

# SUCCESSFUL CHANGE

innovation - transformation - technology - culture

## Have we got it all wrong?

Since the Standish Chaos Reports were first published in 1994, project failure rates have stubbornly hovered around 60%, despite the substantial investments in project management software, project delivery methods, governance frameworks, and transformation specialists. Today, McKinsey estimates that the failure rate has risen to approximately 70%. This persistent issue raises critical questions about why these figures have not improved and what underlying factors continue to hinder successful transformations.

### Context and Investment

Over the past three decades, significant investment has been made in various tools and methodologies to improve project success rates. Since 1989, organisations have turned to multiple project management software solutions, such as Microsoft Project, Jira, and Asana. These tools enhance planning, tracking, and collaboration within project teams.

In addition to software, numerous project delivery methods have been developed and refined, including Waterfall, Agile, Scrum, and Lean methodologies. Governance frameworks such as PRINCE2 and PMBOK have been established to provide structured approaches to project management to improve oversight and accountability. Consulting firms have also played a crucial role, offering expertise and tailored solutions to address specific project challenges. They

have introduced methodologies like Six Sigma and business process reengineering, promising to streamline operations and enhance efficiency.

### Persistent Troubles

Despite these efforts, the failure rate of transformation projects remains alarmingly high. Several factors contribute to this persistence:

#### 1. Cognitive Blindness

Many organisations fail to recognise the adaptability required to function and thrive in their markets, highlighting a significant lack of clear strategy. As a result, projects planned and initiated based on current market perceptions often become obsolete or misaligned when completed.

#### 2. Big Ball of Mud

Projects without clear objectives often start with ambiguous goals and unclear success criteria, leading to misalignment between expectations and what's being delivered. This misalignment can cause scope creep, where project objectives continually change, resulting in compromise, complexity and discontent.

#### 3. Conway's Law

Organisations that design systems in the broadest sense create designs that reflect their internal



communication structures. To meet business objectives, project teams must overcome cultural barriers that hinder effective change management.

## Moving Method

The objectives of project management tools and methodologies have evolved. Initially, the focus was primarily on improving efficiency and reducing costs. However, there has been a gradual shift towards enhancing agility and responsiveness to change. Agile methodologies, for example, emphasise iterative development and continuous feedback, allowing more flexibility in adapting to changing requirements. Despite these shifts, the core challenge remains: ensuring that projects deliver value and achieve their intended outcomes. Introducing more sophisticated tools and methodologies has not necessarily translated into higher success rates, suggesting that other factors are at play.

## Environment and Culture

The workplace environment and organisational culture are critical determinants of project success. Even the best tools and methods cannot compensate for a toxic or misaligned culture. Several cultural factors hinder successful change:

### 1. Resistance to Change

Resistance to change is a common issue. Employees, managers and executive leadership may be reluctant to adopt new processes or

technologies, especially if they perceive them as a threat.

### 2. Lack of Collaboration

A siloed organisational structure can impede communication and collaboration. One part of a business may think that a particular change does not provide sufficient value even though it dramatically benefits another or the business as a whole.

### 3. Inadequate Leadership and Support

Successful transformation projects require focused leadership that grasps the tension for change, has a single clear vision, will provide the capacity for the change, and agrees to a doable plan. When leadership is disengaged or lacks a clear vision, project teams may struggle to stay motivated and aligned with organisational goals.

## Conclusion

While significant advancements have been made in project management tools, methodologies, and expertise, success depends on people, their adaptability to change, and a supportive organisational culture. Without it, failure rates will remain this high for another 30 Chaos Reports.

