and audit the current status,
2. Analyze the problems (fault finding),
3. Negotiate recommended actions and make trade-offs, and
4. Implement the recovery plan.

However, never start a recovery effort before understanding the reason or benefits required from the execution of the project. This will ensure that any decisions made on the recovery effort are made in context and with the implications and outcomes in mind. The business objectives must always out rank the project objectives on a project. This must be a ground rule on the project whenever any decisions are made. Also consider what the impact might be on the future operations or users when you are recovering the project and the subsequent actions that you take.

1. **Understand and Audit the Current Status**
   a. Review all project documentation to determine the current status.
      i. Understand the project's history
      ii. Review the business case, expected benefits, and targeted value, objectives, assumptions, project plan and schedule, contract, status reports, deliverables to date, etc.
      iii. Determine if enterprise environmental factors and organizational process assets are still valid
      iv. Evaluate documentation on progress, work accomplished, completion of deliverables. Completion levels are expected to meet standard tolerances for project documentation based on the point in time the triage evaluation is conducted.

b. Interview relevant stakeholders to obtain their understanding of expectations, issues, and risks. Interview project sponsor, key stakeholders, contractors and key project members to baseline perspectives; identify open, unresolved issues; obtain voice of the customer; and develop high-level cultural understanding within the project.
   i. How critical is the delivery date?
   ii. What functionality is exactly required by the delivery date?
   iii. What has been completed and what is still outstanding?
   iv. How willing will people be to change scope, dates and budget?

2. **Analyze the Problems**
   a. Analyze every identified problem on the project. Identify the burning platforms.
      i. Assess actual performance to date
      ii. Identify the flaws
      iii. Perform a root cause analysis, looking for both surface and hidden failure points.
      iv. Determining what are the “must have”, “nice to have”, “can wait” and “not needed” activities or deliverables
      v. Looking at the issues log and seeing if the issues are people issues. If there are people issues, can people be removed or replaced?
   b. Determine the project value
      i. Is the project still of value?
      ii. Is it still aligned to objectives, goals and strategy?
      iii. Is the organization still committed to the project?
      iv. Are the stakeholders still committed?
      v. Is there motivation to recover the project?
   c. Ensure that the basics are put in place, such as redefining or confirming the scope of the project.
      i. Identify the real schedule and cost drivers.
      ii. Suspend or eliminate deliverables in the scope that are not immediate requirements for achieving the project objectives and reschedule it as far in the future as possible.
   d. Draw up a new plan aimed specifically at the recovery effort. Be realistic in terms of what is achievable with the current funds and resources.
      i. What can be salvaged?
      ii. What can be delivered with the time and budget that are left?
      iii. Do you have the right leadership in place to complete the project successfully?
      iv. Is the plan for the initiative sound and realistic?
      v. Validate appropriateness of funding and personnel resources to scope of project (actual and envisioned).
      vi. Revisit the Business Case with executive sponsor. Discuss findings and results of Root Cause Analysis. Obtain sponsor perspective and identify sponsor-desired outcomes.

3. Negotiate Recommended Actions and Make Tradeoffs.

a. Review the WBS and identify all activities remaining to be accomplished.
b. Evaluate tradeoffs by answering the following questions:
   i. Where are the tradeoffs and what can and cannot be done?
   ii. What are the expected casualties?
   iii. What must be fixed first?
   iv. Have the priorities of the constraints, features or risks changed?
   v. Ensure that there are no flaws in the business case that make the business results unachievable.
c. Discuss with stakeholder whether project worth saving with the tradeoffs being considered
d. Negotiate
   i. What items are important to the stakeholders? (i.e. time, cost, value, etc...)
   ii. Prioritize of the tradeoffs and the deliverables critical to providing the highest impact business results
   iii. Be honest in your beliefs for recovery and do not communicate unrealistic expectations
   iv. For sponsorship and stakeholder support
e. Document changes in the business case, assumptions and expected benefits and final value
f. Introduce a sound and rigorous project management methodology

Note: Think of the recovery as a new project requiring its own scope of work to make the expectations around what is being delivered and the new criteria for judging success clear.

4. Implement the Recovery Plan

Note: This may involve a full stop until the recovery plan is completed and approved, a partial stop until the scope is stabilized, or scope modifications as work continues:

a. Control the project by means of the performance measurement baseline and manage issues actively.
   i. Stabilize the scope and learn from mistakes
   ii. Introduce the team to the agreed upon recovery plan including the agreed upon milestones
   iii. Identify any changes to the way the project will be managed
   iv. Identify any changes in roles and responsibilities
b. Make sure communication channels are open to the stakeholders and adopt proactive stakeholder management
c. Escalate major issues to ensure that the sponsor and steering committee also takes ownership in the project.
d. Enforce discipline
   i. Perform periodic health checks
   ii. Monitor data and metrics to show the improved control over the project and allow quick corrections when any sign of trouble surfaces.
   iii. Enforce rigid scope change control process