



Project managers urged to analyze past performance

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Agencies need to keep better track of past performance to develop more accurate initial cost estimates for information technology projects and prevent costs overruns and delays, according to a new report on troubled IT investments.

The [report](#) from ESI International, a consulting firm specializing in project and contract management and training, outlines steps organizations can take to fix IT projects that are facing either cost or schedule problems. One of the major causes of such issues, according to J. LeRoy Ward, executive vice president at ESI, is a lack of detailed analysis before formulating the initial cost estimate.

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"Very rarely when a program is done has it been done within the budget or time frame provided for it," said Ward, who spent 17 years working as a program manager in the federal government, mostly in IT. According to the report, only half of the IT projects started by U.S. companies and federal agencies are functional and only a third are deemed successful.

One reason for the poor results is managers often drastically underestimate the time and resources needed to complete a project. Ward attributed this in part to a tendency to trust that things will work out.

"Project managers are a very optimistic group of people ... they believe by nature they can get things done," Ward said.

One way agencies can improve their initial estimates is to use a lessons learned database to track past project performance, the report said. The databases would house all performance, cost and schedule data for IT projects and would be updated as programs progress. Managers looking to start IT programs could check the database to see if anything comparable had been attempted, allowing them access to more accurate cost information and giving them an idea of potential problems.

Ward said the government currently is not making good use of past performance data. "I would say there is a very large disparity between the concept of having a good lessons learned database and the application of that database in real life," he said. The estimates that program managers come up with are really ballpark estimates, he said.

Ward suggested agencies implement stage-gate reviews, where the project manager, IT team, sponsors, executive leaders, contractors and all other stakeholders meet at the end of each phase of a project. The meetings would provide them an opportunity to discuss progress and make a decision about whether the project is ready to move on to the next stage or should be reevaluated.

"A lessons learned program is very simple in concept," Ward said. "When something is done, whether a major milestone, major phase in program or at end of program, you gather people around and analyze what they've done previously. Figure out what's worked, what hasn't worked, categorize it in some way and put the information in a database or repository so when next program comes up, the new project manager can go back and see what the problems were and how they faced them. It gives project managers a heads up as to what they could be challenged with."

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