The Main Causes which Lead to Success or Failure of a Project

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Abstract
In present times any kind of activity is considered as a project, which has a complex characteristic and which involves a new vision starting with the analysis of the project needs and finishing with the efficient re-usage of the project results. The pressures of the global economical and political competitive system of the contemporary world, the competition between producers, a higher respect for the value, and the wellbeing of those who compose the human resources of the project and implicitly for the cost generated by the work factor led to the development of new techniques of project management. The first one who offers what the client wants is the winner and has all the chances to survive in a competitive system. The solution is to realize success projects using an efficient project management. A performing business means an investment in a successful project, with predictable and planned activities. This study wants to identify which are the main causes which lead to the success or failure of a project. In any field some projects were serious and expansive failures and this is the reason why we need to know how we can improve the knowledge and the practice when we conceive and develop a project.

Keywords: causes, failure, project, success

1. Introduction

One of the main characteristics of the projects is the innovation, there aren’t two identical projects, and even if a project is repeated it will be different each time from one or more points of view. The project is a step in the unknown, threatened by risks and uncertainties. The project is a unique, specific and new action, composed by a logical succession of component actions with an innovational characteristic, realized in a methodically and progressively organized manner, with well defined starting and finishing points, meant to successfully obtain new complex results necessary to satisfy clearly defined objectives. There is no area where some projects were important and expensive failures. There for it is necessary to understand how we can improve the knowledge and practice when we start or develop a project. The project management should be considered as a method to deploy any activity as a project, with the strictness and the flexibility necessary to be successful. It is necessary to monitor step by step each project event component, starting with the usage of the basic elements and analyzing sophisticated elements as much as it is necessary for each specific project. The project management has as objective the realization of a product or service which fulfills the stated needs because we can not produce anything just to sell and only those products are sold which are requested by the client [1].

2. Materials and methods

It is very important to anticipate since the beginning if a project is successful or if a project
can be characterized as a failure. The success or the failure of a project can be determined by applying some measures after the evaluation from the end of the project. From project management point of view the success means the realization of the planned objectives, the delivery of results according to deadlines and budget and its functionality should fit to the mission, objectives and purpose of the organization. A project is a failure when the planned results were not delivered according to the expectations. However, if the results of the project are accepted by the beneficiary then the higher cost and the delays must be tolerable.

The words success or failure, as the words good or bad, are differently perceived by the project participants, for example a project which exceeded the costs and the planned objectives but which offers the results expected by the beneficiary, can be considered a success, a team member who gains experience by working on the project can consider the project as being successful, contractor which registered some loss working on the project can consider the project as a failure.

Due to the project ambiguity, the determination of the success or failure relativity can be difficult to realize, the determination of the success or failure of a project by its objective nature can determine the establishment of some objective measures for success or failure. Also, the interpretation of the success or failure of a project can differ; this depends on the period from the project life cycle when the determination was realized.

The determination of the success or failure is required by the performance standards which are developed during the projects and which can be compared with the results of the project.

3. Results and discussion

According to the specialized literature from this area, the main causes which determine the success or the failure of a project are the following: [2]

- the objectives of the company are known at the lower levels;
- the plans propose too much in too short period of time;
- the financial estimations are not adequate;
- the plans are based on insufficient data, the planning was not approached systematically;
- the final objectives, the necessary personnel, the key points including what should be reported are not known;
- the estimation are more or less guessed, they are not based on previous experience or on standards;
- there wasn’t enough time for proper estimation;
- the availability of the personnel who has the required knowledge and competence was not checked;
- not all the persons work with the same specifications;
- there is a high fluctuation of the project personnel;
- there is no consistency in the work, the deadlines are not taken into account;
- the project manager did not actively and efficiently participated to the planning, to the responsibility distribution;
- some details were not taken into account;
- the project manager is too ambitious and requires an accelerated rhythm for the entire team – even if the performances of the boss are different, if the team can not keep the pace, all these can lead to situation of “lonely rider”, where the communication between the team members is missing or inappropriate and, when the leader is not there, all is stopped or fells apart.

There are ways to measure the success or the failure, but unfortunately there is no strict delimitation between them. As any other thing, the definition of a project success is that the evaluation is not exact and that its dynamics can be associated with the Achille’s heel for a project; without a clear understanding of what success means, the project is placed in the position to be judged according to different criteria and will become invariable another failure statistic reported by the specialized research companies. [3]

Concerning the failure ratios, there is a large documentation, for example the HAOS report of the Standish Group research company (from USA), mentions the fact that only 18% of all projects related to the information management system are finished in time, at the establish quality and by respecting the budgets (successful projects) and over 53% are partial failures (finished projects, but with higher budgets, delayed deadlines and sometimes the initial functionalities are not fulfilled), and 29% are total failures (abandoned or cancelled projects).
According to the mentioned report, the 5 factors identified as success characteristics are: the involvement of the beneficiary, the support of the executive manager, clear understanding of the requirements, an appropriate planning, realistic expectations. But these elements can not ensure alone the success of a project. But if they are fulfilled in good conditions, a project, according to the statements of the Standish group, has a higher probability for success.

The 5 first causes which led to projects finished with higher costs, delayed deadlines and sometimes without fulfilling the initial functionalities are considered by the Standish group to be the following: the lack of messages from the beneficiary, incomplete lists of requirements and specifications, the change of requirements and specifications, the lack of the managers support and the technical incompetence. Concerning the causes which lead to failed projects, Standish group mention the following: incomplete requirements, lack of beneficiary involvement, unrealistic expectations, the lack of the managers support, change of the requirements.
and specifications, lack of planning, lack of technical abilities. The results of a study presented at the symposium of the Project Management Institute shows that “there are area which should be highlighted by the project managers who are engaged in the success of there projects”. [5]. The specialists have studied 24 areas of the project manager and discovered that 3 of them, if they are realized appropriately, clearly lead to a higher probability for the success of the project. According to the study “we can state that these 3 variables (appropriate planning, clear responsibility of the team members, planning control) have the highest impact on the project performance; the data obtained suggest that there are many other variables necessary for the success of the project, but three mentioned above are the most important” [6]. The same document finds two characteristics which can influence both the success projects and the failed ones. These are: the usage of consultants and the well trained personnel. The number of successful projects and failed projects using consultants or well prepared personnel is the same. It is disappointing that these two attributes are characteristics only for the successful projects. Finally, the same study represents 4 aspects which can forecast a failed project: the lack of efficient internal communication links, the lack of external communication links, the lack of a responsible decision, the lack of an efficient project team.

Elenbass states that “the projects refers to communication, communication, communication” [5]. The lack of communication is very expensive for a company. The success can exist, but without a good internal and external communication the cost of success will be higher than usually; another consequence would be that when the communication is missing, the realization of the success can take a longer time than necessary and sometimes the success can not even happen.

According to Johnson, the success ratio for projects has increased since the HAOS report of the Standish group. Johnson assigns this increased success ration for projects to the “Recipe for success” of the group. According to the mentioned author, the success ratio increased from 16% in 1994 to 28% in 2000. Which are the first 5 factors leading to this significant increase? According to Johnson’s report, these are: the support of the manager – the lack of this factor is the number one threat in the failure of a project; the involvement of the beneficiary – factor which was initially the number one threat in the failure of a project, is now on the second place still having a great importance; an experienced project manager, Johnson says that 97% of the successful projects are led by an experienced project manager; clear objectives; minimized scope – the “increase” of the scope should not be allowed, Johnson states that the minimized scope replaced the small reference points.

4. Conclusions

From the above presented information we can draw the following conclusion: there are many factors leading to the success or failure of a project, the specialized literature is very rich concerning this subject. Synthesizing these factors, the list can be reduced to the following conditions of the success which can be used as a starting point for a project [7]:

- the scope of the project must be clearly defined – there must be included also both the general mission of the project and the engagement of fulfilling these scopes by the team members;
- a competent project manager, also competent team members;
- the support of the manager;
- the sufficient and efficient allocation of the resources;
- an appropriate communication between the project team members;
- the existence of some control mechanisms;
- feedback capacities;
- receptive clients;
- consulting activities with the clients, the client acceptance;
- the identification and resolution of problems.

But, as any other list, this one can not be complete. A good project management is a process in continuous improvement. Is a process where mistakes can be made and where we learn from mistakes; a process of continuous learning. For those who can not be devoted to this endless process, there will be few successes.

The success of a project can be measured by the realization of its objective (which is a quality problem), if the parameters concerning the budget and deadlines were respected or not. Once
finished the project cease to exist, so the work in a project does not have a permanent characteristic.

References
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