

# Project Management Tales – The Optimist

By *Debbie Gallagher*

*Each story in this series of Project Management Tales is true, but company names have been changed. Some stories occurred in Canada and others took place in the US or overseas.*



*Debbie Gallagher*

## Background

Acme Corporation, a large established Asian retail company, was setting up operations in the U.S. and hired Standard Consulting to select, negotiate the software purchase, and implement a financial system to be used for the U.S. subsidiary.

Acme wanted a short selection process. In addition, Acme trusted Standard due to a previous professional relationship. Because Acme was setting up a new subsidiary, there were few employees hired so far. Those who had been hired were new, with no experience yet in Acme processes and procedures.

As a result of all of these factors, Acme decided to rely heavily on the expertise of the Standard project manager in assessing the strengths and weaknesses of the various products, and recommending a product that was the best fit for Acme.

The product selected was new to the North American market, but was widely used and well liked by companies in Asia's manufacturing industry. In addition, the vendor was planning to build additional functionality into the product to accommodate retail businesses.

## The Situation

The project manager was satisfied with the vendor's plan to accommodate the U.S. market and the retail business requirements. She wanted to help the client feel comfortable with the selected product and vendor, and didn't want to worry the client. So, she decided to skip the project risk assessment – after all, what could go wrong? This was only a list of potential problems that might cause unnecessary concerns for the client.

As soon as the system implementation began, bugs began to surface. Many of

the bugs were serious and affected basic financial processes.

As the implementation continued, it also became apparent that the vendor's new functionality for retailers was not going to be delivered, and was not even under development.

As time went on, more and more bugs were found and, like the earlier bugs, several were serious, with the potential to prevent operation of the software by Acme.

The project team was heavily reliant on Standard Consulting, as there were very few Acme employees hired yet. Those who were on staff were all new hires and did not know yet what their business required. As a result, the team had to guess at what some of the system configuration should be.

## Action Taken

The project manager was pleased with the vendor's intention to fix up all the bugs, and decided not to bother the client with any worries about the continuing and increasing incidence of serious bugs.

The project team managed to develop a number of complicated workarounds to enable operation of the system, despite the lack of retail functionality, and to eliminate reliance on the worst of the buggy programs.

The project manager continued to assure that client that everything would work out well.



@tug.ca

## Reader Feedback

From: **Glenn Gundermann** ([ggundermann@attglobal.net](mailto:ggundermann@attglobal.net))

What a fantastic book review! My hat is off to **Gloria Seltzer** for writing such an interesting book review [in the September issue]. After reading the article, I immediately went to **Bob Tipton's** web site and almost bought the book. I didn't want to pay the shipping so I'll hopefully find it elsewhere. It was interesting to hear today that **Vaughn Dragland** had the same urge after reading Gloria's review and actually ordered the book. I wonder how many other people did the same? I hope to see more reviews by Gloria in the upcoming TUG Magazine issues. Keep up the great work!  
Glenn

## Epilogue

The system did go live, but was very complicated to use and unstable. The project costs went over budget and because Acme wasn't aware of the extent of the problems created by the vendor, Standard was left to cover most of the shortfall in fees.

Acme had no internal IT support, so hired Standard Consulting to provide support services. In the support services contract, Standard did not distance itself from the vendor's problems, so Standard was often responsible for resolving serious errors caused by the vendor.

When Acme hired a CFO for its U.S. operation, the new CFO was responsible for using the new system, complete with its instability and complicated workarounds. The CFO was not pleased and complained to Standard Consulting. However, given the buggy software and existing system functionality, not much could be done in the short term to make the software easier to use or more stable.

After go-live, the vendor did develop some of the retail functionality and did fix many of the more serious bugs. However, Acme and its CFO were stuck with several clumsy workarounds.

## Conclusions

The project manager was an optimist. Skipping the risk assessment was an error in judgment by the project manager. She wasn't lazy, but was overly concerned about keeping the client protected from the reality of the project risks.

The project manager was too optimistic about the ease of implementation of software that was being installed for the first time in a new country and a new industry. She also did not warn the client of the risk of buying undeveloped features or modules, commonly known as vapourware.

Because she was optimistic, the project manager didn't ensure that the vendor's promises about the new retail functionality were written into the contract.

There was also no provision in the contract for recourse when the serious nature of the numerous bugs was discovered. Another sizeable risk in this project was the lack of availability of experienced client staff to participate in the product selection and the implementation. An experienced user has the best insight into what the company's needs are and what configuration and processes are suitable. Acme didn't have anyone available to fill this role, thus creating significant risk of selecting a product that was a poor fit, or of implementing the product poorly.

Later, when developing the support agreement, the project manager did not separate the responsibilities of Standard Consulting from the responsibilities of the vendor, thereby creating unnecessary risk for Standard.

This error also reduced risk for the vendor, and may have decreased the vendor's incentive to fix problems.

Due to the project manager's concern about making sure the client always felt comfortable, the client was never fully aware of the level of risk being assumed in the implementation of this product.

Optimism is not necessarily a good quality in a project manager. Setting the expectations of the client is a major responsibility of the project manager and is best achieved with a healthy dose of realism. 

*Debbie Gallagher is a Manager at Deloitte, Toronto. She can be reached at (416) 643-8767 or [dgallagher@deloitte.ca](mailto:dgallagher@deloitte.ca).*

[Debbie's previous "Project Management Tales" are available on her personal web site: [www.gallaghers.ca/debbie](http://www.gallaghers.ca/debbie).]

