



## 1. Introduction

*Managing projects and programs is a profession. It takes a lot of effort to successfully execute them. But why is one project successful and why does another project fail?*

In 2020 Purple Square Management Partners conducted a survey among 37 ICT Program and Project Managers to find out the top 5 factors that contribute to the success of their projects and the top 5 factors that are threatening the results of their projects. The survey is therefore based on the personal experiences and views of the program and project managers who were interviewed.

This report describes the results of the survey. The report can be downloaded on [www.purplesqr.com](http://www.purplesqr.com) at Publications.

## Summary

There is a big variety of factors which influence the success or failure of a project, but when looking into the details of the projects reviewed, the success of a project can be related to a limited group of key success factors.

Projects with a clear and concise project strategy have a better success rate than projects which are overambitious and projects which do not communicate the expectations well enough. Also, unstable and unpredictable project environments clearly have a negative effect on the project results.

Organizations that are strong in Information Management & Organization (IMO) show better performance in executing Business Transformation Programs. “Key Users”, “Business Process Owners” and “Data Quality Management” are concepts which are well implemented in the Business Organization of successful projects. This allows Business and IT to act as one team and increase speed and quality in Program execution. Organizations that have little knowledge of how Business Processes exactly run and how they are steered by IT applications and Data, consistently fail or have big trouble in executing large Business Transformation Programs. Organizations should therefore invest in building a strong IMO and maintain it over time. It will pay back in the ability to cope with changes in today’s rapidly changing environment.

Organizational Change Management (OCM) deeply rooted into the Project or Program organization is reported to be a key factor in the success of Program Execution. Key topics here are “Top Management Support” and “Adequate Handling of Resistance to Change”. Active and visible sponsorship by key leaders in the organization is often seen as the number one prerequisite here.

As obvious as it may seem, good project management practices are still essential for running a successful project. Quality of project staff, robust project planning and reporting in a steady and frequent cadence are crucial hygiene factors for a successful project. Especially in complex and larger organizations portfolio management is relevant to manage the dependencies between projects.



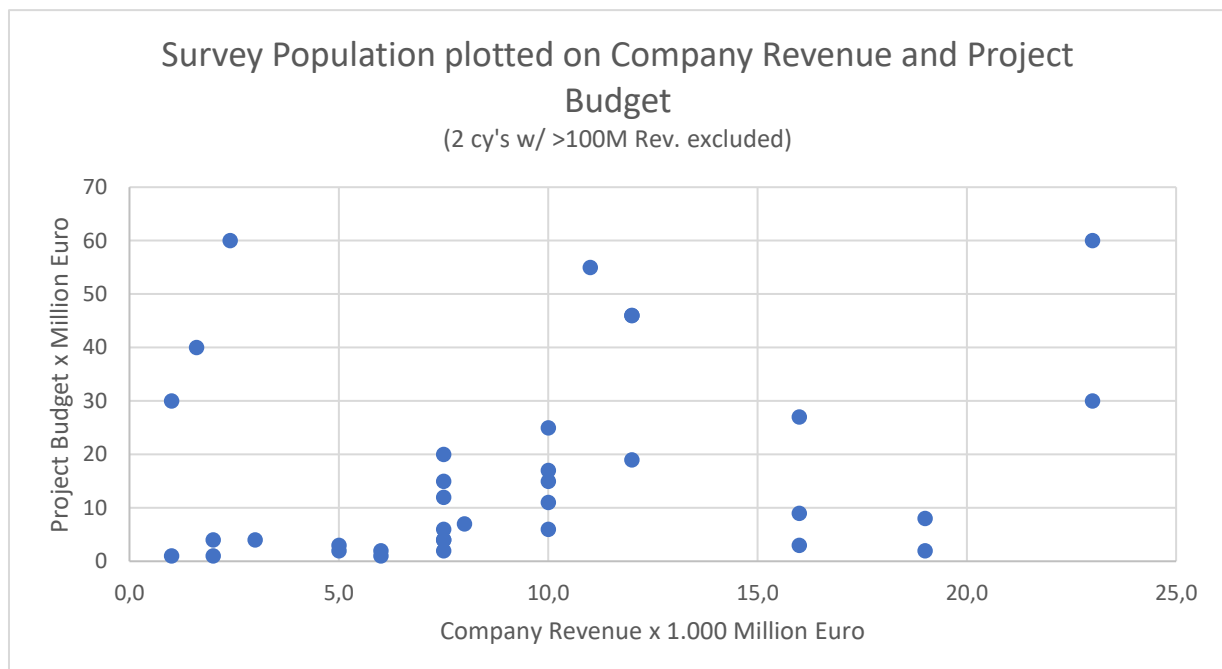
Finally, Project Managers emphasize that having the right skills and knowledge in the Project Team is a key factor in achieving project results under high time pressure. Also the motivation to go the extra mile contributes significantly to realize project objectives.

In the following paragraphs we will:

- Describe the projects that were part of the survey population showing the context of the survey.
- Describe the main success and fail factor categories that emerged from the survey. They are:
  1. Project Strategy
  2. Information Management & Organization
  3. Organizational Change Management
  4. Project Management Practices
  5. Human Behavior
  6. Technology.
- Cross reference the data showing which type of projects benefit the most from which success factors or suffer the most from which fail factors.

## 2. Survey population

In total, 37 different projects and programs were part of the survey. To simplify our discussion, we will use the term “Project” both for “Projects” and for “Programs” (designating larger, multi-project activities).



The 37 projects took place in 18 different companies. All companies are multinational companies. In this population there are 2 companies with revenues of over 100 Billion Euro. The remaining 16 have an average of 8,5 Billion Euros of revenue with the smallest being at 1 Billion Euros of revenue.



Out of the 37 projects, 5 took place in the Chemicals Industry, 6 in Food, 16 in Manufacturing, 1 in Pharmaceuticals, 1 in Logistics and Transport, 4 in Retail and 4 in Services.

Project budgets ranged from 1,5 M Euro to 60 M Euro, with an average of 16,5 M Euro. In terms of number of staff on the project, the smallest consisted of 5 project team members and the largest had over 300 project staff. Average was at 40. In terms of number of business users, a huge range of 20 to 30,000 was concerned.

7 of the Programs in the survey were Business Transformation Programs, 14 were IT Landscape Rationalizations, 13 were M&A / Divestment related, 2 were to adhere to Legal and Environmental Regulations and 1 was aimed at Outsourcing part of the business.

Count of projects by industry and by project type						
Project Type						
Industry	Landscape Rationalization	M&A Divestment	Business Transformation	Regulatory	Outsourcing	Total
Manufacturing	5	9	1	1		16
Food	2	1	2		1	6
Chemicals	4	1				5
Retail	2	1	1			4
Service		1	3			4
Logistics	1					1
Pharmaceuticals				1		1
<b>Eindtotaal</b>	<b>14</b>	<b>13</b>	<b>7</b>	<b>2</b>	<b>1</b>	<b>37</b>

In 7 cases Scrum/Agile was used as Project Methodology, in all other cases this was classic waterfall.

The project managers that participated in the survey had an average of 23,1 years of working experience. For 26 of the projects the respective project manager had more than 20 years of working experience.

### 3. Success and Fail Factors

We have asked Project Managers for their top 5 factors that they had experienced that were most helpful to the success of their project and the top 5 factors that were the most threatening to the result of their projects. Their answers are grouped in 6 categories of Success and Fail Factors:





1. Project Strategy
2. Information Management & Organization
3. Organizational Change Management
4. Good Project Management Practices
5. Human Behavior
6. Technology.

Out of the 37 projects in the Survey, 12 were reported as failing in on-time Delivery. The two most frequently mentioned causes for the project to get in trouble were 'Project Management' (with inadequate Management of Dependencies mentioned the most) and 'Project Strategy' (chasing too ambitious goals in complex environments with a user community that lacks maturity in dealing with big Transformation Programs).

We will now look at each success/fail factor category in detail.

### 3.1 Project Strategy

"Project Strategy" refers to the strategic thrust that is behind the set-up of a project. For example, one of the projects in the survey had to deliver a result in an extremely short timeframe. It was therefore set up to bypass all formal procedures within an organization. It was given a "license to act" outside of the usual business practices. Testing of results would be minimized and risk of flaws at delivery with rework on the fly was high but accepted. The desired result was achieved in a time no-one thought possible.

In another case the problem and solution were not yet fully defined. The company decided to start the project in an explorative mode with loose controls and no rigid disciplines. In addition, staff from multiple locations were brought physically together in one project location to support communication and fact finding. As problem and solution became clearer, the project came under tighter control and more work was done remotely again.

Such Project Strategies influence the setup and execution of every phase in a project.

From the 37 projects in our Survey, 50 factors were recorded that pertained to Project Strategy. Sixteen of these were examples where a good Project Strategy was a Key Success Factor, 34 times examples were given where a false Project Strategy threatened the result of the project.

A number of **Failing Project Strategies** were mentioned but the inclination to go for *too ambitious goals in very complex environments* was favorite here. In general, projects suffer when things get too complex. This is certainly the case when organizations lack strong Information Management & Organization (see 3.2). Strategies to leave out certain stakeholders to avoid discussions and save time, turned against the project when key stakeholders were not on board and extra time had to be invested (rather than time saved). In some cases, lack of maturity of the organization to handle large and complex Business Transformation Programs became the failure point for overly ambitious projects.

**Unstable and Unpredictable Project Environments** require Projects to be flexible and nimble in dealing with changing circumstances. Fixed price contracts with external parties suddenly become a time-consuming problem where parties finger-point at each other when key assumptions change.



The project strategy for projects in such environments must allow for some maneuverability. Also, some third parties are hard to plan and control. This is for example the case in divestment programs where legal entity names change and several parties like customers, local authorities and banks have to be aligned. Yet these external parties all have their own agenda and are not always inclined to follow other people's plans.

**Unrealistic Expectations** centered around thinking that new smart software can improve your business without taking into account changing business processes and changing the quality of the organization, were mentioned a few times.

**Remote Resources fail Task** refers to situations where problems can no longer be tackled via Skype or Teams-meetings alone. Being physically in the same location enables people to build a relationship and to both formally and informally discover all the aspects of a situation and the best way forward. Especially when there are cultural differences between people from different countries or continents this proved to be extra important. With viruses like Covid-19 in today's world, this poses an extra challenge.

### 3.2 Information Management & Organization

**Information Management & Organization (IMO)** refers to the total set of roles, functions, agreements, tools and methods used to manage information, data, systems and processes. It requires having a balanced distribution of information management related tasks between Business and IT. Typical roles on the business side that are part of the IMO are "Key users", "Business Process Owners" and "Product Owners". The availability of a good IMO implies that any project impacting the business will include business staff that is knowledgeable on the current way of working in order to understand the effect of proposed changes to Business Processes and Information Systems. Also, they help maintain data and take ownership of IT Applications and Data Quality. As a consequence, Business and IT "act as one team" to implement the desired changes brought by the project, whether in scrum teams or classic waterfall project teams.

Well performing IMO across both Business and IT therefore proves to be a key enabler for successful projects, especially in large and complex multinational organizations. Similarly, in such environments, the absence of a proper IMO is a key fail factor.

The presence of a good IMO was mentioned 23 times as a key success factor for the 37 projects in the survey. In addition, the availability of good Business Process Knowledge in the Business Organization was mentioned 9 times.

In our survey 32 references of fail factors related to an inadequate IMO. 25 of them referred to lacking knowledge of Business Processes and IT Application logic or Data semantics within the business organization. Seven times, insufficient data quality was mentioned as a fail factor.

Organizations can experience staff turnover that jeopardizes the preservation of knowledge of business processes, information systems and data semantics. People move because of attrition, job rotation, divestments, outsourcing programs, and other reasons. The remaining organization often has little understanding left of how processes were designed and how the data and business logic in information systems are an integral part of the process flow. When complex projects and business transformation programs then hit the organization, confusion and despair can arise. Local users



cannot judge the impact of centrally designed changes to their local processes and operations. Local users cannot take ownership of the project activities within their local scope and, instead, shift all responsibility to the central project team. The other way around we saw how a good IMO is an enormous accelerator for high quality Business Transformation Programs.

### 3.3 Organizational Change Management

**Organizational Change Management (OCM)** refers to a structured and managed approach to help organizations change and transform in a new set of Business Processes, IT systems, Ways of Working and Behaviors. For 20 out of 37 projects this was a key success factor. Project managers specifically favored an approach where OCM was an integral part of their project and supported by a formal OCM method.

For 16 projects it was mentioned that “**Active and Visible Sponsorship**” by key leaders in the organization was a decisive factor in the success of the project. It is often seen as the number one prerequisite in any OCM method.

Of all projects in the survey, 19 designated the absence of a good **Organizational Change Management (OCM)** approach as a key threat to the success of the project. *Resistance to Change* was mentioned 14 times together with *Insufficient Top Management Support* (5 times). Resistance to Change can have many roots. Especially when people have a hard time understanding and assessing the full impact of a Business Transformation Program, they are inclined to fear and doubt that change. As such there is a clear relationship with the level of maturity of the organization with large transformation programs and the availability of strong Information Management & Organization (IMO, see 3.2). In each case, the use of a strong change management methodology like ADKAR<sup>1</sup>, anchored in the core of the project and its management, significantly reduced the threat of change resistance.

### 3.4 Project Management Practices

This category contains those factors that are part of how the project is structured and organized. It falls down in following sub-categories with between brackets the number of times the category was mentioned:

- a) Quality of Project Staff (32)
- b) Quality of Planning Process (33)
- c) Control Cadence (16)
- d) Tools and Methods (11)
- e) Management of Dependencies (21)

There were 32 references made to **Quality of Project Staff** as a key contributor to the success of a project. In itself this is not surprising, but it does show that this factor seems to outweigh factors such as **Tools and Methods**. It is people that make the difference, apparently.

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<sup>1</sup> ADKAR is a registered method of the ProSci Organization ([www.prosci.com](http://www.prosci.com))



Having the right people on board is key, especially in large and complex environments. A closely connected theme is the availability of **Knowledge** (see also 3.2 IMO). This is true for both Knowledge of IT systems and Knowledge of Business Processes, both on the IT side and on the Business side. In particular, Project Managers reported that their project benefited from people in leadership positions that possessed sufficient knowledge to recognize risks and make decisions swiftly.

On **Quality of the Planning Process**, project managers emphasized two aspects in particular. The first one being the level of detail in the project plan. Sufficient detail in the plan helped to estimate the correct resource quantities that were needed. Also, it helped to support the second aspect, which is flexibility and agility, which was needed to act on changing circumstances during execution. We were surprised to find that out of the 7 Agile/Scrum projects, there was only 1 mention of benefits from flexibility and agility with respect to the planning process.

Positive references were made to **Control Cadence**. This refers to a strict and disciplined way of collecting project status info with a relatively high frequency. Status reports were often collected on a weekly basis. Progress meetings with key project leaders were conducted daily or weekly. Such a cadence makes sure that people stay informed and can act swiftly on new or unforeseen circumstances. It is closely related with other success factors such as a strong “Focus on Project Goals” that we will see in the discussion of “Human Behavior”. Scrum projects showed a good score here referring to daily stand-up meetings.

Almost 50% (!) of all projects in the survey mentioned severe issues with **Dependencies with other projects** and activities in the organization. An overview over the entire project portfolio within an organization seems to be missing in half of the cases. This seems to indicate that projects at their inception are discussed in isolation and the decision to start the project does not take into account the rest of the project portfolio. Conflicts arise on claims of *critical resources* by multiple projects or the company suffers from *lack of an integral view* on all dependencies. In some cases, organizations are so vast, dispersed and complex that one could ask if it is humanly possible to still get a grip on all dependencies. Still, proper *portfolio management* and an adequate *stage gating process* to start up new projects can contribute to better management of dependencies between projects.

### 3.5 Human Behavior

Project Managers view the right **Human Behavior** as a key ingredient in successful projects. The survey showed 17 mentions of what we called “**Focus on Project Goals**”. This topic is related to the famous quote of General George S. Patton: “*A good plan violently executed now, is better than a perfect plan executed next week*”. Here reference is made to speed and goal orientation. Project managers mention lack of speedy decision-making caused by too long discussions and distractions by related matters, outside of the core project goals. The topic is closely related to OCM as different stakeholders may chase different goals depending on their own “what’s in it for me”. Good project managers are able to take charge and stand in front of the troops showing them the way forward and eliminating distractions and roadblocks.

From the many other examples given in this category we will name the most popular ones. Many examples were given where people in projects would *go the extra mile* to realize a specific objective. *Perseverance* and *commitment* are traits to look for in good Project staff. On steering level, focus on



project goals should supersede other interests and provide the project with fast decisions creating *speed* in execution. Project managers describe staff with *proactive behavior*, such as those that step over organizational boundaries and take on an integral responsibility, as the ones that make the difference in the project. Finally, project managers indicate it is worth the time and money to invest in team building to achieve optimal performance from people working together.

As we saw in 3.4, where we discussed “Quality of Project Staff”, it is again people who make the difference.

Out of the 37 projects, 15 times **Human Behavior** was named as a threat to the success of the project. Again, “Lack of Focus on Project Goals” was mentioned (12 times) as well as “Lack of Team Spirit (3 times).

### 3.6 Technology

In 6 cases, **Failing Technology** was mentioned as a threat to project success. They were addressing either new products (technology that was not yet proven), performance issues (e.g. network related) or IT security, such as firewall, issues. Although not dominant in our survey, they should not be underestimated especially in projects including cutting-edge technology or locations with infrastructure issues.

The following table gives a summary of Success and Fail Factors and how many times each category was mentioned in the survey:

	Total times mentioned	Mentioned as Success Factor	Mentioned as Fail Factor
<b>Strategy</b>	<b>50</b>	<b>16</b>	<b>34</b>
<i>Project Strategy</i>	43	12	31
<i>Right Proximity of Project Staff</i>	7	4	3
<b>Organizational Change Management</b>	<b>55</b>	<b>36</b>	<b>19</b>
<i>OCM Method embedded in Project Core</i>	34	20	14
<i>Active and Visible Sponsorship</i>	21	16	5
<b>Information Management &amp; Organization</b>	<b>65</b>	<b>33</b>	<b>32</b>
<i>Knowledge</i>	57	32	25
<i>Data Quality</i>	8	1	7
<b>Behavior</b>	<b>37</b>	<b>22</b>	<b>15</b>
<i>Focus on Project Goals</i>	32	20	12
<i>Team work</i>	5	2	3
<b>Project Management Practices</b>	<b>113</b>	<b>65</b>	<b>48</b>
<i>Quality of Staff</i>	32	32	0
<i>Control Cadence</i>	16	12	4
<i>Quality of Planning Process</i>	33	10	23
<i>Tools &amp; Methods</i>	11	7	4
<i>Management of Dependencies</i>	21	4	17





#### 4. Cross referencing survey data

In this section we will relate the various type of projects to the their most common success and fail factor categories. This should help steer your attention when initiating and managing projects.

For **Business Transformation Programs**, the most mentioned Success Factor was the availability of good *Information Management & Organization (IMO)* with *Organizational Change Management* as a number two. On the Fail Factor side, lack of a well thought through *Project Strategy* ranked number 1 and failing OCM came in as second place. IMO helps to have a clear view on the As-Is situation and thus have a better understanding of the impact of any change. Overly ambitious programs with too high expectations let loose on a user-community that lacks knowledge of business processes and information systems is risky.

In **Divestments**, the number one Success Factor was Good Project Management Practices. Emphasis was on *Quality of Project Staff* and a strict *Cadence for Progress Control*. On the fail side, *Insufficient Resource Planning* and *Insufficient Management of Dependencies* came up as most mentioned. Once the scope of a Divestment is clear, and once there is a clear strategy for separating a business with respect to the destination (Strategic Buyer, Private Equity or IPO), then focus should be on efficient execution.

Cross referencing survey data: findings against type of projects	
Most Mentioned Success Factor	Most Mentioned Fail Factor
<b>Business Transformation Programs</b>	
<i>Information Management &amp; Organization (IMO)</i>	<i>Project Strategy</i>
<i>Organizational Change Management (OCM)</i>	<i>Organizational Change Management (OCM)</i>
<b>Divestment Programs</b>	
<i>Quality of Project Staff</i>	<i>Insufficient Resource Planning</i>
<i>Project Progress Cadence</i>	<i>Inadequate Management of Dependencies</i>
<b>Landscape Rationalization Programs</b>	
<i>Organizational Change Management (OCM)</i>	<i>Information Management &amp; Organization (IMO)</i>
<b>Project Size / large projects</b>	
<i>Information Management &amp; Organization (IMO)</i>	<i>Information Management &amp; Organization (IMO)</i>
<i>Project Strategy (ambition &amp; level of complexity)</i>	<i>Project Strategy (ambition &amp; level of complexity)</i>
<b>Scrum/Agile Projects</b>	
<i>Project Progress Cadence</i>	<i>Insufficient Resource Planning</i>
<i>Tools</i>	<i>Inadequate Management of Dependencies</i>

In **Landscape Rationalization Programs**, the most frequently mentioned Success Factor was *Organizational Change Management*. Rationalization programs in general replace legacy IT applications with a standard “one size fits all” solution. Local degrees of freedom are only allowed for legal or fiscal reasons, or very exceptional local business requirements. For most users of legacy systems this means a change in their daily used IT application, but often also a change in business



process flows and ways of working. Even shifts of power in the organization can occur when centralized functions get a direct view on data of local operations through a centralized system. In these case, OCM can help to overcome these change issues threatening your project result. On the fail side, the most frequently mentioned factor was Lack of *Information Management & Organization*. Failing to see how a central template solution truly differs from local legacy applications, data semantics and business flows, can lead to unclear or ambiguous directives. This can seriously jeopardize continuity of business operations and can bring the landscape rationalization program to a halt. Things get worse when the Project Strategy is overly ambitious trying to change everything in one go.

In terms of “**Size**” there was a clear group consisting of Projects with large budgets (over 10M Euro), with a large number of business users (over 1000) in large organizations (over 5,000 M Euro of Revenue). For this group the importance of good *Information Management & Organization* came up both as a Success Factor and as a Fail Factor. Second best on both sides was *Project Strategy* relating to level of ambition in project goals and level of complexity in the project.

Finally, when looking at all projects that were using **Scrum/Agile** as a method, the most emphasis both on Success and on Fail Factors was on *Good Project Management Practices*. Popular mentions were a strict *cadence* and adequate *tools*. Projects had issues with resource planning and dependency management, especially where multiple Scrum-projects were drawing on a shared resource pool.