

Recovering Distressed Projects



***Best Practice, Process and
Considerations for Effective
Intervention***

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Recovering Distressed Projects

Overview

- Requests to assist with “Distressed Projects” have been far too frequent for the maturing state of project management.
- Amidst the chaos and high-emotion, the project must be assessed without prejudice or bias, and lead to a path of recovery without causing major trauma to the current project team.
- Discuss a consulting life-cycle approach to uncovering issues that have contributed to the distressed condition and recovering as many of the project’s original objectives and expectations as possible.



Recovering Distressed Projects

Defining Distress

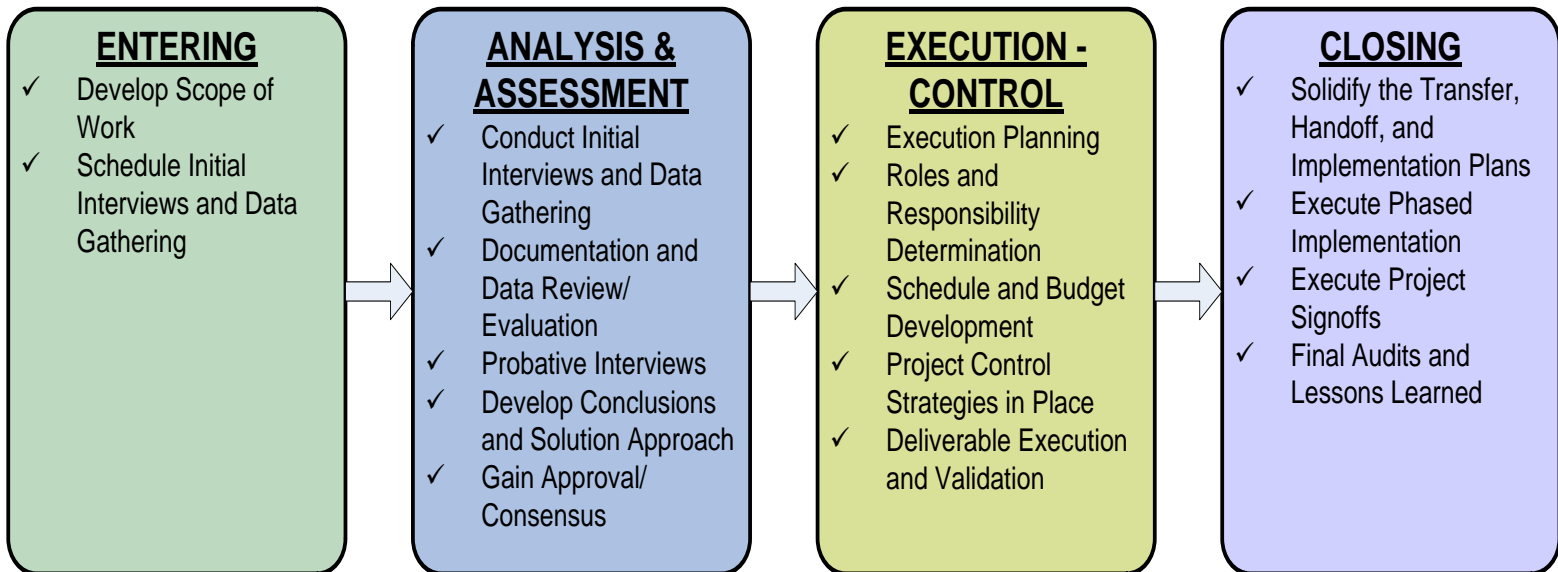
- “Distressed” represents a project or program that is 20%> off its cost and schedule baseline targets, exhibits missed milestones and has demonstrated a pattern of missing key deliverables.
- Many of these were originally slated as “fast-track” project efforts.



Recovering Distressed Projects

A Consulting Life Cycle

- Very basic life-cycle approach.
- Quickly and accurately getting to the heart of the distress, implementing the corrective action plan, executing and controlling new deliverable development, and executing formal project closure practices/processes.



Recovering Distressed Projects

Entering Phase

- “Entering” reminds us that we are not starting with a clean slate in the middle of something failing that requires professionalism, patience, insight, tact and critical thinking in order to make a positive impact.
- Must exercise diligence to quickly get caught up on the underlying context of the project. Listening and observation are key.
- Develop scope of work and scope of authority.

ENTERING

- ✓ Develop Scope of Work
- ✓ Schedule Initial Interviews and Data Gathering

Recovering Distressed Projects

Entering Phase

- Interview a varied group of individuals who are directly and indirectly involved with the project.
- The individual responsible for our involvement with the project will have identified the organization's key resources.
- Must get past the emotion by calling them back to the real events, what happened (not why)
- A non-biased pair of “cold-eyes” is critical, be very careful not to “call the baby ugly”.

ENTERING

- ✓ Develop Scope of Work
- ✓ Schedule Initial Interviews and Data Gathering



Recovering Distressed Projects

Analysis and Assessment Phase

- Most labor intensive part of the assignment and not a glamorous one either.
- Data documentation is generally presented to us prior to the interviews.
- Having an opportunity to examine project data documentation helps us form pointed questions prior to the interviews.
- Lack of documentation usually signals a lack of execution planning - a key cause in project distress and failure.

ANALYSIS & ASSESSMENT

- ✓ Conduct Initial Interviews and Data Gathering
- ✓ Documentation and Data Review/ Evaluation
- ✓ Probative Interviews
- ✓ Develop Conclusions and Solution Approach
- ✓ Gain Approval/ Consensus



Recovering Distressed Projects

Analysis and Assessment Phase

- Solutions are comprised of specific responses to causal factors and vary project to project based on culture, organization, resource levels, management buy-in, etc.
- The solution(s) must be presented in a logical, “threaded” and no-blame manner in order to gain approval and consensus across the necessary constituencies.
- Consensus is key to progressing to Execution as seamlessly as possible.

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Recovering Distressed Projects

Execution and Control Phase

- This phase signals a temporary sigh of relief and that we have properly assessed the issues with the prior project difficulties and our solution has been validated and approved.
- A fair amount of execution planning would have been committed to in order to develop sound and approvable solutions. In this phase, we will complete the definitive execution planning for our solution

EXECUTION - CONTROL

- ✓ Execution Planning
- ✓ Roles and Responsibility Determination
- ✓ Schedule and Budget Development
- ✓ Project Control Strategies in Place
- ✓ Deliverable Execution and Validation

Execution Plan Elements

| | | |
|---------------------|------------------------|--------------------------------|
| Project Management | Design Management | Security Management |
| Risk Management | Information Management | Controls (Scope, Time, & Cost) |
| Communications Mgt. | Resource Management | Quality - Testing - Validation |
| Quality Management | Procurement Management | Implementation - Closeout |

Recovering Distressed Projects

Execution and Control Phase

- Roles and responsibility determination are key.
- Baseline development and detailed schedules are key. We use a Master Scheduler here.
- Developing accurate baselines that can be monitored, trended and controlled are well worth the additional cost of the scheduling resource.
- Project control begins with accurate baselines and transparent expectations:
 - Key milestones identified and attributed with deliverables
 - Key deliverables with clear completion metrics
 - Formal execution reviews (performance and risk related)
 - Earned Value and Burn Rate strategies (monitoring and trending analysis)
 - Defined and consistent performance reporting requirements for team members

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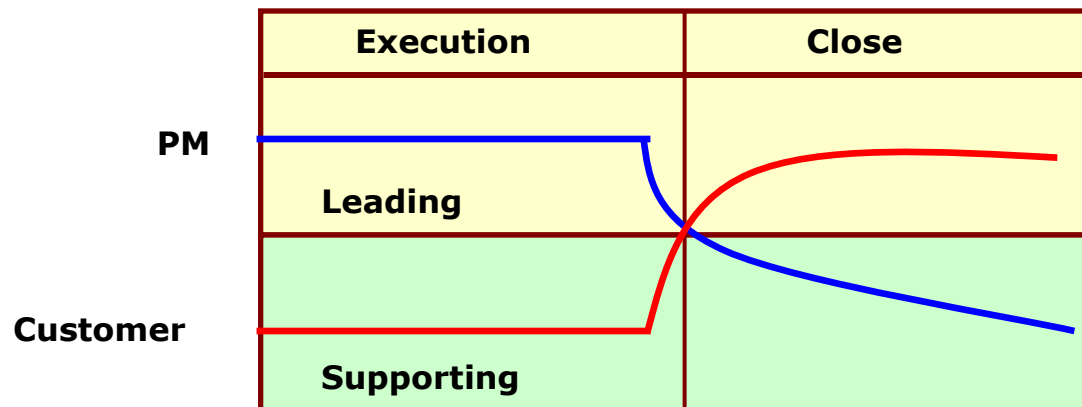
Recovering Distressed Projects

Closeout Phase

- For most projects (especially large and complex), project closing is accomplished in a phased manner or “rolling-wave” closing.
- Must guard against “stripping” resources from projects as they appear to be reaching the finish line.
- Must ensure “handoffs” are well planned (especially in a rolling-wave closing scenario).

CLOSING

- ✓ Solidify the Transfer, Handoff, and Implementation Plans
- ✓ Execute Phased Implementation
- ✓ Execute Project Signoffs
- ✓ Final Audits and Lessons Learned



Recovering Distressed Projects

Summary

- With a detailed and methodical approach to recovering projects, the effort need not be cathartic yet, it is still a wiser and less stressful approach to commit to the proper planning and diligence initially.

