

## The Verisimilitude Manifesto

### Five steps to Business / IT Collaborative success

A Project Portfolio Excellence, Inc. position paper

#### Where are we Regarding Project Success?

There's a company, called The Standish Group, which conducts research about the success and failure rates of software-related projects, publishing their findings bi-annually in The Chaos Report.

In 1995, The Standish Group released their first Chaos Report, and in that report they stated that the percentage of projects that could be classified as successful (on-time and on-budget, with all features as originally specified) was 16.2%. 31.1% were classified as failures, meaning that they were cancelled before completion. The other 52.7% were classified as "challenged" meaning they were over-budget, over-schedule, or included less functionality than was initially specified.

Since 1995, about every other year, The Standish Group has published a revised Chaos Report. In their 2009 Chaos Report summary, it was stated that the percentage of successful projects was about 32%.

So since 1995, we've doubled our rate of project success. It makes you wonder if anything else has happened over that period that might account for this improvement.

One thing that's happened over the last ten to fifteen years is that there's been an increased interest in formal project management methods and standards. This is evidenced by the recognition and acceptance of The Project Management Institute's body of knowledge, the PMBOK, and its certification, the Project Management Professional (PMP).

In 2002, there were roughly 35,000 PMPs world-wide. In August of 2009, The Project Management Institute reported that there were approximately 360,000 PMPs. So in about eight years, the number of Project Management Professionals has increased by a factor of 10.

And in 15 years, our percentage of software project success has doubled. It would make sense that these two details be connected somehow; that when we started emphasizing project management methods, our results started to improve. Unfortunately, there's one important piece of information that we haven't seen yet.

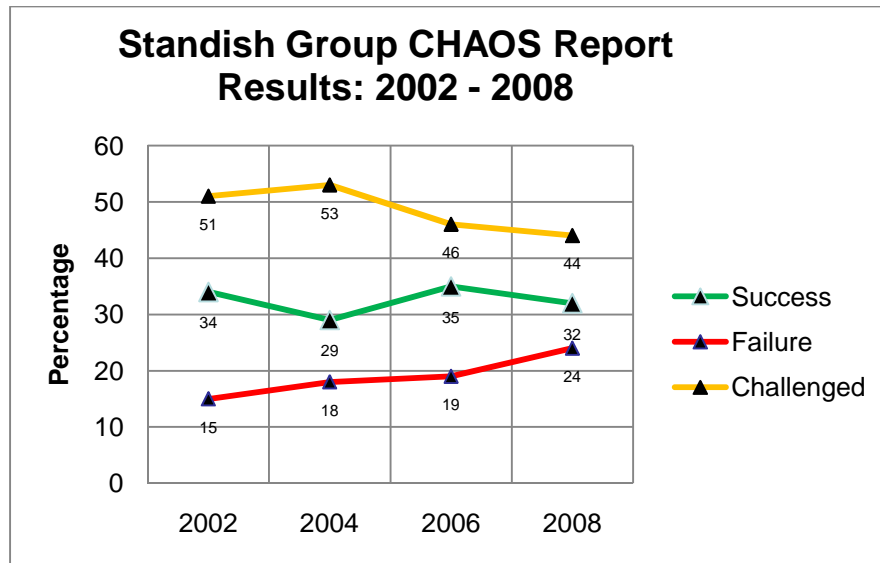


Figure 1

You see, in 2002 our success rate was over 34%. Since then, while the number of PMPs has increased by a factor of 10, our project success rate has actually declined slightly, dropping from 34% in 2002, to 32% in 2008. And maybe more importantly, our failure rate has increased from 15% in 2002, to 24% in 2008.

### How Many Projects is Enough?

PPE Truth #38

Most companies are trying to execute more projects than they have the capacity to successfully accomplish.

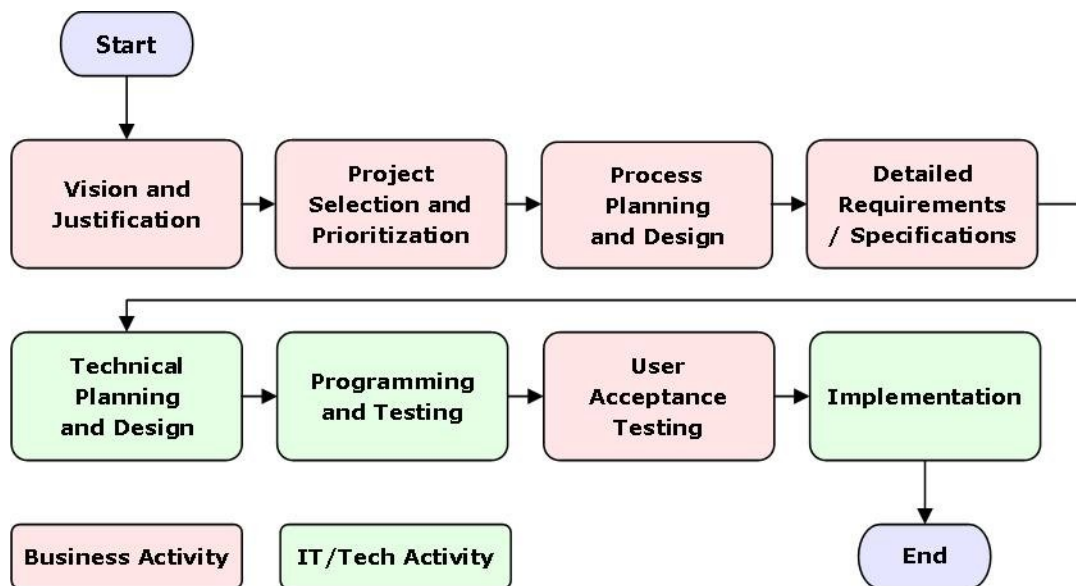
Project Portfolio Excellence promotes the idea that one of the primary reasons for the high rate of failure and low rate of quality for our software projects is that most companies are trying to do too many projects. You may protest that you have no choice, that there's simply a lot of work that needs to be done. But consider this:

The number of projects that can be successfully completed is totally independent of the number of project requests you've received, the urgency of those requests, or the benefits that those project initiatives promise. What governs the number of projects that can be successfully completed is your Capacity for Quality Work (CfQW).

If you ignore your Capacity for Quality Work you are, in effect, choosing quantity over quality and you'll pay the price, either through project failure now, or through increased cost-of-quality in the future. This will also, by the way, diminish your capacity for new work in the future, as more resources will have to be assigned to cope with the quality problems that result from your prior, poor-quality work.

If you really don't understand what your Capacity for Quality Work is, (and it's not simply multiplying the number of people you have by 168 hours per month), that has to be your starting point. You can learn more about CfQW [here](#).

As you analyze your Capacity for Quality Work, keep in mind that it's not simply about how many developers you have in IT. IT is responsible for only a portion of the activities that occur throughout the software development lifecycle. Consider this example:



Although it's greatly simplified the diagram shows that, not only are Business Professionals responsible for at least half of the work associated with projects, but theirs is the most critical work – planning and designing processes, defining requirements, creating specifications, and testing the final product. These critical activities determine what the end result will look like and how it will perform. Business and Technology professionals need to work together impeccably in order to ensure that needs and expectations are well understood.

It's not surprising to find that these critical activities are often given short shrift in our haste to "get something done." But also, in fairness to Business Professionals, many companies don't respect the time needed to adequately perform these duties, so Business Professionals end up struggling to find time away from their "real" jobs to fulfill project responsibilities. The ensuing,

inadequate, specifications result in deficient deliverables, along with frustration and disappointment for everyone involved.

PPE Truth #136

Being able to measure and manage your Capacity for Quality Work allows you to begin truly managing your project portfolio.

When you can quantify and understand your Capacity for Quality Work you gain the power to truly manage your projects and portfolio. You'll make better decisions as to the quantity of projects that can be reasonably undertaken concurrently. When you gain this understanding of your capabilities you can make the decisions necessary to ensure that the most valuable work gets the highest priority.

Project Portfolio Excellence also provides tools to help you determine which of your projects have the greatest probability of success. This is important because, if you determine that you've been trying to do too much, you'll have to figure out how to pare down your active projects list to match your capacity. And if you're able to determine which projects have the lowest probability for success that job will become easier.

#### What is the Purpose of "The Verisimilitude Manifesto?"

Since the advent of The Project Management Institute, about 40 years ago, we've attempted to formulate the answer for project success, and the results have not been negligible. But they're still not anywhere near where they need to be.

The position of Project Portfolio Excellence is that our poor results can only be improved when Senior Managers, Business Professionals, and Technology Professionals (The Project Triad) effectively collaborate to manage projects, programs, and portfolios. This will be a tall order because these three groups have traditionally had a relationship that has been strained and adversarial if not downright hostile.

The underlying philosophy of The Verisimilitude Manifesto is that none of the groups of The Project Triad can be successful without the other two and that each of the three holds knowledge, information, and expertise which must be shared and combined effectively in order for us to attain our greatest probability of success with enterprise software and software-related projects. The relationship to be built between these groups must be based on trust and open communications.

When decisions about software and projects are made without respect to the real issues, the result is "Management by Wishing it Were So." The objective of PPE is to move to "Management to the Truth." The following five step process will lead to that result.

## Step 1 – Willingness to Accept the Truth

### Truth #21

You can't "Manage to the Truth" until you're willing to acknowledge the truth.

What is the truth? It depends on your frame of reference and the visibility you have into the factors that influence results. One of the tough realities we face is that, even though we can say that there is only one truth, it's usually complex enough that no single individual or group within a company can understand it in its entirety. Like the blind men and the elephant, each group perceives the reality of the enterprise from their vantage point, not always understanding or appreciating other important considerations that happen to lie outside their span of vision and control, but which are just as important and significant.

That's why Project Portfolio Excellence begins with the understanding that success can only be attained when the three groups of The Project Triad effectively collaborate to manage the project portfolio. Each of these three groups has a different perspective on enterprise issues, and by aggregating these different "truths," we can gain a better understanding of the complete picture.

If any one of the three groups is allowed to dominate the portfolio management process they do so with only a limited understanding of reality, thereby sub-optimizing the portfolio. And that's one reason why so many companies are struggling or failing with enterprise software and software-related projects.

If we agree that collaboration between the three groups of The Project Triad increases our probability of success, then we have to acknowledge that anything less than that level of cooperation will increase our probability of failure. If we agree that each of the three groups brings a perception of the "truth" that is just as valid as the perspectives of the other two, and that the combination of these three points of view will result in a more complete picture of reality, then we have to acknowledge that any decision-making process that doesn't consider all three views will derive its conclusions, and make decisions, based on a deficient understanding of the capabilities, capacity, and reality of the enterprise.

When this happens, instead of "Management to the Truth" we often end up with "Management by Wishing it Were So."

The first step toward greater success with enterprise software and software-related projects requires that you be willing to accept the truth. When you're able to make that commitment you next have to start building the kind of environment in which everyone has the...

## Step 2 – Courage to Speak the Truth

### Truth #22

You can't lead people who fear you, you can only drive them.  
You can't drive people to excellence, you can only lead them.

In too many organizations there exists a culture of fear that inhibits open and honest communications. Fear of recrimination, fear of ridicule, fear of unemployment, maybe a personal fear of being wrong. Whatever the reason, you'll never have the chance to show how willing you are to accept the truth if everyone's too uncomfortable to speak it.

You must also recognize the natural communications barrier that exists between Business and Technology Professionals. They use different vocabularies; they have very different views of the issues facing the enterprise; they often have different ways of thinking and problem-solving. But they must surmount these differences if your company is to be successful with software and projects. If your organization is one where Business and IT refer to themselves, and each other, as different "Sides of the House" you face a fundamental dysfunction which will have to be addressed before you can make progress.

Project Portfolio Excellence maintains that when a project fails, it's everybody's fault! Any time spent covering our asses or pointing fingers is time that could be better spent analyzing, identifying, and correcting our shortcomings. If we're to assume that our successes come from effective collaboration of everyone, that our victories will be celebrated as a team, we must also accept our failures collectively.

If we take the time to figure out where we came up short and what caused our failure, we gain an opportunity to improve our processes the next time. The Post-mortem is a recognized best practice that we rarely find the time to conduct. Usually, by the time we turn a project to production, we either want to forget the whole thing ever happened, or the portfolio backlog is such that it seems to be of more value to launch into our next effort than to spend any more time analyzing the one we just finished.

## Step 3 – Perseverance to Seek the Truth

### Truth #23

You can't correct problems by acting on the symptoms.  
In order to correct problems, you must act on the causes.

Correcting symptoms usually only leads to the emergence of other symptoms. Until the underlying issues with the process are addressed symptoms will continue to surface.

There's a lot that you don't know about what really goes on in your own company, no matter in which office or cubicle you happen to sit. Once you've decided to accept the truth, and everyone is being encouraged to speak the truth, you need to take advantage of opportunities to listen to what's being said so you can start figuring out what has been standing in the way of success for your software and project endeavors – things that you, obviously, don't already know.

In Project Portfolio Excellence the Portfolio Management Committee is the group that evaluates, selects, and prioritizes the project initiatives that are competing for funding and capacity. It's important that this committee be a cross-functional group that can intelligently speak to the concerns of all business areas in the organization. When enterprise project decisions are made without input from all of the affected areas sub-optimization can occur, and the benefits that were expected from the project can be diminished, or even wiped out.

The strategy of Project Portfolio Excellence is called The Contract for Collaboration. There's nothing particularly fancy about it, but it's a formal acknowledgement by the three groups of The Project Triad, of the necessity of a collaborative relationship.

When all three groups of the Triad work together to comprehend the dynamics and interactions of all functional areas of the organization the best understanding of the "big picture" can be gained.

#### Step 4 – Determination to Understand the Truth

##### Truth #24

Be careful what you decide to measure or reward  
because that's what you're going to get.

There are two basic ways in which conclusions can be incorrectly derived from measurements. The first is when we make an assumption that something is true when, in fact it's false. The second is when we make an assumption that something is false when, in fact, it's true. Consider these examples:

Case 1 – Our projects are constantly late, requiring a chaotic dash to the finish line in order to get them implemented on time. Many Business Professionals assume that IT needs to get their act together and meet the estimates that they, themselves, gave in the first place. But, some of the possible reasons for this situation might be:

- Specifications for deliverables change over the course of the project as a better understanding of the functional requirements is gained. Therefore IT is constantly attempting to hit a "moving target" as regards functionality.

- Programmers are being loaded with work beyond their capacity because a) no one truly understands what their capacity is, b) how much of their capacity is currently allocated to other work, or c) because they're obligated to address operational issues that arise in addition to their project work and the capacity for those issues isn't taken into account.
- Due dates are chosen based on the whim of the sponsor rather than on well thought-out projections ("I know you say it's going to take five months, but we need it by the end of the quarter!")

Any of these conditions could explain the results that are being realized.

Case 2 – Our enterprise systems don't work like they should. Our data is crummy – inaccurate, incomplete, and inconsistent between different systems. Whenever Business folks pull up an inventory quantity, they feel like they have to walk out to the warehouse and visually confirm that the number on the screen is accurate. Productivity is lowered because we can't trust the technological tools with which we're supposed to do our jobs. We keep submitting trouble tickets to the helpdesk but our issues are perpetually on the back burner because all available resources are working on the crisis-of-the-day. Some possible explanations:

- Data is created by processes. If processes are not properly designed and performed, the data created by those processes may end up being inaccurate or incomplete. Many data-related issues may be the result of a lack of proper training for the users who are performing data-creating activities.
- Remedial actions to data-related problems may be seen as one-off affairs that fail to consider whether data-creating processes need to be adjusted, corrected, or monitored.
- During planning activities for new software, if current dependencies between systems and applications aren't properly recognized or understood, the result may be systems which are "out-of-sync" with each other. This problem is compounded over time, with data quality decreasing as employees leave the company or are redeployed, and new users start executing processes, not knowing which "version of the truth" is to be believed.

We could come up with dozens of additional examples. But, in every case, the wide range of effects that Senior Managers, Business Professionals, and Technology Professionals have on the performance of systems would force us to acknowledge that there is always more than one potential cause for the results that we receive.

This simple recognition of the complexity of systems is one of the most important reasons for us to encourage and strive for effective collaboration of the three groups of The Project Triad.

In order for our systems to properly support our strategy, we need to aggregate the unique experience, expertise, and intelligence of these three groups.

## Step 5 – Environment to Act on the Truth

### Truth #25

Poor quality generates waste and will ultimately wipe out the benefits that were envisioned from software and systems.

Project Portfolio Excellence is based on the principles that:

- Project success comes from process capability.
- There are reasons underlying the success and failure of projects.
- Many of the reasons for failure can be identified, understood, and ameliorated.

If you're satisfied with the results you're currently experiencing then your primary responsibility is to make sure you're able to maintain that success into the future. But, if your results are less than satisfactory, you need to begin the journey of process improvement. The journey begins by examining the way you're doing things today and figuring out why your methodology isn't as successful as you'd like it to be.

To do this you need to start a dialogue among the three groups of The Project Triad. Each of the groups has information that is critical to understanding why you're getting the results you are. Things may be bumpy at first as communications gaps are bridged and old hurts are assuaged, but it will be worth it.

In as nice a way as possible make sure that everyone understands that open dialogue is not the same thing as bitching. But expect to relate this message more than once, as folks get comfortable with their new-found freedom of expression.

Not only is this a worthwhile endeavor, it's one that is becoming more and more necessary. If your company is like most today you're facing challenges that you've never dealt with before. How many of these circumstances apply to you:

- New project requests are being received in ever-increasing numbers.
- Change requests are coming more frequently.
- Implementation projects are increasing in frequency as new tools are seen as the answer to current challenges.
- Requirements are becoming more complex.
- Timelines are getting more aggressive as results are expected more quickly.
- The quality of your data and systems functionality seems to be deteriorating.

The only thing you're not getting more of is time.

## The Verdict

### PPE Truth #154

If you want to make an omelet you've got to break some eggs.  
If you want to change the world you've got to break some paradigms.

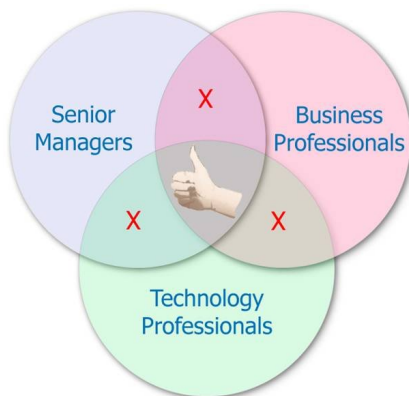
There will always be work to do and challenges to meet. It won't get it done by begging or bullying, scheming or screaming, wishing or hoping. It doesn't matter how badly we want it, or how desperately we need it. All that matters is whether we have the Skill, the Will, and the Capacity to do it. Ensuring that we have these three attributes (The Project Trinity) will take the combined insights and expertise of Senior Managers, Business Professionals, and Technology Professionals.

### PPE Truth #1

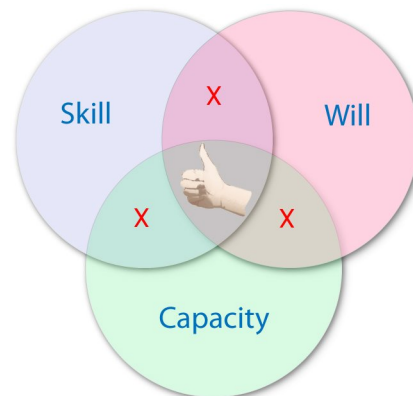
The causes of project failure are easy to diagnose and simple to understand.

And that's the truth.

Learn more about Project Portfolio Excellence, The Project Triad, and The Project Trinity at <http://www.projectportfolioexcellence.com>



The Project Triad



The Project Trinity