

# Project Management Based on Fundamentals

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# Project Management Challenges

- 72% of all IT projects executed in the US in the year 2000 were either late, over budget, or failed, and 23% (65,000 projects) of those projects had to be cancelled

*Source: The Standish Group. 2001 Chaos Report, Page 1 (recent years results have not changed significantly)*

- Only one in five change management projects succeeds

*Source: The Economist, July 15, 2000, Page 61*

# Project Management Challenges

- Between 1988 and 2001 recalls of products overseen by the FDA increased by 300% (to 4500 recalls per year)

*Source: The Wall Street Journal, March 22, 2002, Page B1*

- One in twelve cars were recalled in the US in 2003

*Source: The Wall Street Journal, March 4, 2004, Page D1*

# Project Management Challenges

- 50 to 70 percent of reengineering projects fail

*Source: Reengineering the Corporation. Michael Hammer, James Champhy.*

*Page 200*

- Over the last thirty years, there has been a “new” way structure organizations every two years

*- Management Redeemed: Debunking the Fads that Undermine our Corporations”. Frederick Hilmer and Lex Donaldson. 1996, Page xi*

# Dangers of Fashionable Trends (Cookbook Approach)

## -Total Quality Management (TQM)

- Only one third of companies that implemented TQM saw significant impact in their competitiveness

*Source: Arthur D. Little survey of 500 executives, reported in Quality Magazine, May 1992, Page 13*

- Florida Power & Light had 1,900 TQM teams and 85 individuals in its quality department, which was later reduced to just six employees

*Source: The Economist, April 18, 1992, Page 67*

- Wallace & Co won a Baldrige Award in 1990, and it filed for Chapter 11 bankruptcy in 1992

*Source: Fad Surfing in the Boardroom. Managing in the Age of Instant Answers. Eileen Shapiro, Page 175*

# Dangers of Fashionable Trends (Cookbook Approach)

## -Strategic Planning

-19060s: Pioneered by GE and the Boston Consulting Group (BCG), thousands of companies established central Strategic Planning departments

-1983: Jack Welch abolished GE's Strategic Planning department. Hundreds of other companies followed

- 1994: Henry Mintzberg, former President of the Strategic Management Society publishes "*The Rise and Fall of Strategic Planning*"

# Dangers of Fashionable Trends (Cookbook Approach)

- 81% of executives think that most management tools do not produce the desired results

*Source: Don't Get Hammered by Management Fads. Bain Management Tools and Results Survey. Darrell Rigby. Wall Street Journal. May 21, 2001, Page A22*

# Why Project Management Based on Fundamentals?

To provide an educated and structured mean to address the failures and challenges listed before

## Using Fundamentals to Address Project Management Challenges

- Enriched with hands-on engineering, scientific, and managerial experience, Best Project Management<sup>SM</sup> relies on critical and independent thinking based on Fundamentals.
- Supporting the Fundamentals View:
  - *Management Redeemed: Debunking the Fads that Undermine our Corporations*. Frederick Hilmer and Lex Donaldson. 1996
  - *Heads You Win: How Best Companies Think*. Quinn Spitzer and Ron Evans. 1997.
  - *Fad Surfing in the Boardroom. Managing in the Age of Instant Answers*. Eileen Shapiro. 1995

## Using Fundamentals to Address Project Management Challenges

*“Experience without theory teaches nothing. In fact, experience cannot be even recorded unless there is some theory, however crude, that leads to a hypothesis and to a system by which to catalog observations”*

*Source: Mind and the World Order. Clarence Lewis. 1956, Page 195.  
Quoted in Out of the Crisis. Edward Deming. 1991. Page 317.*

*“While techniques come and go, the real hard work of professional management remains. There is no substitute for intelligence, experience, and analysis embodied in the skillful application of ideas”*

*Source: Management Redeemed. Debunking the Fads that Undermine our Corporations. Frederick Hilmer, Lex Donaldson. 1996, Page 106.*