WHY CRM PROJECTS FAIL

Common Strategic & Tactical Mistakes

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Introduction

This white paper discusses common strategic and tactical pitfalls that CRM projects are prone to. Some critics might point out that the tactical mistakes discussed in this section are painfully obvious, and we must agree with that assessment. The question that must be asked is that if these pitfalls are indeed plain and obvious, why are they are common and widespread. Due to its complexity and scope that question lies beyond the intentions of this discussion and merits a white paper of its own.

In sophisticated consulting organizations and in Fortune 500 companies projects continue to fail with some industry experts claiming a project failure rate of 60% to 70%. Failure is defined as a project that does not meet its business objectives. These projects fail due to many of the strategic and tactical mistakes discussed in this white paper.

Successful projects are all alike, but failed projects are each unique in the aspects that contribute to their failure. Successful projects can't be attributed to doing one thing right, but rather they are successful due to many things being completed and executed successfully. By the same token, in real world situations projects do not fail or fall prey to one of the mistakes discussed in this paper, but rather they fall victim to many mistakes in various and numerous combinations. For it is the domino effect of cumulative and continuing mistakes that drives a project to failure.

Each project begins with a sense of optimism and as it progresses many fall victim to a number of the classic mistakes that are totally avoidable.

This white paper represents and investigation of worst practices.

Common Strategic Mistakes

Common strategic mistakes are examined in the following sections in particular as they apply to CRM projects.

Lack of Executive Sponsorship

Lack of executive sponsorship from the onset of a CRM project is one of the fundamental mistakes that can lead to project failure. The executive level sponsor needs to send a clear message throughout the organization that highlights the importance of the CRM project and how it matches with the vision, goals and guiding principles that have been adopted throughout the organization. They will also have the ability to assign the resources that are necessary to successfully complete the project. Without executive level sponsorship it is very difficult to get the level of commitment and devotion that is required at the local level for a project to succeed. Executive sponsorship needs to be visible throughout the duration of the project. Regular communication from the executive level sharing milestones with the organization can help to demonstrate their long-term commitment.

Local level sponsorship is equally as vital to the success of a CRM Project. Without the active sponsorship from local Management it is difficult if not impossible to obtain the level of commitment and participation necessary from the staff that have the required expertise at a functional level to support the needs of a CRM project. Each level of management must ensure that the next level is on board with the project and actively supporting it. Without this degree of sponsorship it makes it very difficult to implement the change necessary to support the CRM solution.

Lack of consistent and long-term involvement at all levels can have a disastrous effect on a CRM project and lead to its failure. The momentum gained from having all areas work together as a team to carefully construct the CRM solution can be lost and the project can easily get off track and ultimately fail. It is not uncommon for team morale to deteriorate rapidly when a key member leaves a project. This can cause other team members to limit their participation in the project and focus their attention on other job responsibilities, eventually withdrawing entirely from the project. Important business process change decisions that have been agreed upon in support of the CRM solution can be retracted as new members replace the departing members. This may throw the entire CRM project into turmoil. An effective steering committee can prevent this from happening.

Ineffective Steering Committee

An appropriately staffed steering committee that is used correctly by the project team can have a huge impact on the CRM project and drive it to its success. On

the flip side, a dysfunctional committee with conflicting agendas can lead to the catastrophic failure of the project. A steering committee is typically made up of corporate and project decision makers who will solidify the project scope and direction as well as approve any major operational changes that are required for deployment of the CRM solution. They ensure that the project is keeping in line with the vision that has been adopted. A steering committee should have management representation from all major departments or areas of the company that will be impacted by the CRM solution. The steering committee needs to be in sync on the CRM project and have the ability to make decisions and come to agreement quickly on major process and operational issues that set the course for implementation.

Issues must be clearly communicated to the steering committee by the project manager. Major decision issues that are not directed to the committee in a timely manner can cause the project to head in the wrong direction. Attempting to redirect the project after a tremendous amount of work has been completed can send the project into a tailspin that is next to impossible to recover from. Steering committees that do not meet regularly or do not schedule meetings far enough in advance increase the probability that a project will head in the wrong direction on at least one front.

Lack of Clear Vision

A CRM project should coincide with the corporate mission and vision. The CRM solution should be viewed as a major catalyst in achieving the corporate vision. The vision and how the CRM solution supports it must be clearly communicated to all areas of the company. If this is not done prior to the launch of CRM project confusion can ensue, and the cooperation required by the staff that will be directly affected by the CRM project can be elusive.

Unrealistic expectations for achieving all aspects of a vision the moment a CRM solution is deployed can kill the project and diminish any milestones that have been reached. There needs to be a phased approach to the CRM project implementation, and it should be made clear at all levels that each phase will contribute to the vision.

Lack of a shared involvement approach in creating a vision can make it extremely difficult to gain support for the vision as well as the CRM project. All areas of the company that will be impacted by the CRM project should be given a venue for contributing to the overall vision. This makes all levels feel involved in the process from the onset and will help to precipitate buy-in to the vision and project. One of the classic mistakes made in implementing a CRM solution is to assume that once the tool is made available the staff will embrace the tool and the vision so there is no need to involve everyone in the creation of the vision.

Poor Communication

Lack of Communication can be categorized as one of the leading strategic mistakes in a CRM project. Communication is vital to the success of a project. At the onset of a project the vision and goals need to be communicated to all employees who will be impacted by it. Regular communication throughout the project will ensure that a project stays on track and does not take any unnecessary detours.

Lack of project status updates can create major problems for a project. When there is no communication regarding the status of a project everyone assumes there are no outstanding issues and everything is on schedule. Regular updates will ensure that the direction of the project does not stray and should be used to clarify any questions that the project team may have. Failure to conduct regular status updates can throw a project into turmoil when project issues are finally brought out in the open.

Regular communication should be delivered throughout the company highlighting "where we are" in the project, sharing milestones and informing staff what happens next. The reasons for process change, where the company wants to be and why should be communicated to all employees. Organizations that fail to communicate this may experience limited success when the CRM solution is initially deployed.

Communication that is not prepared in advance, carefully thought out and carefully delivered by the right means can do more harm to a project than no communication at all. Due to the large scope and diverse employee groups that are involved in most CRM projects it is important to understand their needs and how they will be impacted by the communication that is being delivered. Providing a direct forum for questions, and feedback can minimize any negative effect and keep essential two-way communication open.

Poorly Defined Business Processes

Lack of a well-defined business process is a strategic mistake that will inevitably lead to failure or major setback of a CRM project. The current business process must be understood so the CRM tool may be utilized to its full potential. Once the current business process is documented, all areas of the organization that are involved in any part of the process need to validate the process. Most organizations have departments that follow a unique sub-process that is many times unknown to the leadership. These unique interdepartmental processes need to be understood as well to ensure a smooth deployment of the CRM solution.

End user involvement in defining the business process can be of major benefit to a CRM project. This will ensure that all pieces of the process are captured as well as help to generate enthusiasm for the project. A classic mistake is the

failure to include the end user at this stage of the project, resulting in lapses or misunderstanding of the complete business process. Involving the end user at this stage of the project will also help to secure buy-in on any process changes that will be required to optimize the full potential of the CRM tool.

Failure to reengineer the current business process so it supports the basic concept of customer relationship management is a classic mistake that organizations make. The thought that the tool in and of itself will automatically fix all of the shortcomings in the operation is a grave miscalculation. Once the current business process is captured one of the most important steps in the CRM project begins, this is the review of the current process and design of a new process that maximizes the inherent capabilities of the CRM tool. A classic mistake that is made when implementing a CRM solution is to insist that the current process remain intact, and have the tool designed to support the current process. While this can be accomplished in many cases, it typically does not fall in line with all of the CRM best practices.

Poor Change Management

The assumption that change will automatically happen as a result of the CRM system deployment is a mistake commonly made. Employees can and will find workarounds to any system that will require them to change work process. Adopting the belief that "the system will force them to do it this way" rarely works. Many employees find it very difficult to change a work process they are comfortable with and resist any change in their daily routine. Involving employees in the project can help to break through some of these issues.

Failure to plan for and manage the change the CRM solution will bring to the organization is a major strategic mistake. Many organizations feel that the current business process is the only way the business can operate and as a result do not feel the need for change management. This is a very delicate issue because the managers who need to be the champions of change are many times the employee group most resistant. Without the support of this group a CRM project can fail, or at best have minimal success.

The unwillingness of an organization to change can kill a CRM project. The desire of an organization to jump on the CRM bandwagon but repudiate the suggestion that their current process should be reviewed is not uncommon. The concept of Customer Relationship Management is frequently misunderstood. Many organizations struggle with attempting to define whom their customer is and fail to address their customer relationship model. While a CRM tool can be designed to accommodate most business processes, doing so will many times circumvent CRM Best Practices.

Realization that there must be a change in the corporate culture eludes many organizations. Executives far too often fail to realize that their current culture is

not conducive to Customer Relationship Management. When switching to a customer-focused mode, the corporate culture should be reviewed to ensure that it supports the CRM solution. Many corporations have operated for generations with a corporate culture that does not support the modern day philosophy on customer relationships. Implementing change in this situation can be daunting and should start well in advance of the deployment of a CRM solution. Creation of a new culture must start at the executive level and be filtered through all levels in the organization. Failing to realize the complexity and level of effort required to accomplish cultural change is a leading strategic mistake and cause of CRM project failure.

Failure to realize the value of a professional change leader or artist is an unfortunate mistake. Organizations that have spent generations preaching an antiquated culture to their employees can particularly benefit from the use of a change leader. Finding a change leader who has no affiliation with the organization, but can quickly hone in on the current corporate culture can save months of hardship in a CRM solution and make the difference between success and failure. The time required to effectively implement change can vary depending on the size of a corporation, complexity of the organization and makeup of the employee group.

Lack of Clear Implementation Scope

Lack of a well-defined implementation scope can have disastrous effects on a project. Projects should be implemented utilizing a phased approach. All phases of the project should be clearly defined and effectively communicated throughout the organization. There should be no element of surprise regarding initial implementation scope and functionality. A quick hit strategy should be adopted so the user can see the value of the tool in the first phase of the implementation. This will help the organization to gain user acceptance of the new tool in the initial stage of deployment.

An organizations desire to implement everything at once should be discouraged and prohibited. The users need time to adopt the new system and inevitably will have valuable suggestions for enhancements that may have been overlooked in the initial design stage. Implementing too much in the initial phase of the project can increase development time in the long run if rework is required as a result of any design changes.

Poor Training Plan

Lack of a well-defined plan for training can cripple a CRM deployment. Failure to accurately estimate training needs and modify the plan as the project status dictates is a mistake that can cause immense pain to an organization.

Determining who needs to participate in initial training, the curriculum to be covered and the lead-time required to complete training is no simple task. Identifying all employees who require training sounds like an easy task, but this is

a fundamental requirement that is often times mishandled. A common mistake is to assume that if an employee has no need to input or access information in the current system they will not require training on the new tool. Training schedules should be adjusted as necessary to minimize lag time between training completion and system deployment.

A full commitment should be secured from operations in advance, guaranteeing that training schedules will not be canceled due to call volume spikes and other short term operating requirements. This not only highlights the importance of the training to employees but also ensures that the organization is fully prepared for the go live date and customers do not needlessly suffer due to an inadequately trained staff.

Common Tactical Mistakes

This section discusses common tactical pitfalls that CRM projects are prone to. Some critics might point out that the tactical mistakes discussed in this section are painfully obvious, and we must agree with that assessment. The question that must be asked is that if these pitfalls are indeed plain and obvious, why are they are common and widespread. Due to its complexity and scope that question lies beyond the intentions of this discussion and merits a white paper of its own.

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For organizational reasons, we have divided common mistakes into four broad categories:

- People Mistakes
- Process Mistakes
- Product Mistakes

PEOPLE MISTAKES

People issues are often the most unpredictable and least controllable aspects of any project. People exhibit all the wacky human predilections and weaknesses that wreak havoc on the best project planning. People make mistakes, they get sick, the go on vacation, they quit in frustration or resign to take other jobs, they don't always do what they say they'll do, they can be confused, they can be hostile, they can attempt to undermine a project, they can pursue their own agenda or objective. In truth, this list can go on to cover all the aberration and

dysfunctional behavior that can undermine a project, but we will restrict the list to the most common and troublesome aspects of behavior discusses in the section that follows.

Lack of Management & Leadership Skill

Lack of management and leadership skill is usually the most far-reaching "people" mistake made in any project. This sets the stage for future problems in managing both people and process and is likely to be the first of many serious mistakes that lead a project down the wide and winding road of failure.

Certainly all project woes can be attributed to weak management or ineffective leadership, just as every death can be attributed to heart failure or respiratory failure. However, to do so is misleading if not an outright distortion of the facts.

Exceptional management and leadership skills are rare, most often we make do and assign projects to managers based on whoever happens to be available rather on prerequisite skills and experience. CRM Projects are demanding management environments challenge leaders in rare ways. People must be managed, process must be managed, clients or users must be managed, schedules and timelines must be managed, all in a coordinated and simultaneous fashion.

If a project manager is a poor leader, they will not be able to effectively lead their project team. This same lack of skill will translate itself into problems leading stakeholders, users and others. The leadership vacuum will be filled in inappropriate and dangerous ways, by subordinate team members, stakeholders, or various adversaries to the project or designated project managers. The lack of strong leadership and management charges the political atmosphere and creates an unstable or volatile situation that will continue to hamper progress and eventually cause the project to fail.

Poor Project Team Motivation

A great many research papers have been written on motivation in the workplace, but the dynamics and the forces at work the foster or undermine staff motivation are really quite simple. Are people happy doing what they are doing? If not why?

- Is the work unchallenging?
- Do they feel they are treated unfairly?
- Are they overwhelmed?
- Is their friction on the team?
- Are they working long hours?

There is a direct correlation between morale and motivation. It is rare to see one without the other. Motivation is a result of effective leadership that communicates rewards and directs the project team to achieve objectives. The motivation that is manifested by a team is a direct measurement of the effectiveness of the project manager.

- The team needs to be directed toward a goal
- The team needs to be treated fairly

If the leadership is coercive, self-serving and manipulative, the staff will not produce at satisfactory levels or live up to their potential. They will lack motivation and produce freely. They will sabotage progress in subtle ways and exhibit passive-aggressive behavior. The team will not produce and what is produced will be of poor or marginal quality. The schedule will fall behind and critical deliverables and dates will be missed.

Weak or Inappropriate Project Staff

Just as the assignment of project managers is often made based on the criteria of expediency and who is available at the time, so too many hiring and staffing decisions are based on who is available or who can be brought onboard the fastest. Decisions based on who has the best skill set or who will be the most appropriate match often do not enter into the equation. This all too common staffing method has dire implications downstream in the project. Imagine an entire project team assembled by this method and the problems that will arise.

- The quality of deliverables will suffer as well as the project schedule
- Relationships with the client and end users will be adversely effected

A variety of other problems will plague a team of weak members that don't have the level of skill to meet the production and deliverable requirements of the project.

Like any hiring decisions, projects should be staffed based on finding prerequisite skills and character combinations that will deliver success.

Difficult or Renegade Project Staff

Deal with problem team members quickly and decisively. If they remain unchecked and continue to disrupt project production or perform poorly the team's morale will be undermined.

No one should be surprised; a manager owes it to their staff to constructively correct. "Here is what you are doing that needs to be corrected." "Here is what you need you need to do to correct it." After a reasonable time reassess the situation. If there is no progress, eliminate the team member. There is little time for tolerance in tight development schedules.

A difficult employee may be a great producer and have highly a valued skill, but be difficult to manage and for co-workers or clients to work with. This person is as much a liability as a poor performer and the same approach outline above should be taken with them. They will also undermine production schedules and undermine team morale.

Certain dangerous behaviors and warning signs are:

- Poor productivity
- Poor quality
- Problems with peers
- Problems with clients
- Problems with leadership and managers
- Vocal and frequent complaining
- Poor problem solving
- High degree of dissatisfaction
- Disruptive work habits
- Insubordinate and fails to follow direction

A misfit in terms of productivity, skill or attitude should be eliminated as soon as possible. Dealing quickly, unambiguously and decisively with team members that stand in the way of project objectives will improve team morale and benefit the project timeline.

Lone Rangers & Super Heroes

There is no need for a detailed description of the team members that fall into this category; you will have no trouble recognizing them when you see them. They feel normal rules and limitations do not apply to themselves. They show disdain or disregard for fellow team members. They will attempt drastic or unconventional approaches in terms of meeting production deadlines. They work longer than usual hours on a consistent basis, sometimes late into the night and

always seem to be functioning in crisis mode. While intentions are often good, unilateral decision-making and risk taking by individual team members is dangerous and puts schedules and deliverables in jeproady.

Management sometimes encourages the individual's antics as celebrating a can-do or whatever it takes attitude. When this occurs it negates the solid, methodical and analytical traits that are the real contributor to success.

What is often neglected in these situations is that an individual will not make a project successful and drag the team along. It is only effective teams that deliver successful projects. Actions by a single individual to "save" the project are solid signals of serious problems and usually accelerate failure.

Too Much Action Too Late

The first reaction to recover from schedule delay is to add people. If a project phase takes 4 months with 10 people it will take 1 month with 30 people. If you simply double the staff on a project it does not mean you can half the time deliver. An allegory used widely in the industry is that it takes a woman 9 months to deliver a baby, however, 9 women cannot deliver a baby in a month.

Adding staff to a project that is behind schedule can make matters worse and compound the management problems.

With some simple tasks it is simply a numbers game, for example if 10 people are splitting wood and you want to double production simply adding another 10 wood splitters will do it. For tasks that require no coordination and communication and are completed by an individual in isolation or with no interaction with others it is entirely possible to double the staff to double the output.

However, once you leave the world of widgets and enter the complex world of software development, the rules change, there are a high numbers of interdependencies and contingencies, there is a high degree of coordination and communication and as a result tasks become less divisible. As complexity increases so does the degree of interdependencies, coordination and communications and conversely the ability to partition tasks decreases.

In many industry circles adding additional staff to a project behind schedule is said to be like trying to put out a fire by throwing gasoline on it.

Poor Working Conditions

Project work environments are far from ideal. They tend to be crowded, noisy, makeshift or temporary areas that lack basic tools such as telephones, workstations and network connectivity. Project staff performing complex work that requires high degrees of concentration will perform poorly. Everyone will be

uncomfortable and distracted and as a result productivity and the project schedule will suffer. Common project team facilities and work area problems are:

- Too Noisy
- Too Crowded
- Unsafe
- Makeshift Furniture
- Lacks Office Equipped
- Poor Lighting
- Bad Climate Control

It never fails to amaze of the economics at work that crowd twelve project resources into an ill equipped conference room, when each resource carries a price tag of $250.00 per hour. Lets forget the impact of the inefficiencies of the workplace on project schedule, but rather focus on the cost of the resources that we have handicapped and hampered. It is safe to say that we have minimized the value of these resources by crippling their productive capacity.

Clashing Customers & Team Members

These problems arise from several causes, poor communication, poor understanding what is requires or requested, not providing the desired answers, personal or political conflict, conflicting goals and objectives and simple misunderstandings.

Coming to grip with what the real problems are is the first step in managing and resolving this friction. The second step is taking decisive action to resolve the conflict. What usually occurs is that there is no quick or direct resolution and the conflict between end users, clients and project team members smolders just beneath the surface until something happens to spark or escalates it into a complete conflagration. By acting quickly a project manager heads off most of the damage.

The effect of this conflict is that it takes focus and energy from the project team and as a result productivity is lost and resources are squandered. The project schedule falters and deliverables are put at risk by this emotional brinkmanship. Conflict and disagreements can often become so volatile and wide spread that both sides consider scrapping the project.

Unmanaged Client Expectations

Realistic expectations are critical to project success and unrealistic expectations are a leading cause of failure. Over promising on product feature functionality and overly optimistic time estimates both conspire to undermine schedule. The impact to schedule is not so much actual as perceived. These factors do not add any time to schedule, but rather they give the perception that the schedule is too long. It makes a schedule difficult to defend or justify. Over promising and unrealistic optimism both serve to minimize the true effort required.

Managing client expectations take courage as well as knowledge. Telling them no they can't have what they request along with the reasons why takes guts. Not letting a client know what is really required to meet a particular request and the implications to project schedule is simply adding to your problems down the road.

Setting unrealistic expectations in the client's or end user's minds and not delivering on those expectations is nothing short of asking for trouble.

Lack of User Input

Failure to obtain the right involvement from the right people in the end user community and formalizing channels for ongoing two way communication usually will translate into product or relationship problems in later project phases. Throwing requirements and questions over the fence in serial fashion sometimes is used as a substitute a high degree of interactive communication.

Obtaining and documenting requirements by conducting user workshops or joint application developments (JAD) sessions is simply not enough. Too often these user sessions are conducted and that's the last we see of the end users. We then go off and build the required functionality as quickly and as efficiently as possible. The next time we get back with the end users to verify what they wanted is indeed in the product is at prototype review or system testing.

Consistent and regular end-user participation through all phases of the project is a perquisite for success. The more user input that is collected and incorporated into developed product functionality the more likely the end users will regard the project and end product as successful.

Projects that do not have a high degree of end user interaction as well as ongoing involvement in the earliest stages magnify the risk of misunderstanding the project requirements and become highly susceptible to requirements that shift and creep. Dealing with misunderstood or shifting and creeping requirements will cause delays in the project schedule.

Political Fluff Over Tangible Results

More often than not, the best political move is simply doing the right thing. It is doing the right thing for clients, end users, for project team members and the company you work for.

In rapid development and deployment results matter more than any political spin. Deliverables and milestones are the measure of progress and in the absence of this all the political savvy in the world really won't save a project.

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Dangerous Shortcuts

There is really no limit to dangerous shortcuts made early in a project out of expediency and paid for quite dearly downstream. Many decisions that involve truncated required planning and requirements design phases because we assume we understand requirements.

There can also be misguided notions that these early planning stages simply are not as important as the configuration, development and deployment stages of the project. In reality these early stages are more important than the actual technical development and deployment, for it is in these early stages that critical design decisions are mad and key requirements are gathered.

Being too quick to eliminate what is seen as nonessential activities, and since requirements these early stages are planning rather than product oriented, they are easy targets when scheduling a project.

PROCESS MISTAKES

Unrealistic Schedule

An overly optimistic schedule based on overly optimistic time estimates for project activities and tasks puts tremendous pressure on all project team members and both morale and productivity will ultimately suffer.

Creating an overly aggressive schedule sets a project up to fail by underestimating the scope, not allowing time for effective planning, and abbreviating critical activities. Common outcomes and symptoms of an unrealistic schedule are:

- Activities and tasks are taking longer complete than predicted
- The project team is missing target completion dates for deliverables
- Hours required to complete tasks exceeds estimates
- Large amounts of overtime are required
- Basic project assumptions don't seem to be true
- Deliverables do not meet quality standards

When the project team fails to meet critical deliverables and milestone, even in an unrealistic schedule, critical alarms will sound and a great deal of valuable time will be spent explaining the current situation and planning action to correct it.

An Ounce Of Prevention – A Pound Of Cure

Risk management like gathering user input seems to happen once in the initial stages of a project and not again. This assumes that risks in a project remain constant and no new risks appear and old risks always remain. We know this is not true.

Risk management is a constant and ongoing process and must be conducted throughout the project life cycle. Not performing risk management and mitigation activities is one of the most common mistakes that contribute to project failure. Danger signs are:

- No formal risk management process or documents
- No risk management reporting on regular status reports
- No ongoing risk identification or assessment sessions
- Risk management activities exclude the project team
- Climate of the team does not foster open communication

The effect of poor risk management means that a high number of potential problems actually occur. Poor risk management also means that minor risks have the potential to snowball into major problems for the project team.

It is helpful in identifying risks to categorizing them into broad areas such as:

- People Risks
- Process Risks
- Product Risks
- Technology Risks

Once each risk is identified and categorized a management or mitigation plan can be created for each one. Classic symptoms of risk management problems are:

- A number of problems appear that should have been avoided or anticipated
- Project schedule slips due to unexpected issues
- Original estimates for tasks must be redone due to new information
- Low productivity and morale

Not Understanding Requirements

Not understanding key requirements or omitting requirements usually is due to poor communication and documentation. The later in the project that these problems are occurring, the more difficult and expensive they are to correct. This also means that the later in a project that these problems occur the greater impact they have on the project schedule.

If it hasn't been written down, it didn't happen. Document requirements, plans, procedures, and evolving designs. Documenting thoughts allows them to evolve and improve. Without documentation it is impossible to have baseline controls, reliable communications, or a repeatable process. Record all important agreements and decisions, along with supporting rationale, as they may resurface later.

Not understanding key requirements is usually a downstream problem caused by lack of user or client input and involvement. The downstream problem from the point where this problem occurs is scope shift. This is a classic example of how mistakes have a tendency to snowball and cascade through a project. One mistake spawns another and the project team is soon so deep in a whole that they can't lift themselves out.

Key signs of not understanding requirements are:

- No end user signoff on requirements documents
- No requirements review sessions with end-users
- Lack of user input and involvement
- Frequent rework
- Frequent scope shift

Contractor Failure

When internal resources are not available, contractors are used to various portions of a project. Sometimes this adds an additional layer of complexity to the management challenges of a project.

If the contractor is unproven and unknown the quality of their work may not meet specifications, they may not deliver in the necessary timeframe. In short, rather than speed up a project's schedule, the use of contractors may actually delay a project.

Special attention must be given to mitigating risk associated with both contractors and vendors that hold critical components or deliverables required to move a project forward.

Abandoning Planning

Abandoning a key management mechanisms and tools required to guide and monitor project progress is a fatal mistake for all but the very smallest and simplest of projects. Key actions and areas most frequently involve abandoning in part or in entirety the following management tools:

- Abandoning the project plan or potions of it
- Abandoning the project schedule or portions of it
- Abandoning the project methodology or portions of it

Giving up project management tools forces the team into a purely reactive mode similar to code-and-fix. Abandoning these tools in the face of pressure from clients or due to internal organizational or cost management issues changes the shape and nature of problems and rarely solves them.

Wasted Time Up Front

The early stages of a project seem to be wasteful in terms of project resources. Prefunctionary tasks must be driven to completion so that higher priority tasks that involve project deliverables can begin.

Activities such as administrative and budgetary and early discovery phases and high-level requirements gathering and analysis have a tendency to take longer than they should. It is rare for a project to feel any schedule pressure for they rarely behind early on. It usually takes a bit of time for projects to go awry and feel schedule pressure.

Transferring any available upfront schedule excesses to later project phases where a schedule deficit is most likely helps ensure project success.

Abbreviate or Eliminate Critical Activities

Certain activities must be completed and taking multiple shortcuts and compressing timeframes usually moves them from a managed to an unmanaged mode.

Often activities such as requirements gathering and analysis as well as design activities fall prey to unrealistic timeframes. To shorten these timeframes tasks must be abbreviated or eliminated. It is usually downstream activities that must be rearranged to do discovery, requirements analysis in the form of re-work.

Decisions to take shortcuts are usually made out of expediency and following the path of the least resistance, the implications however impact later project phases in ways that are impossible to predict.

Inadequate or Poor Design

Design phases of projects typical casualties of abbreviated or eliminated activities. Rushing through design results in poor quality that does not sufficiently analyzed alternative courses undermines research that is required.

The result is that design must be revisited or redone at the expense of either schedule or latter phases.

Typical signs of inadequate design are:

- Disagreement on the team
- Lack of information for decision making
- Lack of information on alternatives and options

The cascading effects of mistakes are evident here as in so many other areas. Poor design ultimately becomes a poor product turned over to end-users. Both rework cost and risk to the –project increase depending on how late in the project design issues must be reworked.

Inadequate or Poor Quality Assurance & Testing

Eliminating or brushing through certain critical reviews of design, test planning and actual testing inject delay into a schedule. One study indicates that every day of QA activity eliminated adds three to ten days in downstream rework.

Again, a project slips into a code-and-fix mode without the necessary control mechanism to catch problems in the early when they are most easily corrected.

Poor Management Controls

Before a project can get behind schedule, there must be a schedule and in order for they're to be a schedule there must be a project plan. In addition to a schedule and plan there must be a methodology or project structure. The progress of a project must be measured against these reference points. This progress is usually measured on a weekly basis.

Yet projects begin without these most basic management tools. It is like flying a sophisticated aircraft without any instruments. More aptly, it is flying by the seat of one's pants. The ability to get from one point to another will be nothing short of miraculous.

Without basic controls, like plan, schedule, methodology, progress or the lack of it cannot be measured accurately. Management is by perception and anecdotal information and the likelihood of failure increases dramatically. However, steps to turn the project around will likely occur too late in the life cycle for there will be

no warning system that it has gone off track until a correction is unlikely to be successful.

Premature or Frequent Convergence

In order to release a product there are a number of tasks that must be completed just prior to release or rollout. Completing some of these tasks too early would not be practical. These tasks are tied to rollout and release.

Some of these tasks typically are:

- Completing Documentation
- Complete End-To-End Testing
- Fix Low Priority Product Problems
- Performance Tuning
- User Rollout Coordination
- Training Coordination
- Last Minute Product Features & Enhancements

If for some reason there is a last minute decision to delay product release or rollout, these task will occur again and again each time there is an attempt to release or roll the product out. Conducting these product or rollout convergence activities multiple times adds significantly to the project schedules and wastes valuable project resources at the most critical times.

Planning Catch Up Later

Planning catch up later in the face of a slip in project schedule is really a failure to properly manage to schedule. As a project progresses through its life cycle more accurate information about what you are building is gained. A project team is in possession of more accurate information the farther they progress into the project.

This new and more accurate information needs to be input into the schedule in the form of re-estimations and new or deleted tasks. This does not mean the schedule gets longer, for based on new and more accurate information it may get shorter or not change significantly. The answer will remain unknown until the schedule is reworked with new tasks or re-estimations of old activities.

Also changes in the product in terms of features and functions will require reassessment and re-estimation of the schedule. To add product changes upon product changes without estimating or re-estimating tasks and assessing the impact to the project schedule is like trying to feed the world from a flower pot, A lofty goal doomed to fail for it neglects finite resources and limitations.

Work Work Work

This approach assumes that a project team with sufficient resources and motivation will be able to overcome any obstacles. This is nothing more than a "code-and-fix" approach married to a tight timeframe.

Typical signs of this approach are:

- Lack of project plan, methodology and schedule
- High overtime and long hours worked by the team
- Poor communication and coordination
- High degree of rework
- High error rate and poor quality

Very often this liaise fair or entrepreneurial approach is coupled with the absence of tight management controls. Planning is limited and this is more like improvisational development and as a result it does not lend itself to rapid development. If fact, it is both wasteful of project resources and adds significant delays.

No User Approval or Sign Off on Requirements

User approval and sign off is both a communication method and a management tool to control project scope and requirements shift. Having the stakeholders and users sign off on requirements and specification after they are fully documented and prior to their being incorporated into the software product eliminates confusion about functionality and any ambiguity related to scope.

Used in conjunction with a rigid change control process, the project plan and schedule are shielded from delay due to changing requirements. Changes to requirements that effect schedule should be resisted if possible and moved into a later phase of the project if possible. Changes that cannot be deferred should be processed through change control so that they are reflected in the project plan and schedule.

Miscalculating Project Complexity

Understanding the challenges down the road and what future difficulties combine the skills of and foresight of a psychic and project manager. We have all heard the axiom "Hindsight is 20/20" to justify unforeseen project mistakes and difficult hurdles, but that simply is a novice approach. Miscalculating project complexity is dangerous because it also creates incomplete project plans and underestimated schedules. It also causes clients, customers and end-users to lose faith in our judgment and skill.

Major factors that predispose a project to this problem are:

- Inexperienced project management and staff
- Poor communication
- Excluding staff from project scheduling and planning
- Failure to get input from outside experts
- Poorly defined or misunderstood requirements
- Poor research and fact-finding

The result of not understanding the complexity of a project means that the schedule as well as the project plan will need to be adjusted based on new and more accurate information. Correcting this problem translates itself into additional resources such as staff, time and money to complete the project. All of these factors of course were unanticipated and unplanned and amount to massive damage control on any project.

Lack of a Clear Project Charter

A statement of primary project objectives and a detailed description of what success will look like is a roadmap to navigate any projects and maintain the proper course. This is not just a project requirement that must be completed and filed away, but needs to be internalized by the team.

Any team is unlikely to be successful if they have no idea on what success is, and what success looks like. In the intense pressure and harried schedule of projects it is easy to forget the big picture. No project decision should be made without taking its measurement of the project charter and asking if it contributes to the objectives and success factors outlined there.

The project charter should be the touchstone for every management decision. Working without it is to set sail without any navigation tools, not even a compass.

No Comprehensive Project Plan

Working without a project plan is like flying an airplane without any instruments. Not a very good way to fly even the simplest of aircraft, but it becomes even more dangerous as the complexity increases. Flying by the seat of one's pants causes dangerous problems in terms of performance and schedule. One major problem is that there will be a lack of visibility. The project's progress and course will be based on guesswork, perception and anecdotal information.

The likeyhood of project failure is increased and major issues will surface such as:

- Major problems will arise unforeseen
- Critical tasks and checkpoints will not be completed
- Quality will be poor
- The project staff will be unclear on their tasks

- Staff resources will not be properly allocated
- Productivity will be poor

The lack of an effective project plan is crippling to a project. It creates an environment without a common frame of reference for the project team and clients as well. The amazing aspect of this mistake is how widespread it is

Major Midstream Changes

The importance of a change control process cannot be underestimated. In environments where rapid development is required, injecting a number of functional changes with high impact increases the likeyhood of failure.

It means that the project team must go back to the initial planning stages and assess the impact of these changes. That adds overhead in terms of analysis, research coordination, communication, and documentation above and beyond the actual completion of the new tasks. This unaccounted for overhead is often never incorporated in the schedule, and clients simply cannot understand what the hidden implications of their requested changes are.

These midstream direction changes are not restricted to requirements, but they may effect scope as well. These problems have a tendency to arise in environments without adequate project planning and scheduling tools and where a rigid change control process is absent.

Abandoning Project Methodology

Abandoning a standard project methodology in the face of scheduling or client pressure amounts to abdicating a fundamental management control and a major input to any viable project plan and schedule.

No project is too big or too small to benefit from the discipline of a standard development methodology. or scheduling these midstream direction changes are not restricted to requirements, but they may effect scope as well. These problems have a tendency to arise in environments without adequate project planning and scheduling tools and where a rigid change control process is absent.

CRM PRODUCT MISTAKES

Over Customization

There is a law of diminishing returns with configuring and customization of standard CRM software packages. Over customization defeats the purpose of buying a standard configurable product. The customization and configuration process takes a great deal of time and resources and become a “throw away” as soon as process or business requirements change, and we all know the frequency of such changes.

- Distinct business benefits can be achieved by keeping it simple, such as:
- Shorter project cycle and cost
- Faster return on investment
- Operational benefits realized early
- Easier implementation path to future product upgrades

Standard product functionality with a minimum of customization assures a streamlined product schedule and implementation of best practices that have been built into “out-of-the-box” functionality.

Delivering Everything At Once

Expecting a project to deliver all required functionality in one phase increase complexity and risk. It packs all development and design into a compressed time segment and is a hindrance to rapid development and deployment. Staying as close to standard as possible in the initial implementation and adding functionality and complexity in phased subsequent releases represents a prudent course and delivers clear business benefit, such as:

- Rapid development and deployment
- Limits risk
- Builds the required infrastructure
- Allows for training of staff
- Allows the development of operation expertise
- Rapid return on investment is realized

The delivery of modular functionality in discreet phases or product releases is the result of a solid technology and business plan with a horizon marked by product functionality milestones in future release.

Lack of a product development strategy or technology plan to grow functionality in incremental steps by future product releases shackles an organization to product decision made out of inexperience and adds increased cost due to rework.

Sacred Processes

It is a major mistake to blindly incorporate or build processes in to product functionality without regard to business benefit vs. cost. Also to regard any process as beyond examination or unchangeable is to limit both business and technical vision.

To accept current processes as a given with the requirement they be incorporate into product functionality is to abdicate decision-making and management responsibility. It means that improvement is not possible because change is not possible.

Input from key stakeholders and end-users is required to identify sacred processes and if possible negotiating a flexible solution with them. These sacred processes should be reflected in the project charter.

Sacred Requirements

Usually each project has its own sacred requirements and discussion usually arises around what stage a particular requirement will be met with product functionality. Sacred requirements like scared processes must be weighed against the project critical success factors and sound management practices.

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Automate the “As Is ”

CRM software is an enabler that will bring powerful automation to manual processes. The introduction of this technology is an opportunity to do things differently because now the possibilities and opportunities are different.

Incorporating current “as is” processes into the product and simply automating manual processes without improvement is similar to the old saying: “paving the cow path will not make the cows go any faster”

Processes can be both improved and reengineered. Too many projects miss the real business opportunities. The initial product release must go for the quick hits from a process standpoint for schedule reasons, but process improvement and reengineering should be a formal initiative in subsequent phases. To accept current processes as a given with the requirement they be incorporate into product functionality is to abdicate decision-making and management

responsibility. It means that improvement is not possible because change is not possible.

Failure To Change

Introduction of a strategic software product changes the technical environment and that is usually expect, what is often overlooked is the changes that must occur in the business, management and operational areas.

How must I run my business differently in order to maximize the benefits of this product? This is a question that is rarely asked. Introduction of the software in the technical environment is only 20% of the change in an organization. The majority of the change, approximately 80%, is impacts the organizational, management and operations areas. Usually we leave this 80% for the customer to figure out and the usually can't or don't.

Implementation of the product challenges the organization and is a vehicle for transformation, but often product is not properly integrated in to the organization and that is not a technical issue, it is not a product issue, but rather it is strictly a management issue.

Limited Product Vision

We have all seen products implemented that work well in terms of capturing customer information. We have seen products implemented that work well in terms of tracking customer contacts, but it is rarer to see product implementations that speed issue resolution with knowledge management systems, and it is rarer still to see product implementations that improves worker performance by giving them specific knowledge and by augmenting knowledge in ways that would be impossible without the use of the product.

The sophisticated product no longer simply displays product, technical and customer information, but displays some actionable conclusions about that information. In sophisticated ways it enhances the worker's knowledge or tells them what action to take.

This is not achievable in the initial product release, or even in early subsequent releases, but a product vision should be the end product that all product activity is aimed toward. This should be the true end state and vision as the customer has defined it or as we have helped them to define it.

About Doug Tanoury

Doug Tanoury is widely recognized as an expert in customer management and loyalty and for his extensive customer relationship management (CRM) experience. He has published a variety of white papers and articles in CRM industry journals and trade publications. He has played a key role in customer management leadership positions at EDS, MCI, eLoyalty and Siebel Systems. Mr. Tanoury has led initiatives that have reshaped customer contact processes as well as improved both revenue and business efficiency for many Fortune 100 companies.

Doug Tanoury is the Founder/President of Customer Interaction Consulting (CIC). CIC helps Fortune 500 companies maximizes the value of a their customer portfolios through more effective and efficient marketing, sales and customer service. With over 25 years of customer loyalty expertise, CIC assists its clients in optimizing their customer connections across all channels. Contact Mr. Tanoury at crm.cic@comcast.net

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