EBOOK

How to Avoid the Project Management Hall of Shame

9 Failed Projects of the Past

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Ah, the Hall of Shame—a dreadful place for a project to find itself. After countless hours of research, polls, and thought, we've finally found the nine projects that deserve their rightful place in the Project Management Hall of Shame. It's too bad, really: they all started out as great ideas, most rolling along and doing well. And then, somewhere along the way, a mistake was made, something was overlooked, communication broke down, the project crashed and burned and found itself late, over budget, and embarrassed.

Even today, projects fail in atrocious numbers. With an estimated 70 percent[1] of all projects finding their way to the project dumpster, it seems projects have the odds stacked against them.

But looking on the bright side, there's much to learn from these failed projects of the past. From the fall of Rome to the Sochi Olympics, take a journey through the Project Management Hall of Shame and learn from each mistake.

PROJECT FAILURE #1

FALL OF ROME
400 AD | MEDITERRANEAN EUROPE & ASIA

What Happened: Much controversy follows the topic of the great fall of Rome. We may never know the exact reason–there are over 200 theories[2] on why Rome failed–or all agree that it truly did fail (some believe Rome adapted to the inevitable change),[3] but most historians concur that the empire's decline started with the division into east and west. Divided by distance, the empire also split into two cultures: the Latin empire and the Greek empire. This single decision created a spiraling inequity in populations, military strength, and wealth as well as an uneven distribution of powerful leaders.[3]

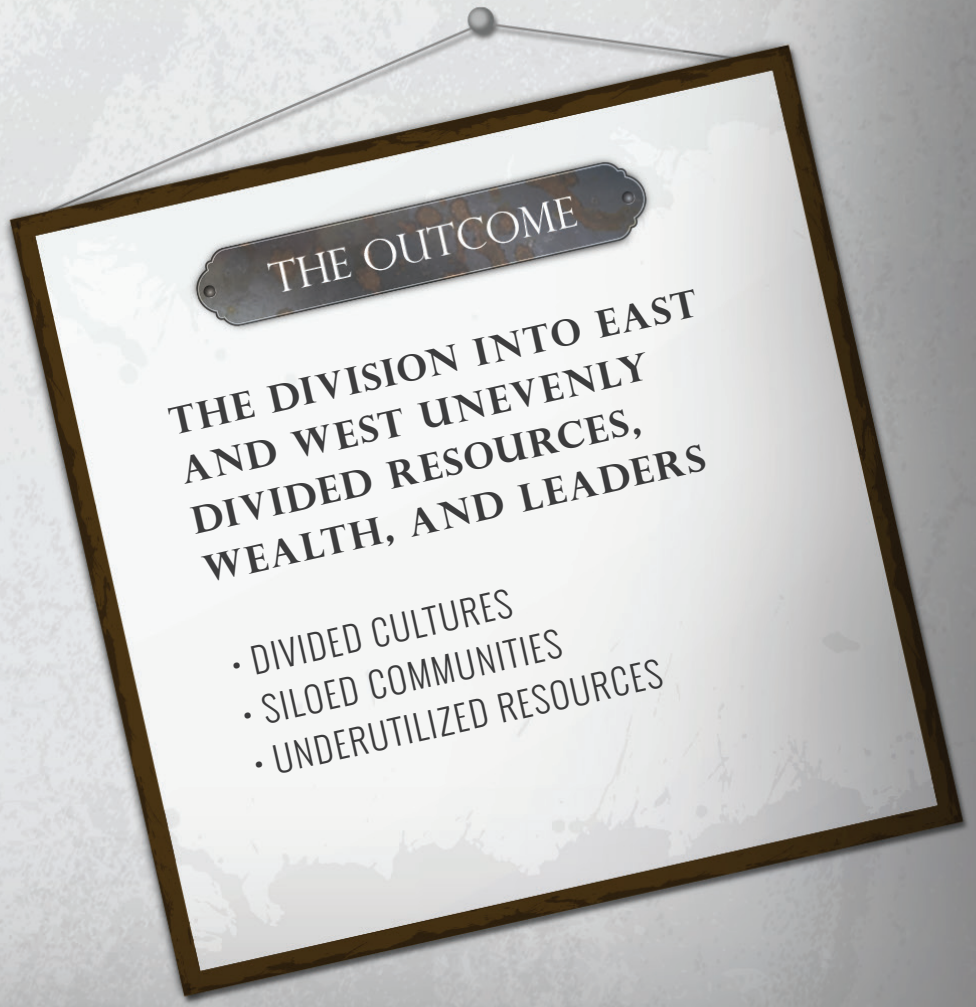
The power and synergy that were so fluid in the old empire were soon washed away with cultural changes, diverging goals, and poor communication. Eventually the Greek empire overcame the Latin empire, and the great project that was the Roman empire became something much smaller and less powerful.[3]

WHY IT'S IN THE HALL OF SHAME:

Mismatched Goals: Project management problem number one is misaligned priorities. Once a project heads down the road with two end goals in sight, the team is misfocused and resources can't be maximized.

Poor Communication: It doesn't matter if your team sits in the same room or spans the globe. Communication is the glue that holds a project together, and in the case of Rome, the division into east and west created a communication wall that project stakeholders couldn't break.

Successful projects require a single target. Misaligned goals leave a project with scattered priorities and can contribute to an already complicated communication problem. Sure, your team can be separated by distance, but find a way to facilitate healthy collaboration and keep your project on track.



PROJECT FAILURE #2

SINCLAIR C5 FLOP
1985 AD | UNITED KINGDOM

What Happened: It rains in the United Kingdom—a simple fact that evaded the brilliant mastermind behind the Sinclair C5. This battery-operated vehicle, the brainchild of Sir Clive Sinclair, had huge potential. It was supposed to be a better way to commute. Intended to be the answer to the high cost of owning a vehicle, the Sinclair C5 simply didn't live up to market realities.[4]

Built to travel 20 miles for pocket change,[4] the Sinclair C5 was cost effective. However, the "tricycle," as some called it, lacked a roof and a reverse gear, and it was extremely difficult to turn around in tight spaces. Preferring to stay dry when driving, the public rejected the trike; after 11 months, Sinclair Vehicles filed for bankruptcy.[4]

WHY IT'S IN THE HALL OF SHAME:

Missing Market Research: The team that designed and built the Sinclair C5 didn't take into account the market's requirements for such a vehicle. If a project starts without understanding who will want the final product–and what it is they will want–it's doomed from the beginning.

Improper QA: Early reports[4] suggested that the make-up of the Sinclair C5 didn't live up to the presented standards. Components failed, which left customers dissatisfied. A proper quality assurance plan would have prevented these avoidable signs of failure.

Successful projects have complete visibility into the quality of their products and the needs of the customer. If the folks at Sinclair C5 would have spent a little extra time prioritizing these requirements, they may have sold more than a paltry 17,000 units.[4]

PROJECT FAILURE #3

DENVER'S BAGGAGE BREAKDOWN
1990s AD | DENVER INTERNATIONAL AIRPORT

What Happened: Designed to be the "most advanced baggage handling system in the world," the Denver Airport baggage claim project is a prime example of the reasons so many projects go south.[5] The airport planned an intricate system that would automate the entire process of baggage travel, connecting the three concourses to eliminate the need for three separate systems. Delays may be common at airports, but not as major–this project delayed the entire airport renovation project, postponing the opening of the airport by 16 months.[5]

The project experienced another hiccup when the delay added an astonishing $560 million[5] to the total cost of the construction of the airport. And then, after all that effort, only one section of the entire system worked. The other baggage had to be handled through a traditional trolley system. And the $1 million monthly maintenance fee to keep one section open? It was too much for the airport to swallow, so they abandoned the entire concept in August 2005, nearly 15 years after the original deadline.[6]

WHY IT'S IN THE HALL OF SHAME:

Improper Planning: The complexity of this project wasn't fully vetted before planners started down the path of no return. The cost and time to complete the project were severely underestimated.

Lack of Communication: Delay after delay pushed the opening of the airport further back.[5] The intricacy of this component wasn't fully communicated to the stakeholders of the overarching project–the airport's opening.

Successful projects require realistic expectations, built-in buffer time, and a back-up plan. In the case of the Denver Airport baggage claim, the success of the project also unwisely intertwined with the opening of the airport. For future projects of this size, proper planning and a better communication plan are vital.

THE OUTCOME

PROJECT DELAYS ADDED $560 MILLION TO THE COST OF THE AIRPORT

- AIRPORT SAT IDLE FOR 16 MONTHS
- $1 MILLION MONTHLY MAINTENANCE FEE
- PROJECT ABANDONED TO SAVE COSTS

PROJECT FAILURE #4

What Happened: Doomed from the beginning, the filming of *Waterworld* commenced without a finished script.[7] Rough weather and incredible budget overruns caused tempers to boil. The film's score was rejected and completely rewritten by a new composer. Joss Whedon was even flown to the set in Hawaii for last-minute script writing, and the original director was either fired or walked off set (it's a matter of debate) with only two weeks left of filming.[8]

In the end, the film's original budget of $100 million had ballooned to a shocking $235 million.[7] Filming ended after 150 days (originally planned for only 96 days)[7] for many reasons, one of which was the unanticipated difficulty of filming in the middle of a harbor. By the time the film hit theaters, the project was hemorrhaging money. It wasn't until *Waterworld* went to VHS that it finally made a profit.[8]

TROUBLE IN WATERWORLD
1995 AD | PACIFIC OCEAN

WHY IT'S IN THE HALL OF SHAME:

Improper Approval Processes: The film's star and eventual director, Kevin Costner, was responsible for many of the decisions that caused the project to run over budget and over the original timeline.[8] The missing checks and balances process allowed filming to start without a complete script and changes to be made throughout filming that nearly sank the final profit.

Poor Visibility: With each decision, the project moved further and further away from the original release date and planned budget. The director and stakeholders had no visibility into how each of these decisions would affect the film's overall success.

Successful projects aren't anomalies. They, too, deal with shifting priorities and resource swaps. What sets them apart from the projects that fill this hall is the ability to foresee problems and prevent major disasters. Successful project leaders plan each step of a project and gain clear visibility into how each misstep can affect the overarching goal.

THE OUTCOME

$135 MILLION OVER BUDGET AND 54 DAYS OF EXTRA FILMING

- STARTED WITHOUT A COMPLETE SCRIPT
- LOST DIRECTOR WITH 2 WEEKS LEFT OF FILMING
- REWROTE FILM'S SCORE COMPLETELY

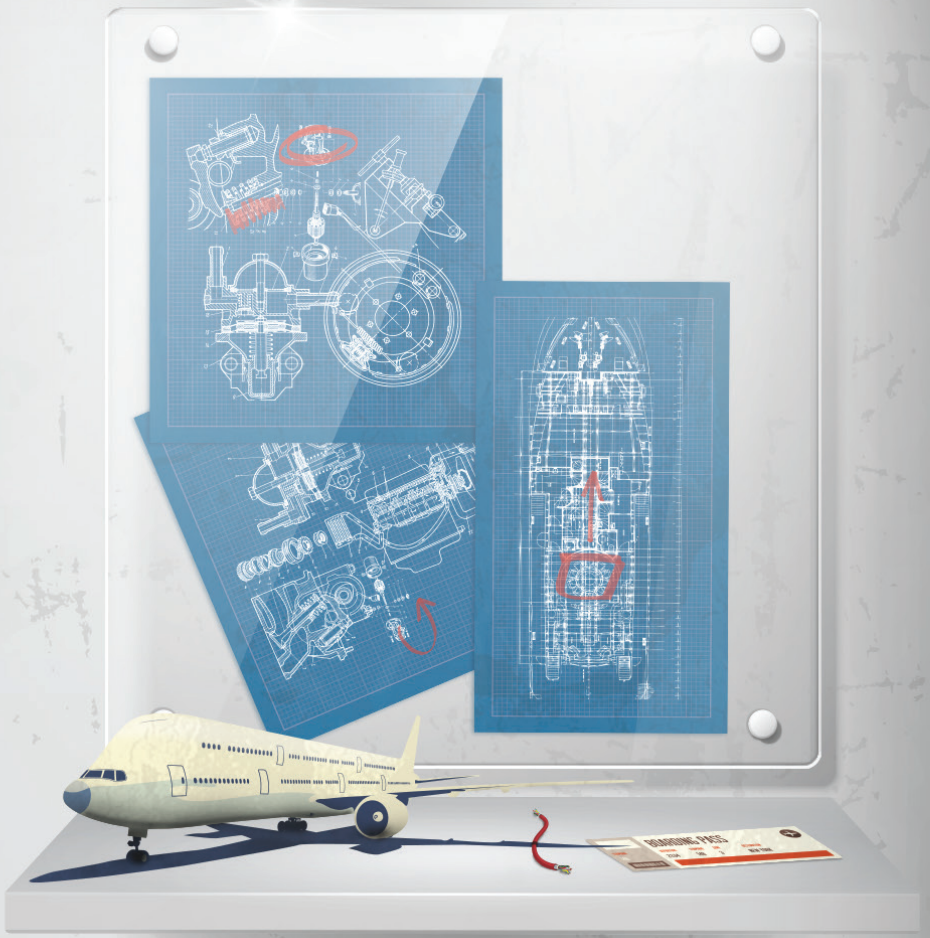
PROJECT FAILURE #5

AIRBUS A380 OVERSIGHT

2000 AD | FRANCE, GERMANY, SPAIN, & THE UK

What Happened: Two years late and a whopping $6.1 *billion*[9]–that's right, *billion*–over budget, the fiasco that was the Airbus A380 landed right in the Project Management Hall of Shame. With space for 850 passengers, the Airbus A380 was designed to be the largest commercial aircraft in the world.[9]

Utilizing resources that were spread across the globe, the design team failed to realize that using two different CAD software programs would create major budget and timeline overruns. The problem was identified during installation when the wires and harnesses designed by different teams didn't pair up as intended.[9] The wires were too short, and the teams were sent back to the drawing board–this time with the same software.



WHY IT'S IN THE HALL OF SHAME:

Too Many Tools: The root of the Airbus A380 failure ties directly to to one decision: the use of two different software programs to design vital components.[9] This tiny choice resulted in major inconsistencies in calculations, configurations, and manufacturing.

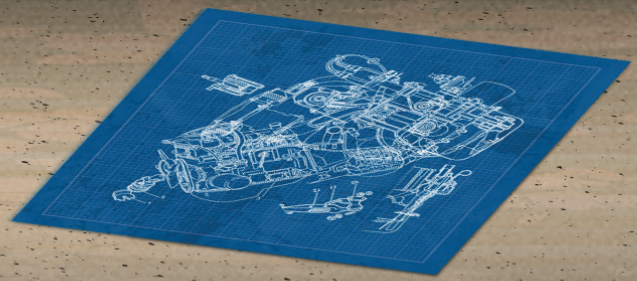
Zero Collaboration: Even with the decision to use different versions of CAD, the project would have saved major bucks and major trouble with a simple act: collaboration between the global teams. Many tools offer the platform that teams need for long-distance collaboration, and in this case, using one could have saved billions of dollars and years of extra work.

Many successful projects avoid the Hall of Shame in large part by implementing these two key differentiators: a single system of truth and collaboration among teams whether they share the same office or occupy hallways across the globe.

THE OUTCOME

OVER TWO YEARS LATE AND $6.1 BILLION OVER BUDGET

- TWO DIFFERENT CAD SYSTEMS
- DESIGN INCONSISTENCIES
- MISMATCHED CALCULATIONS



PROJECT FAILURE #6

DOOMED PONTIAC AZTEK

2001 AD | ASSEMBLED IN MEXICO

What Happened: Deemed "one of the ugliest cars ever made,"[10] the Pontiac Aztek drifted down a sad road when the production team failed to inform the designers of a key project constraint: the vehicle would need to be built on an existing minivan platform.[11] The once tough, futuristic, cool design thus was doomed to continually make the lists of "worst cars of all time," "ugliest cars of all time," and "worst inventions of all time."[10]

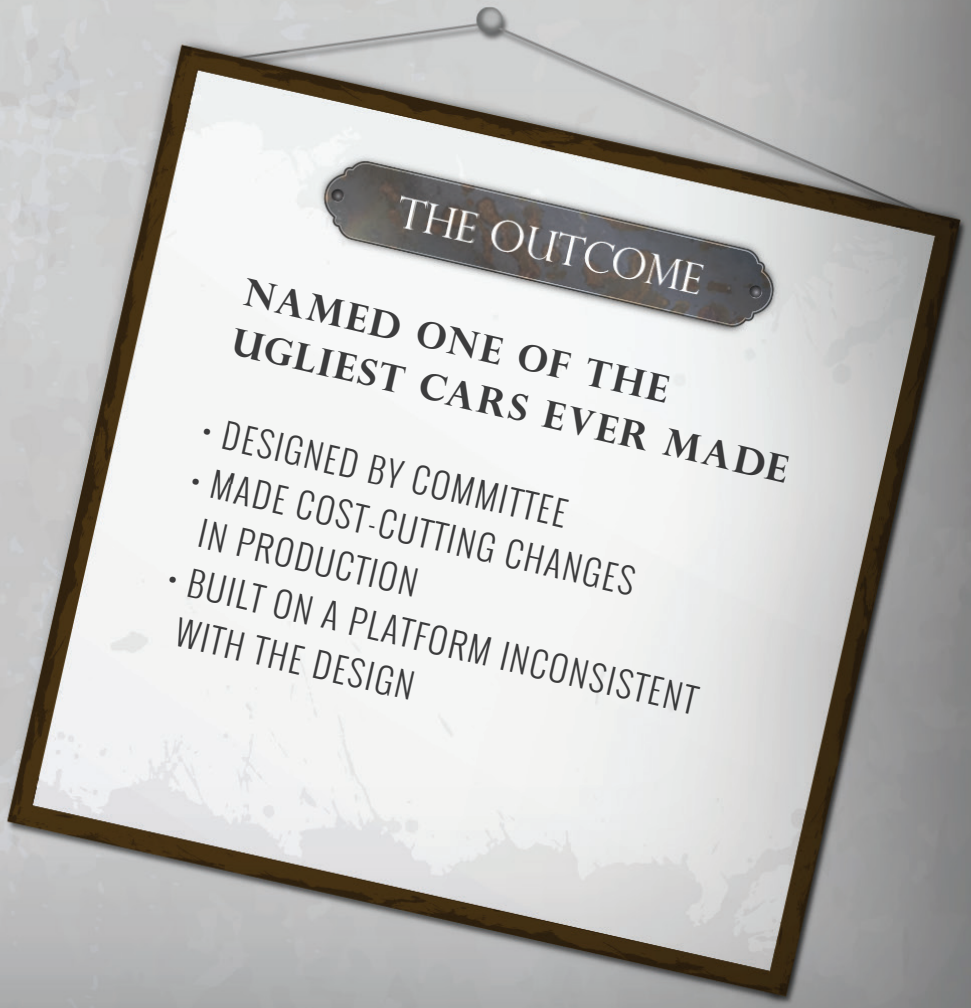
General Motors predicted its Generation X vehicle would zoom off the lots, and the company forecasted sales of 75,000 units. Needing to sell only 30,000 to break even, GM was disappointed when its poorly accepted Frankenstein-crossover only sold 27,322 cars.[10] Generation X didn't like the look, the price, or the add-ons (one of which was a two-piece tailgate that featured cup-holders).[10]

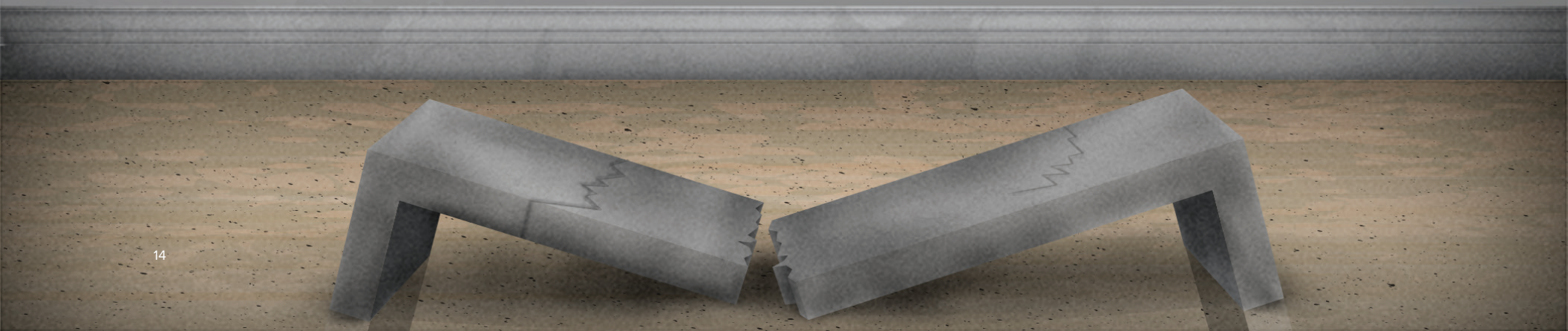
WHY IT'S IN THE HALL OF SHAME:

Designed by Committee: The original design concept was manipulated by the production department in order to meet strict budget plans.[11] The result? One of the greatest examples of a design by committee flop and a new project for the Hall of Shame.

Misunderstood the Audience: The creators of the Pontiac Aztek were attempting to build a vehicle that met the demands of Generation X. They failed, however, to price it correctly.[10] The high-energy, active audience the car was designed to entice simply couldn't afford it.

Successful projects establish up front who needs to know what and who is responsible for communicating that information. The minivan platform requirement ultimately changed the entire look and destiny of the Pontiac Aztek.





PROJECT FAILURE #7

ENDLESS VISTA
2007 AD | REDMOND, WASHINGTON

What Happened: Released nearly five years after the Windows XP slam-dunk, Vista was sent into combat to fix security issues, convert XP users to the new platform, and of course, generate more revenue in spite of years of delays. Its battle march started during the slowest sales season of the year (first mistake) with too many versions for the public to digest and more than 50 million lines of code (15 million more than XP, causing it to run much more slowly).[12]

With a marketing budget of $500 million,[13] Microsoft set out to educate consumers on the multiple versions and the reasons the nearly 1 billion PCs around the globe should transition from XP. Consumers rejected the upgrade, and the owners of one-third of all new PCs downgraded their operating systems from Vista to its little brother directly after purchase.[14]

WHY IT'S IN THE HALL OF SHAME:

Mismanaged Expectations: Despite promises of a faster platform, Vista was clogged with too much code. Plus, existing software on the market wasn't compatible with Vista, which created a barrier that the new platform couldn't overcome.[12]

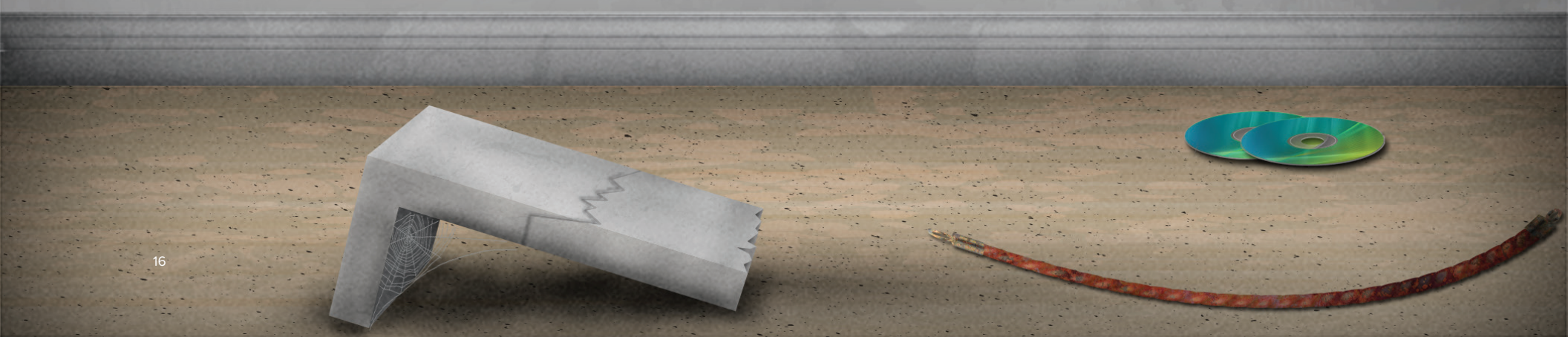
Missed Objectives: Among Vista's top objectives was to fix and replace major security issues found in XP. But consumers abandoned the bloated, intrusive fix and were left less secure than ever before.[15] Essentially, the final product didn't align with the strategic objectives, and the opportunity for a better product was lost.

Successful projects follow a lot of rules–many of which the Vista project blew off. Delay after delay created an anticipation to which few products could measure up. In this high-stakes context, project leaders failed to manage expectations, get complete visibility into the real issues, and follow a strict timeline for the product's release.

THE OUTCOME

RELEASED A PRODUCT THAT WAS SLOWER AND MORE FRAGILE THAN ITS PREDECESSOR

- ABANDONED BY 1/3 OF ALL NEW PC OWNERS AFTER PURCHASE IN FAVOR OF XP
- RELEASED DURING THE SLOWEST SALES SEASON OF THE YEAR
- PROVED INCOMPATIBLE WITH EXISTING SOFTWARE AND HARDWARE



PROJECT FAILURE #8

What Happened: Knight Capital experienced its introduction to the Hall of Shame on a dreadful day in 2012. The SEC approved a Retail Liquidity Program in June and set an aggressive deadline for new code. The program, which was "designed to offer individual investors the best possible price," had an implementation deadline of August 1.[16] Knight Capital got to work on new code so they could benefit from the new program, but when the deadline rolled around, a simple software glitch cost the company $440 million in the first 30 minutes of trading.[17]

Some believe Knight Capital went to production with test code. Others believe the problem stemmed from a lack of proper QA.[17] What we do know is that after the dramatic drop, the company nearly went bankrupt and had to take out a $400 million line of credit.[17]

WHY IT'S IN THE HALL OF SHAME:

Poor Planning: While Knight Capital was only given a month and a half to put together their new program, the company still deployed the code on time. Allegations that Knight Capital went to production with test code or didn't have time to properly QA the code suggest that new projects of this nature need a better risk management process.[17]

Resource Mismanagement: If Knight Capital would have implemented a proper plan, they could have foreseen that they would be rushed to meet the August 1 deadline. If capacity planning wasn't feasible with existing staff, outside help could have been hired at a fraction of the $440 million loss.

Successful projects utilize the resources they have and outsource work they can't complete if they're on a deadline. Successful project managers build in time for proper QA. They also clearly separate test code from production code–ensuring they don't lose millions and millions of dollars by releasing software not ready for prime time.

THE OUTCOME

COMPANY LOST $440 MILLION IN JUST 30 MINUTES

- STOCK DIPPED 75% IN 2 BUSINESS DAYS[17]
- LOSS AMOUNTED TO 3X THE ANNUAL EARNINGS[17]
- NEEDED AN ADDITIONAL $400 MILLION LINE OF CREDIT

PROJECT FAILURE #9

OVERSPENDING IN SOCHI

2014 AD | SOCHI, RUSSIA

What Happened: The Sochi Olympics forever will be a prime example of a project management flop. Preparation lasted years, but when guests started arriving in Russia, nearly everything was still under construction–hotels lacked running water, many rooms didn't have window coverings installed, and in one case, a guest hotel was missing an entire lobby floor.[18]

Not only was the city unprepared for the excited spectators and Olympians, but the opening ceremony botched the most celebrated symbol of the entire event: one of the Olympic rings failed to light up, and the producers decided to use rehearsal footage instead.[19]

WHY IT'S IN THE HALL OF SHAME:

Low Visibility: Unprepared hotels, stray dogs, and mishaps during the opening ceremonies were just the start of the low visibility issues. Spending was out of control, and without a process to truly see how much each piece would take out of the overall budget, the Sochi Olympics ran a tab $40 billion over the planned spend.[20]

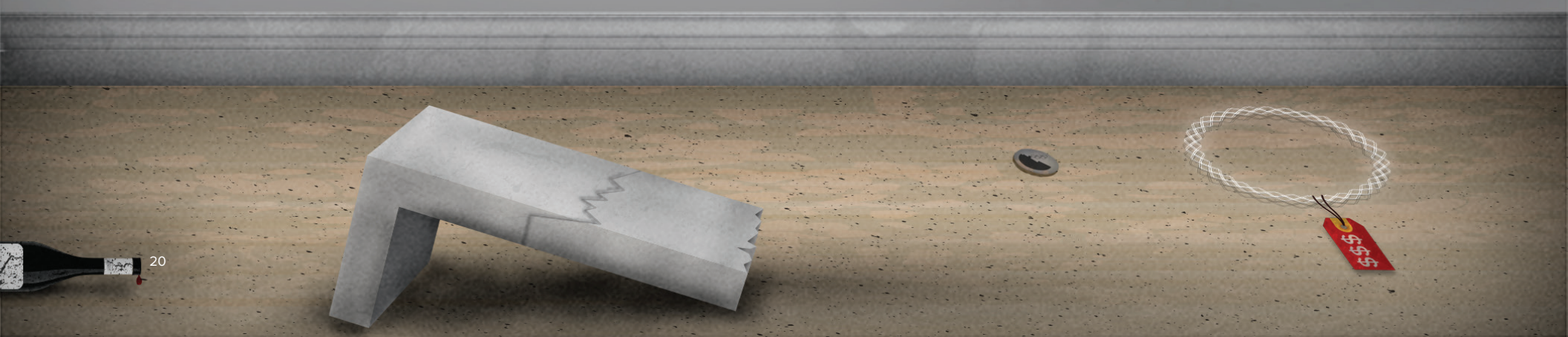
Mismanaged Work: The project managers and individuals working on the Sochi Olympics experienced planned and ad hoc work. Without a way to manage all types of work, tasks fell through the cracks, dooming this planned project from its beginning.

Successful projects account for all things planned and unplanned. Building in buffer time for unanticipated problems and fire-drill requests will keep projects on track, on budget, and on time–a hard lesson for the Sochi Olympic folks to learn.

THE OUTCOME

SEVERELY UNDERESTIMATED THE TOTAL COST—SPENT 4X THE ORIGINAL BUDGET[20]

- OPENING CEREMONIES FLOP
- MISSING LOBBY FLOOR
- NEARLY $40 BILLION OVER BUDGET



THE HALL OF FAME

The walls of the Project Management Hall of Shame are lined with foolish mistakes and poor planning. Avoid joining the ranks and meet the tool that will lift your project to the Hall of Fame.

MEET ENTERPRISE WORK MANAGEMENT

Introducing the one system that manages the entire lifecycle of all types of work—both structured and unstructured—from initial request to delivery and measurement. Enterprise Work Management (EWM) provides a single place for managing all types of work requests, overseeing the resources doing the work, tracking the work progress, and providing visibility that can be easily customized to suit any audience.

Team members can view priorities and project leaders can easily see what everyone is working on and the progress of each project, task, issue, etc. Plus, it's flexible enough to accommodate multiple methodologies, like Agile and Waterfall, allowing your team to use what works best.

With EWM, project leaders have visibility into the entire end-to-end work lifecycle of not just every project, but all work.

The best part? People will actually use it. Why? Because it's easy, relevant, and works the way they naturally work instead of adding another step in an already complicated process. You and Enterprise Work Management—keeping your projects out of the Hall of Shame.

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