



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 Champy.
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

-1960s: 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 ManagementSM 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.