

Three ways to reduce project failure

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Taking a strategic approach to project management increases the success rate of business projects.

The exact failure rate of projects in a business and corporate environment is difficult to capture, but studies place it somewhere between 40% and 70%. While there is no consensus on the failure rate, there is consensus about what is needed to improve success.

Dennis Comninos, internationally recognised author and consultant, and programme director of the UCT Graduate School of Business Project Management programme, says it all starts with taking a strategic approach to project management - choosing the right project, having the right organisational support, defining goals well, and executing it all smoothly. Project managers can achieve greater success by focusing on three key principles: capturing knowledge effectively; improving communication and reducing waste.

1. Capturing knowledge ensures organisational learning

"Being able to identify and capture knowledge more effectively, including channelling organisational wisdom, is at the heart of all project success," says Comninos.

Research by UCT research student Terry van Graan shows that capturing and sharing the right knowledge is strategically critical in today's business environment that is characterised by increasingly complex operational challenges, more geographically dispersed teams, more data, information and technology, and a haemorrhaging of experienced practitioners across sectors.

Van Graan shows that only 20% of an organisation's knowledge is explicit, in the forms of documents, procedures, processes and databases. The other 80% is tacit, in the form of undocumented, unshared, untapped know-how. To be effective, organisations have to find ways to leverage the knowledge that exists in the heads of professionals, who experience the projects first hand, and convert it into easily accessible explicit knowledge that can be used to guide future projects.

2. Improved communication improves collaboration

One of the indicators that organisations are not capturing and using knowledge effectively is the radical growth in corporate emails. A recent report by technology market research firm, The Radicati Group Incorporated, shows that the typical corporate user in 2009 sent and received 167 messages daily. This is expected to grow to 219 messages daily in 2013.

A far more effective use of technology to improve communication and knowledge flow is social media. A McKinsey Global Institute study shows that for 4,200 major companies, social media unlocked \$1.3 trillion, two-thirds of which has been ascribed to improved communication and collaboration.

"Making it easier for teams inside and outside of the organisation to communicate with each other makes collaboration seamless and reduces losses in productivity and time," says Comninos.

3. Reducing waste improves gains

The principle of reducing waste applies to areas other than time. A well-known example of how reducing the use of electricity, for example, translates into monetary gain is that of IBM saving \$442 million by reducing its energy use between

1990 and 2011 at key sites. By applying smart technology and smart building approaches, the company could use energy in ways that were efficient and had the most impact for any given project on any given day.

By keeping these three principles top of mind project managers will be able to effectively manage projects that add the most strategic value to their organisations, says Comninos. And having the right knowledge, seamless communication channels, and the ability to cut down on waste, improves decision-making, team design, organisational support and project selection in the future, all of which will help in keeping project failures to a minimum.

The UCT Graduate School of Business Project Management programme runs from 12-15 August in Cape Town. For more information contact Tracy Kimberly on 021 406 1346 or visit www.gsb.uct.ac.za/projectmanagement.

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