

# Troubled Project Recovery – A Fast Look



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# Today's Overall Objectives



**To present:**

- ✓ **The critical first steps in the recovery process**
- ✓ **An overview of the general approach to troubled project recovery**





# Agenda – what we will cover



- ✓ **General terms and definitions**
- ✓ **An overview and critical first steps**
- ✓ **An assessment/recovery process**
  - **The assessment charter**
  - **The assessment phase**
  - **The recovery phase**



# What is a Troubled Project?



***Troubled Project: Variance trends are exceeding acceptable levels of tolerance; project heading for failure***



## Other clues!!!



- ✓ **Issues are building (rapidly)**
- ✓ **Accurate status not available**
- ✓ **Rumbles from the customer**
- ✓ **Rumbles from the project staff**



## Clarification of additional terms



- ✓ **Rapid:** Right now; Time is of the essence
- ✓ **Assessment:** Formal examination of a project's performance
- ✓ **Recovery:** Save from loss and restore to usefulness; prevent total failure



# Guiding Principles



- ✓ Do not focus on the wrong issue
- ✓ Mission is to regain control
- ✓ Make changes fast, targeted and big

**This is a time for a return to the project management basics.**

Graphic – back to basics



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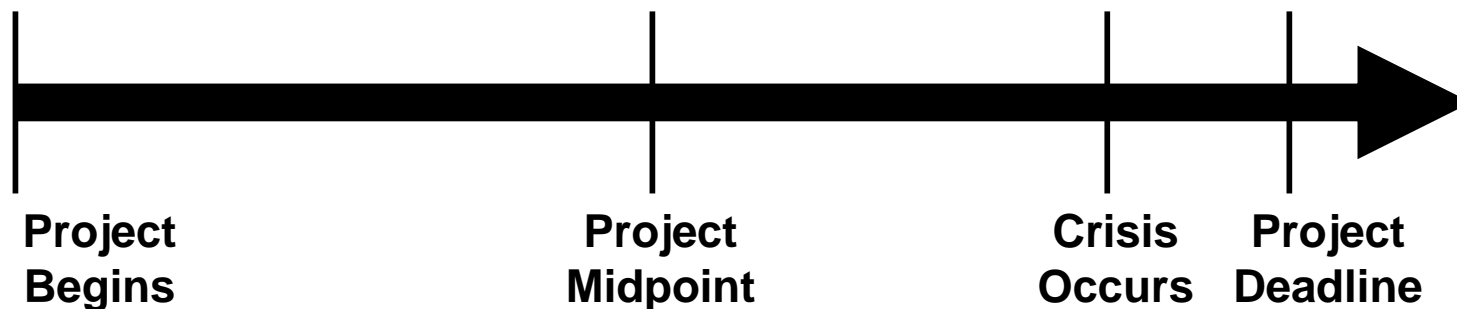


## Typical Timing...



## When The Crisis Occurs

- Troubled projects almost always occur towards the back end of the project life cycle.



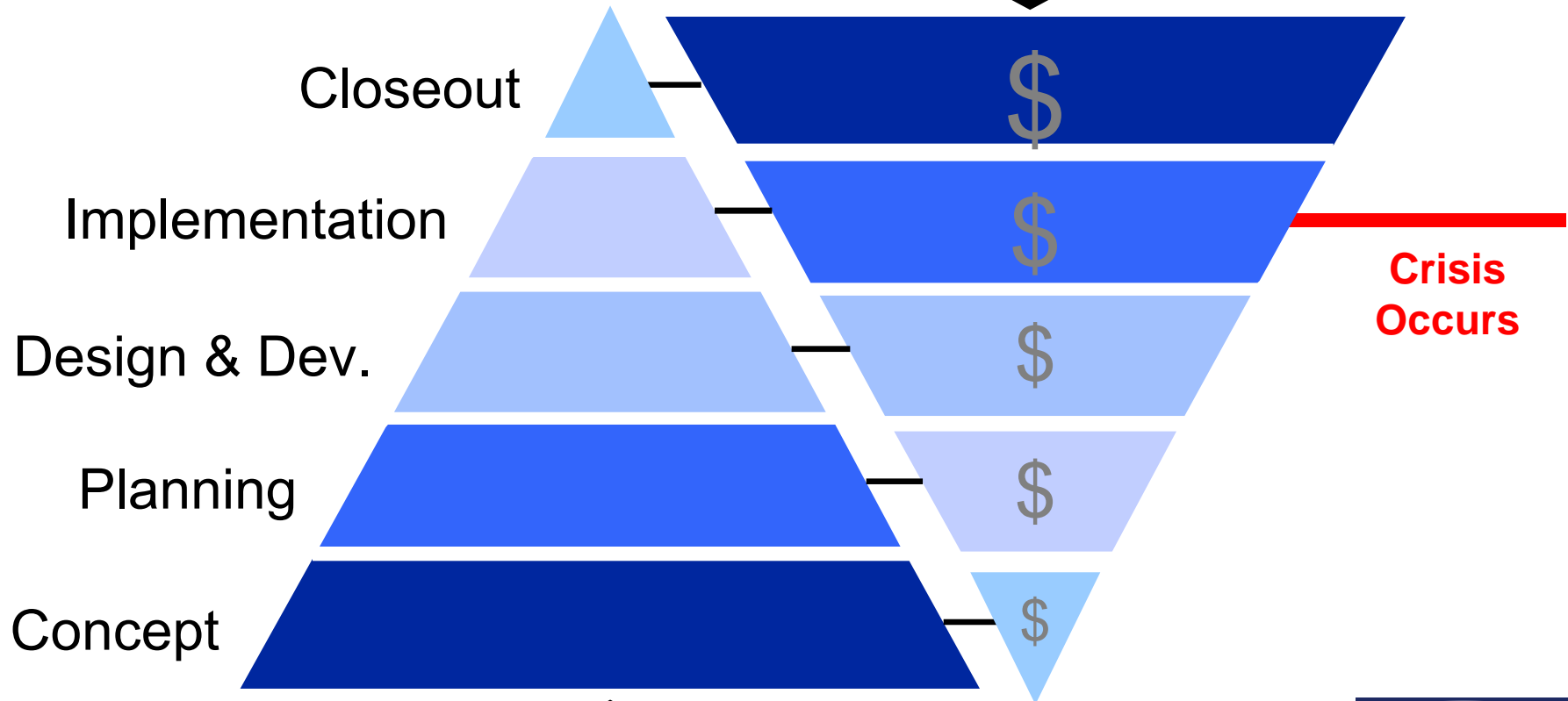
Newtonian principles seem to apply: “a body in motion stays in motion unless . . .”



# Cost of Change Increases As Project Approaches Completion



Cost of change



Project phases

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## Causes...



## Predictable up-front mistakes:

- Poor requirements/scope
- Lack of sponsorship
- Unrealistic deadlines
- Lack of Risk Analysis
- etc, etc, etc



More causes...



## Down the road items:

- Drift away from standards
- Frequent changes in management direction
- Lack of Change control
- Etc, etc, etc



# Where do I start???



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# The First Steps.....



- ✓ **Assess the situation**
  - How critical is the deadline
  - How willing is the customer to change scope
  
- ✓ **Determine each stakeholder's "Win" needs**
  
- ✓ **Prepare yourself to fix the project**
  - Accept that the project is broken
  - Accept that you cannot fix it by doing the same things that you have been doing
  - Prepare all stakeholders for significant change





## The First Steps (cont.)



- ✓ **Ask the team what needs to be fixed**
  
- ✓ **Be realistic**
  - When recovery starts, admit you don't know how long it will take to finish
  
- ✓ **Precisely identify**
  - Current status - what is really “done”
  - Identify major threats, opportunities, and problems
  - Staffing and skills - “haves, needs”
  - Contractual obligations, penalties, liabilities



## The First Steps (cont.)



- ✓ **Focus work flow management via micro-management**
  - Use miniature milestones (Inchstone)
  - Prioritize all work
  - Execute, monitor and control
  - Implement task by task labor tracking system
  - Re-calibrate after a short time
  
- ✓ **In parallel, begin re-baselining process**
  - Plans - Identify all work which must be completed
  - Controls - Establish a comprehensive project control system



## The Seven Key Elements of an Assessment

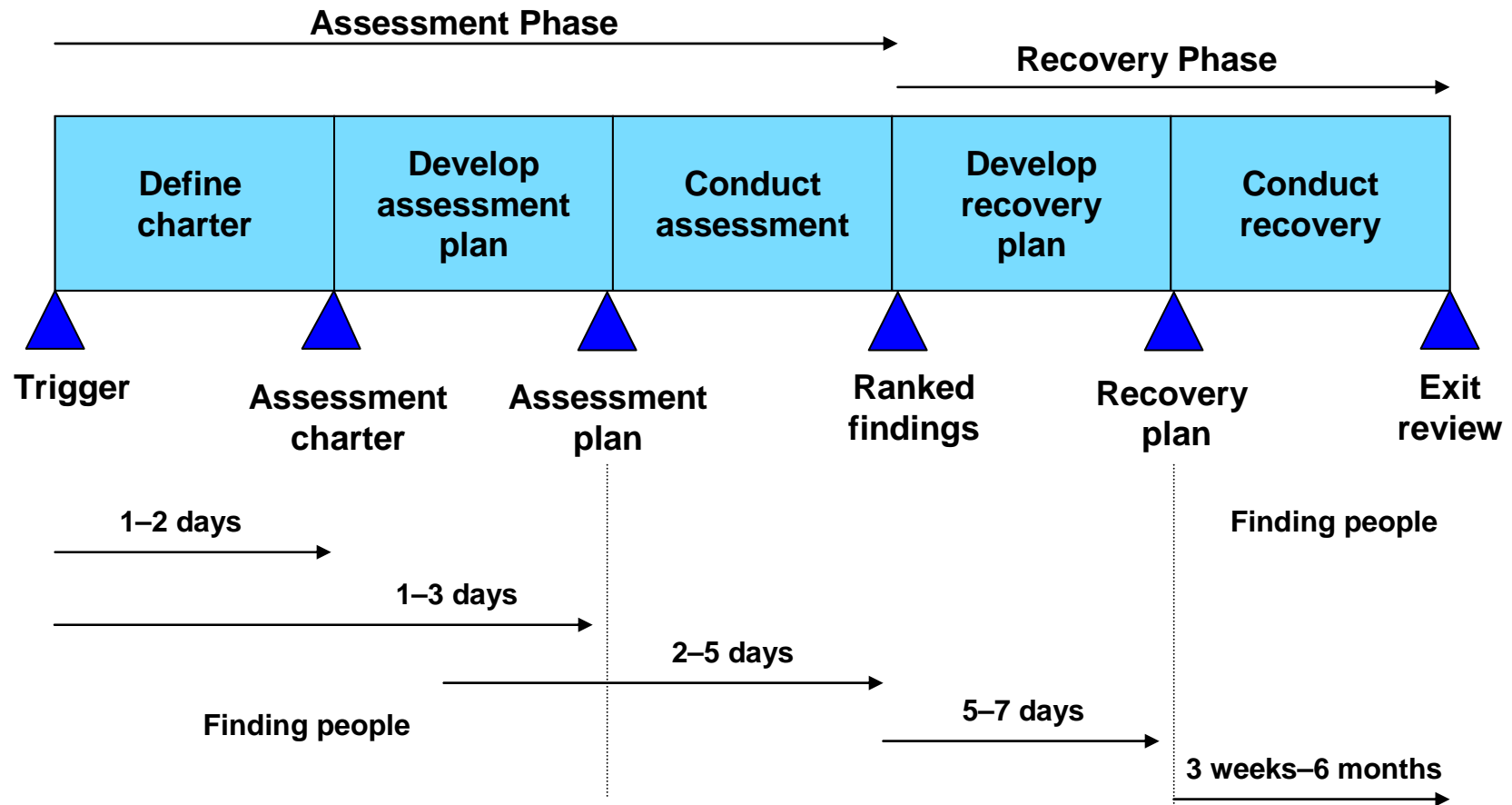


***Key areas that must be investigated during a rapid assessment***

- ✓ WBS
- ✓ Problems
- ✓ Risks
- ✓ Defects
- ✓ Resources
- ✓ Schedule
- ✓ Management system and control processes



# Overview of Rapid Assessment and Recovery Process





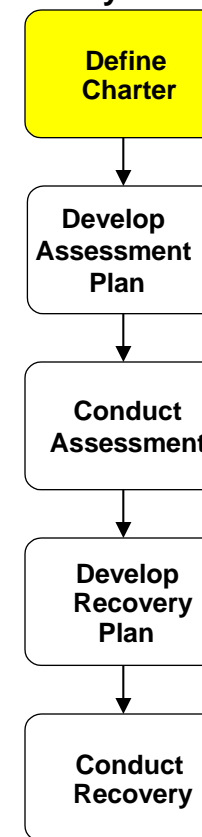
# Step 1—Define Charter



- ✓ Formally sanction existence of assessment and recovery project
- ✓ Provide assessment and recovery lead with proper authority
- ✓ Complete activities necessary to develop assessment plan

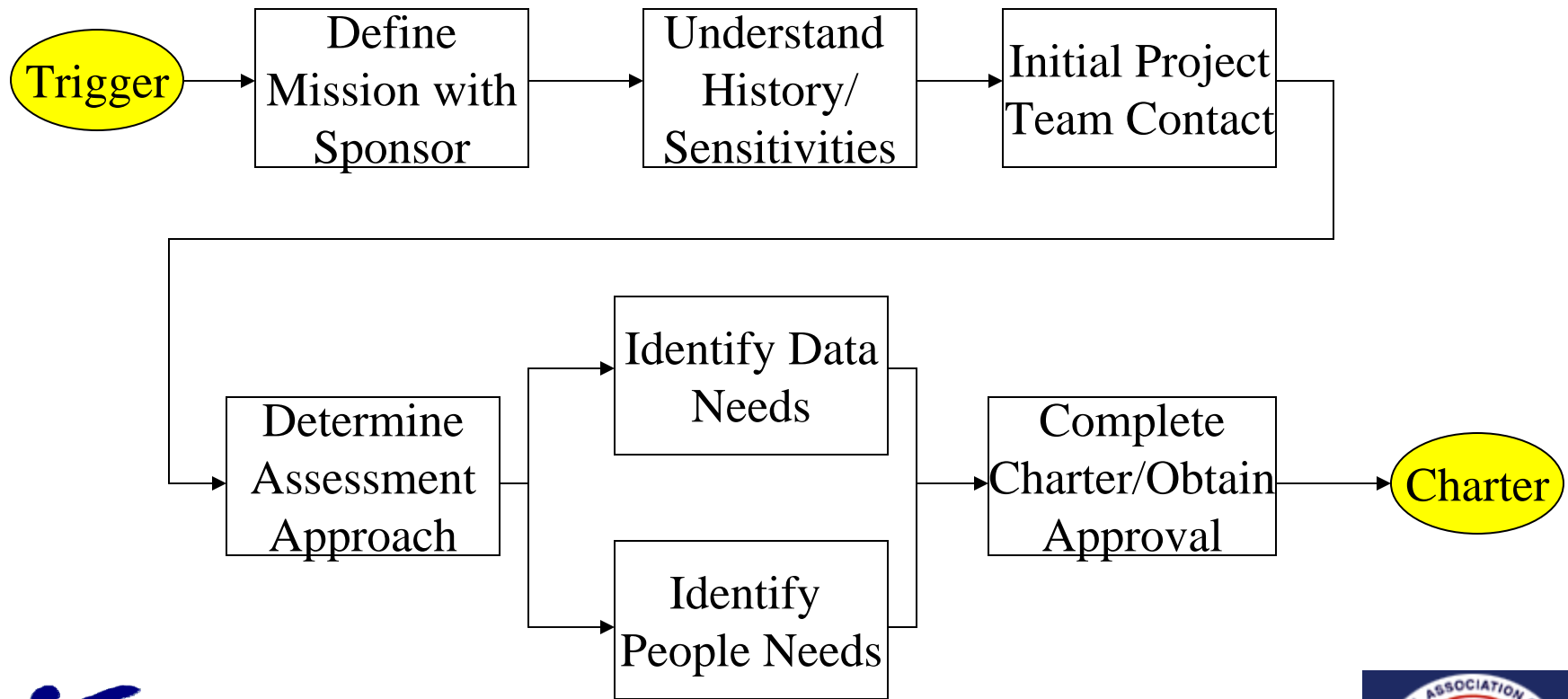
**Charter is essentially an assessment engagement letter**

## Rapid Assessment and Recovery Process





# Define Charter Process Overview



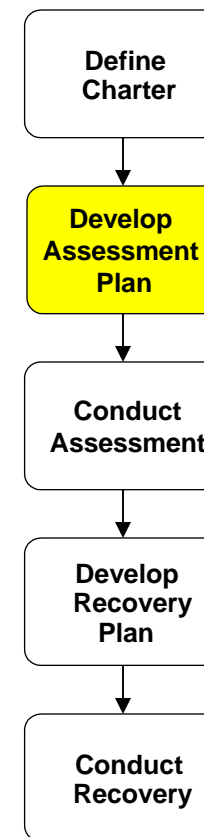


## Step 2—Develop Assessment Plan



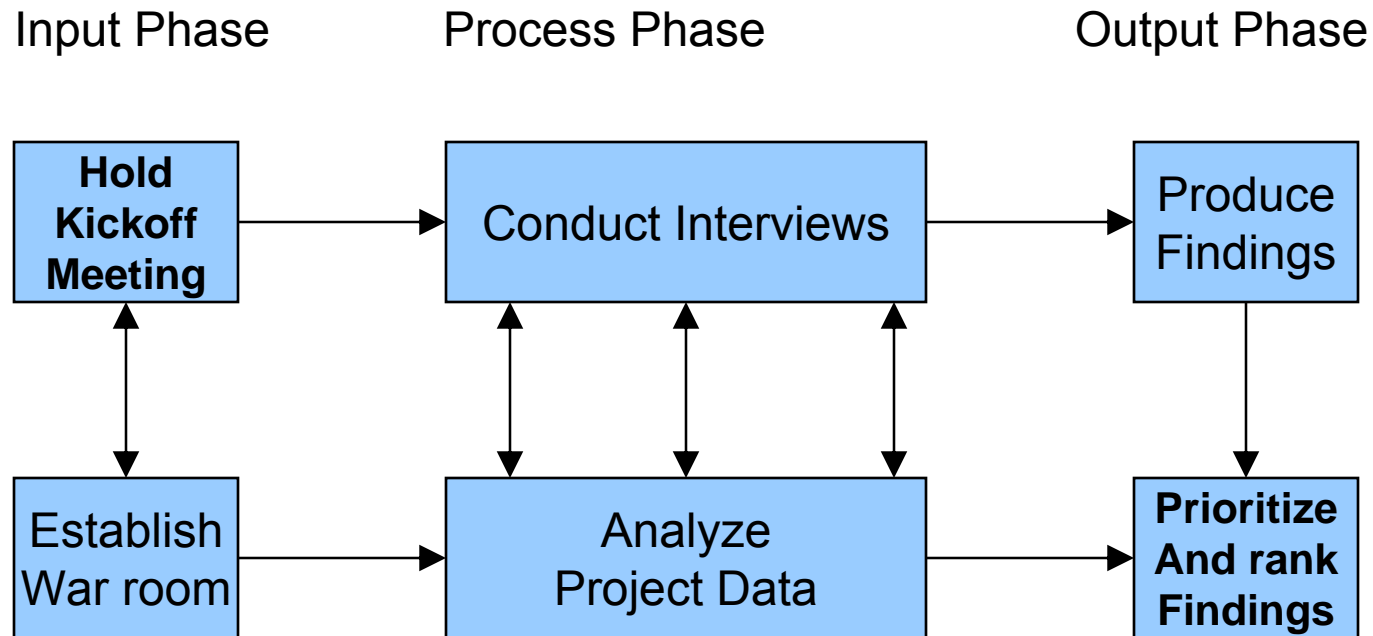
- ✓ Develop a detailed assessment plan that—
- Achieves objectives of charter
  - Allows assessment team to perform assessment quickly
  - Ensures accurate findings
  - Minimizes project team distraction

### Rapid Assessment and Recovery Process



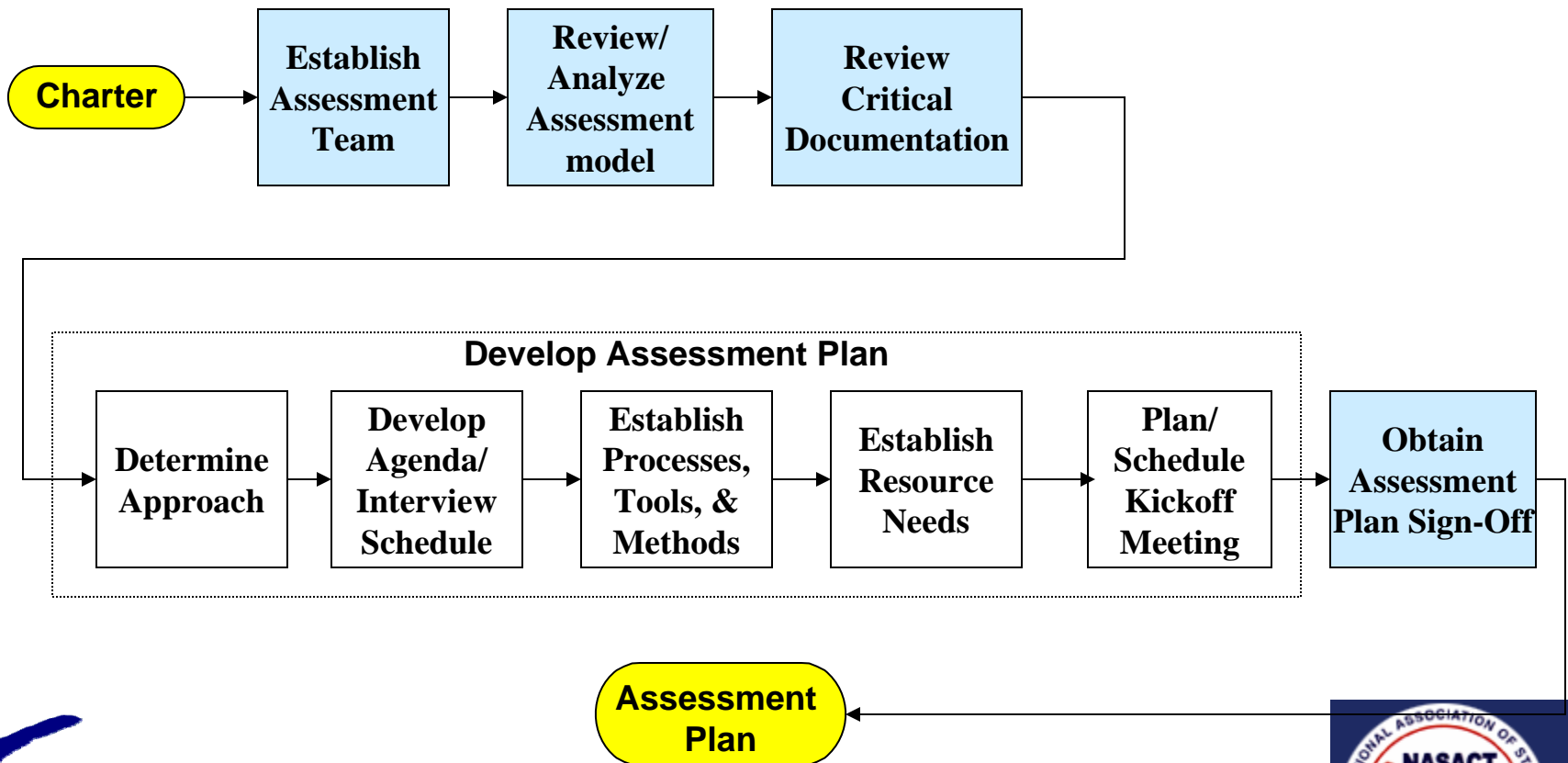


# Rapid Assessment Model





# Develop Assessment Plan Process Overview



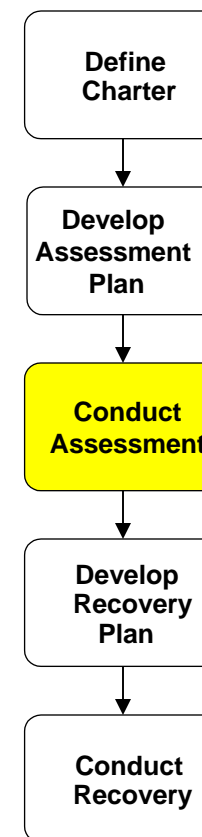


## Step 3—Conduct Assessment



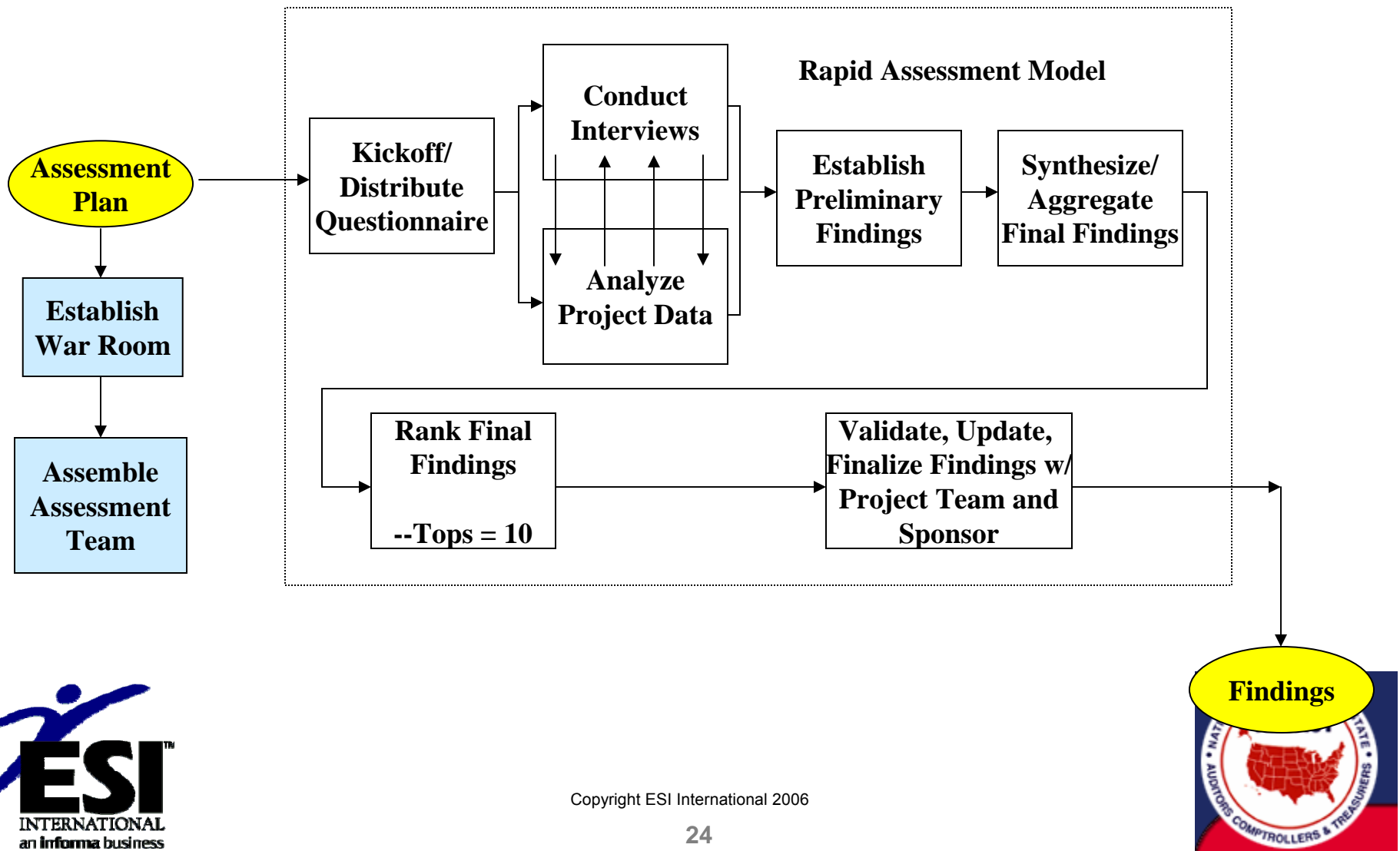
- ✓ **Determine true current status of project**
- ✓ **Identify major threats, opportunities, problems**
- ✓ **Begin considering recovery, as well as recovery team makeup**

### Rapid Assessment and Recovery Process





# Assessment Process Flow



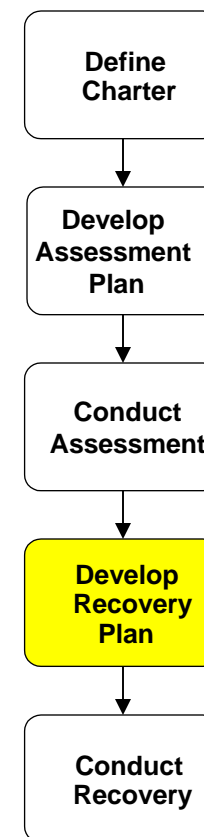


## Step 4—Develop Recovery Plan



- ✓ **Develop plan leading to useful project**
- ✓ **Establish road map and process to achieve goal**
- ✓ **Continue to build confidence and morale**

### Rapid Assessment and Recovery Process





## The Focus of Recovery



- ✓ The focus of recovery is almost entirely about—
  - Producing achievable schedules
  - Reestablishing customer/management confidence
  - Negotiating new baselines
  - Sorting project problems
  - Rebuilding team
- ✓ Basic objective—Re-baseline project plan, establish effective control processes, and **DELIVER!**

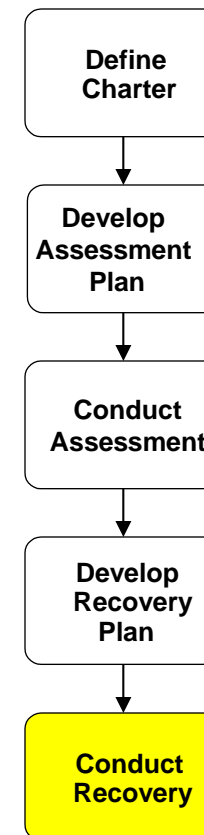


## Step 5—Conduct Recovery



- ✓ **Execute inchstone and baseline plans to return project to usefulness**
- ✓ **Validate estimating methods and accuracy**
- ✓ **Produce accurate forecast of project completion**

### Rapid Assessment and Recovery Process





# General Recovery Approaches



✓ **Only three fundamental approaches are available:**

- Change the scope
- Increase productivity
- Slip the schedule

**The Triple Constraints**

✓ **Combining these however yields a fourth approach:**

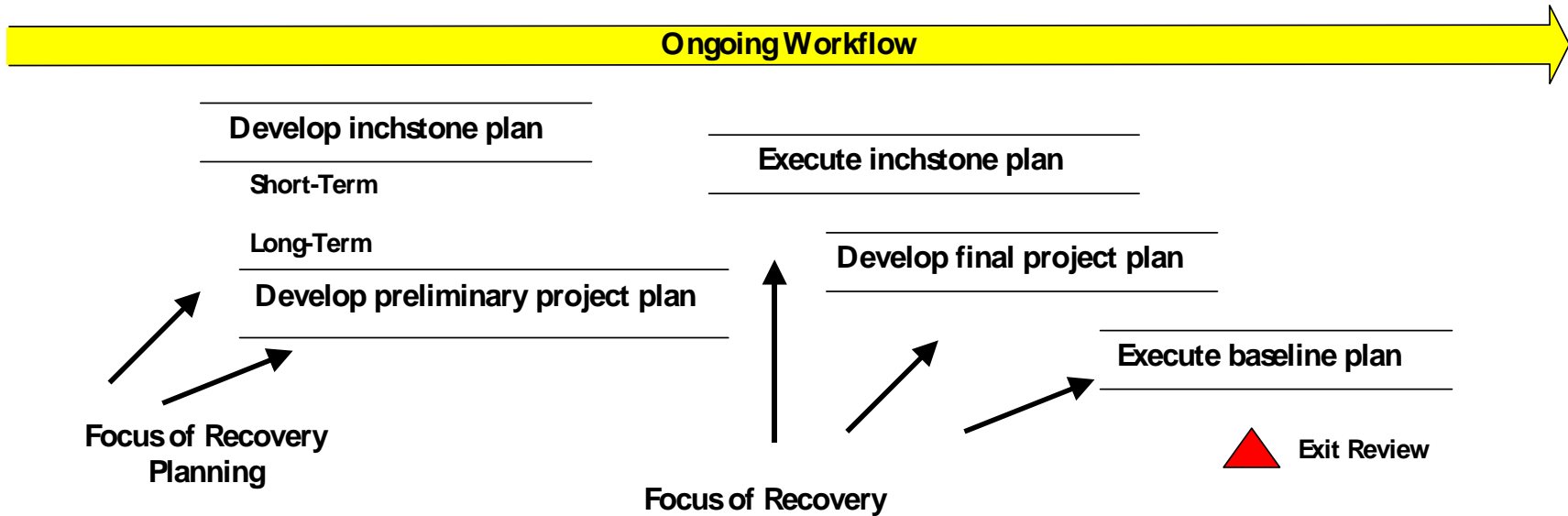
- Change scope where possible, increase productivity as much as you can, and slip the schedule as necessary.



# Recovery—The Big Picture



## Recovery Conceptual Overview



Inchstone plan: A day-by-day, week-by-week plan for each person performing project work.





## When No Recovery Is Possible



- ✓ **Business benefit cannot be delivered**
- ✓ **Political environment is not supportive**
- ✓ **Sponsor departs; not replaced**
- ✓ **Business needs have changed**
- ✓ **Significant technological changes**
- ✓ **Litigation in process; breach of contract**
- ✓ **Market conditions change**



# Obstacles and Strategies



## ✓ Sustaining progress while planning recovery

- Additional temporary resources will be needed
- Project Manager must direct current workflow plus affect the recovery

## ✓ Pressure from stakeholders to commit to new schedule

- Measured progress from Inchstones (miniature milestones) will help tremendously
- Time is needed to determine work remaining
- Estimating variance data is needed to make accurate forecast



## Obstacles and Strategies (Cont.)



### **Accurate assessment of project problems difficult for PM and team due to lack of objectivity**

- Use outside assessment team
- Bring in technical specialists as required



# Key Messages



- ✓ Rapid assessment and recovery process has three major elements:
  - Charter
  - Assessment
  - Recovery
- ✓ Crucial for preventing project failure
- ✓ Not all projects are recoverable
- ✓ Useful for general project management



## Closing Remarks



- **Do not declare victory too soon**
- **Sustained control is necessary**
- **This is no time to go it alone**
- **At first sign of any trouble, define problem and solution, alert stakeholders**

# Troubled Projects Recovery – The First Steps

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Email questions to: [jforeman@esi-intl.com](mailto:jforeman@esi-intl.com)  
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