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What Should "Project Success" Really Mean?
The Counterintuitive Path to Complex Projects' Success

Project success is defined very differently by different people and project stakeholders. What is really a successful project? Project Value Delivery has a very clear view on this: it is a project that delivers what was expected on time, and on budget. This simple definition has a lot of consequences. Achieving it need to overcome the factory mindset and invest in two counterintuitive key practices: teams and buffers.

How project success means different things for different people

For an operator/ owner, a project success means a project that meets the expected ROI, and possibly, the expected cash flow income revenue in time.

For a contractor, a project success means a project that makes profit (irrespective of its final cost; and, generally, the higher the cost, the higher the profit, thus a predilection for increases or changes in scope).

For a financial analyst, a project success means a project that makes the expected profit in the time period under consideration (irrespective of what could happen in the other periods).

For the general public, a project success means a project that meets the promised deadline and delivers what was supposed to be delivered.

About unsustainable definitions

Most of these definitions are not sustainable. Let us take the example of a contractor. His definition is the profit. Actually a contractor would often gain in revenue and in profit by having a low performance. Why? Because in that case, its client will pour-in money in an acceleration program to avoid all the other components and contractors of his larger project to remain idle. This particular project might end up being pretty profitable for the contractor – but the contractor won't be considered for the next contract by its client. After some time, there won't be any more contracts.

Another example is the financial analyst (or, even sometimes the CFO). She is focused on the present year-end numbers. She expects the project to deliver its share of the profit, should it be by making some reserves a bit lighter. She will be concerned by next years' numbers… next year. This is not sustainable, because removing reserves this year might expose the project next year. The project leader should be focused on the final delivery of the project, not on intermediate financial milestones.

The only sustainable definition for project success… and its consequences

Finally, the only definition of project success that is really sustainable is: deliver project within expectations, i.e., scope, cost, budget and safety/quality. Whatever the path is that achieves this result. That looks like a bold statement in industries where complex projects are known to be generally late and over-budget. We get so used to overrunning that we believe it is a normal property of complex projects. But it is not, or it should

not be. And there are now some proven tools and approaches to greatly enhance the success ratio of large, complex projects.

When considered, this simple definition of project success has a lot of consequences. It means that we cannot be complacent in believing that most complex projects will overrun. It means that at the organizational level, the unsustainable concepts of project success need to be avoided or that will drain the energy and focus of the project leader away from the actual delivery of its project. It means that the organization should focus its efforts on delivering complex projects on time (as time is the main driver for cost on complex projects), thus minimizing the disruptions associated with unforeseen delays, and rescheduling. That is difficult, because overheads in organizations tend to justify their existence by the need to permanently juggle with ever reiterated rescheduling exercises.

A project is not a factory: complex project leadership is about dealing with inevitable Variation

A complex project is a one-of-a-kind adventure. We can't expect the project to be delivered with all the resources being fully efficient at all times, only producing things that are right. There will be iterations. There will be mistakes. There will be unexpected events. Compared to the best planning in an ideal world, a project is a very inefficient endeavor. Yet the value lies in the creativity, in the iteration, in the solution design to difficult problems. In the production of a one-of-a-kind outcome. It lies in the mess.

Let's put it straight: a complex project is not a factory.

Stop trying to manage it like an assembly line and believe that all resources need to be at their maximum efficiency point at all times. It won't work.

The magic recipe: teams and buffers

In an ever more unpredictable world where natural variation happens more frequently and with a wider range, how can we ensure that most projects will be successful? In Project Value Delivery's experience it boils down to two main concepts: teams and buffers. Why don't all organizations use them? Because they are contrary to "rational", Industrial Age thought.

Effective teams can deliver incredible results in a short time – easily 10 times better than average teams. Achieving systematically effective teams on project is a fundamental key to success. There are some tools and processes available for that; it requires investment upfront; it can be helped by a great working atmosphere fostering personal development. Still, teams are effective when there is an emotional connection between its members. This is not something that is achieved only through a dry, intellectual process. It is a true reflection of a human adventure.

Unbeknownst to the traditional manager, there is so much difference in the output of a great, effective team in an uncertain environment compared to that of an average team built around rational bureaucracy, that investing in building effective team is one of the investments with the highest return available in the organization.

To be able to face successfully Variation in the deliverables from all the different interdependent contributors to complex projects, the organization also needs to know how to build and maintain buffers of resources. It can be buffers of people, or buffers in the utilization of equipment. It is an investment in overcapacity to be able to face successfully Variation.

Let's pause for a moment on that. It is contrary to what managers are trained and conditioned to achieve in any organization. It runs contrary to the Industrial Age mindset that has been inculcated to all of us since our prime age: we should maximize efficiency to produce more. Aim to utilize resources 100%. Right? Well, sorry, but that's wrong when it comes to complex projects. Instead of looking to maximize the utilization of all the resources throughout the organization, it is much better to plan to keep some resources underutilized, so that they can intervene if it is needed, so that they can take on additional work without disrupting the next activities, the next project.

It is so counterintuitive that we need to say it again: in a project environment, if you want to be sustainably successful, and even if the business is good, don't book yourself 100%. Keep buffers available – you'll need them. Unexpected events are inevitable; disruption can be avoided. Variation with no buffer available will swamp the entire organization, justify high overheads of managers that constantly firefight. Avoid it. Save on a layer of management. Book yourself solid, but only up to a certain point. Don't try to be greedy at the start– your results will be much better and your reputation much higher if you keep buffers available. So if you want to grow, don't forget to invest in buffers too.

Conclusion: get into the virtuous circle

This is a manifesto for project organizations to stop complicating their life and overhead by managing projects that overrun; stop getting into that vicious circle. Give yourself a break, get rid of an artificial complexity. Make sure your projects are really successful, i.e. deliver what they are supposed to do on time, on budget. To achieve that, build great teams and keep buffer resources available to deal with inevitable Variation. Get into the virtuous circle of effective success. It only requires getting read of our factory-like mindset. A project is not a factory. We need to treat it differently.

Are you ready to change your mindset?
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