

**Project Failure: Is Technology the Answer?**  
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Despite the myriad advances made in project management technology in recent years, project failure rates continue to be through the roof. Each year, the CHAOS Report findings that are published by The Standish Group get worse and worse. In 2009, the number of failed IT projects was up to 68%<sup>1</sup>. Does this mean that project management solutions are just a waste of time? What are we doing wrong?

Project management technology can make companies more successful than ever before, but it is only as good as the processes that support it. Too many managers believe that they can install a solution and leave it at that. The only way to enable such a solution to work is to also evaluate and address the root causes of project failure in your organization.

### **How Much Do Your Projects Really Cost?**

People dislike tracking their time for a number of reasons. Some believe that it wastes time that they could be spending on more important work, while others are suspicious that management does not trust them. If team members do not know what the time data will be used for or why it is being tracked, it can be difficult to get them on board. Yet time data is crucial if you want to understand your true cost per project. If you do not know how much time your team members are spending on various projects, you do not really know how much the projects cost. A project that is a large resource drain can be much more expensive than the numbers in the budget indicate. Not only that, but if you are asked by senior management to cut 10%, how will you know where to cut? You do not know where your profit lies.

Having team members track their time by project – and more specifically, by task – gives you the knowledge necessary to make the right decisions. A software solution will only help you to accomplish this if you obtain widespread employee adoption. Usually, you can get people on board by explaining how the data will help the company. Some managers opt to create a rewards system for time reporting.

### **Who is Available to Work on Your Projects?**

Tracking time for payroll, DCAA compliance, billing or project accounting alone will not provide the data you need for successful project execution. If anything, it will force employees to track time in a number of different systems, which is inefficient and bad for morale. If, however, you have all time, project, billing and vacation data in the same system, you can understand who is over- and under-allocated, who is behind on their work, and who is available to work on your project next month - all important issues for a project manager to know.

A technology solution that also enables you to conduct “what-if analysis” before assigning work to resources is the best choice. Project managers can then see the impact of their projects before scheduling them, allowing them to avoid unnecessary risk and take the guesswork out of planning.

### **Actual Remaining Work**

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1 [http://www1.standishgroup.com/newsroom/chaos\\_2009.php](http://www1.standishgroup.com/newsroom/chaos_2009.php)

Everyone has the same answer when asked about the status of their tasks: “I’m 90% done.” Updates based on percent complete do not give accurate information on how much longer it will take or whether or not it will be late. Rather, a project management system where employees track time against tasks shows project managers, at a glance, how many actual hours of work remain. The data will then flow back into your project plan, updating it accordingly. This improves project estimation for the future by verifying the accuracy of previous estimates.

A project manager at a large beverage corporation recently told us that though his company had purchased a large PPM solution, people were still entering their time in multiple systems. This leaves them unable to feed actuals from different departments back into the central project plan for up-to-date status and improved estimation. After spending a significant amount of time and money on a PPM solution, they are not getting any of the promised benefits. This is just another example of how technology will not magically fix project issues without the right processes in place to support it.

## **Clear Communication**

Managing multiple people and projects across departments, companies and time zones is one of the hardest aspects of project management. Everyone has their own methodology, technology system, culture and work style, and you, the project manager, have to account for all of it. Microsoft SharePoint and other collaboration tools like it can help, but in the end, communication is a human problem and must be addressed as such. Jonathon Cummings, professor at Duke's Fuqua School of Business, agrees: “Although technology can tremendously improve productivity, [...] live communication [...] is still critical for a distributed team’s success.”<sup>2</sup> The bottom line here is that you must use the technology to enhance your management processes for getting the team on board regardless of location.

## **Balancing the Triple Constraint**

Most project managers are familiar with the triple constraint: scope, quality and time frame. One or more of these factors must generally be compromised in order to optimize the others. Technology alone cannot do this for you. It is a subtle, complicated process that requires market research and an understanding of your customer base.

Though project management technology provides us with functionality beyond our wildest dreams, it takes effective processes and management skills to solve the project execution problem. Technology will only be the answer when it has the right people driving it.

### ***About the Authors:***

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<sup>2</sup> <http://blogs.bnet.com/mba/?p=1794>

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