Case Study

Effect of Poor Planning on an Established, Successful Company

Background: Keeping it "Simple"

Family-owned Telecommunications, Inc. (FTI) is a leading provider of mission-critical telecommunication systems. The company has enjoyed rapid revenue growth, thanks to their dominance in serving a particular niche market.

FTI takes pride in its family-owned company culture. Employees are part of an extended family and are treated very well. The owners want to preserve this atmosphere as they grow, and not introducing too much process or too many constraints is, they believe, important to meeting that objective.

Although they don't want too much process, FTI recently became ISO9001-registered. Several customers had recommended they to do this in order to strengthen their credibility as a major player in the industry. FTI did an excellent job keeping process to a necessary minimum while still meeting ISO requirements. They implemented only changes that were truly in the spirit of continuous improvement.

Trouble in Paradise

However, keeping process to a minimum – keeping it simple – had posed some real problems as FTI continued to grow.

FTI never required detailed project plans. As a "small company," they had many long-term employees who just knew how to do "the right stuff" the FTI way. Because ISO9001 registration did not require "detailed" project plans (those were considered "work instructions" and fell below the radar of ISO auditors), FTI managers decided to continue to operate without detailed plans. They had other priorities.

FTI hired many new employees during this happy period of growth, among them a new product development management team. This team was the focus of preserving FTI's competitive edge by developing new products and technologies faster than ever, to beat the competition to market.

But the new employees weren't experienced in the right stuff the FTI way, and for that matter "the right stuff" had changed: what was the right stuff several years ago was not the right stuff now. There were certainly "old timers" around who could help the new people understand some of what was needed, but the old timers weren't always available. Needless to say, the minimal ISO9001 process the company had adopted did not provide enough help to tell the new people how to develop products at FTI.

Time-to-market suffered badly. Frustration among employees – both old timers and new staff – was high due to poor communication, misunderstandings about how to do things and other issues. As results were bad, some key people quit; others were fired.

Things Get Worse

FTI was no longer the happy family it once was. Despite their expectations, ISO9001 compliance had not made projects faster, cheaper and better than before FTI had those processes. Things got even worse months later when new products fell so far behind that they didn't get to market in time to bring in the revenue FTI needed to support the development work underway, not to mention continued company growth.

FTI faced the terrible prospect of reducing its workforce, laying off members of its "family." It was the first time in their 30+ year history they'd had to do such a thing, and the reduction was significant: Over 20% of their staff was let go.

What Went Wrong

There were many contributors to FTI's difficulties, some of them were specifically attributable to poor project planning. The project planning process had this long list of problems:

- Project scope documentation was weak – scope was poorly communicated
- Product requirements took too long to finalize – consensus required; there was no clear ownership of most projects and decisions;
- There were no "work instructions" for creating project plans;
- Code-and-Fix model held closely by some "old timers";
- There was no consensus about most appropriate lifecycle model to use;

- Risk management practices were weak;
- ISO processes weren't scaled to serve both tiny and large projects – "A project is a project";

- Strong engineering-driven culture overemphasized product architecture over lifecycle management – newly hired, talented managers had difficulty overcoming deep-rooted traditions;
- Estimates, plans and schedules didn't address reality of product maintenance support required from developers;
- Estimating projects was an informal and inconsistent process;

- Only minimal design reviews were performed (those required by ISO processes);
- Re-use of IP was ad hoc;
- Deliverables needed to declare project milestones met were unclear;
- Not all projects were required to have a designated project manager, so a functional manager was expected to manage all projects when a PM wasn't available/assigned;
- No requirement for "adequate" theory of operation documentation – engineers needed to ask peers a lot of questions

And more.

A Smattering of Good News

FTI's planning process did have some good points. FTI needed to ship very high quality products, and their back end process did a good job covering things like configuration and change management, defect tracking, test requirements, build plans, and other things related to ensuring quality. Unfortunately, the process was not adequate for rapid development, to the point where chaos and inefficiency caused people loss of jobs and the company to progress in the wrong direction.

A Final Irony

Shortly before implementing the ISO processes, FTI invested significantly in creating an "Integrated Development Process," which addressed many of the above issues. It was killed when the ISO compliance effort started because a couple of "brilliant" executive managers (who had no background in product development) thought it would be more work to revise the existing process and integrate with other functional processes than to create a streamlined process from scratch.

Check the box next to the item if you think your organization has significant issues and room for improvement in that particular area:

- ☐ Project scope documentation is weak or scope is poorly communicated
- ☐ Product requirements take long to finalize – broad consensus required
- ☐ No clear ownership of some projects and decisions
- ☐ No detailed work instructions for creating project plans, or process is poor
- ☐ Code-and-Fix model held closely by some, and/or process is ignored
- ☐ No consensus, consistency or clear flexibility about appropriate lifecycle model to use
- ☐ Risk management practices are weak
- ☐ Processes aren't scaled to serve very small through very large projects
- ☐ Product architecture strongly emphasized over lifecycle management
- ☐ Estimates, plans and schedules don't address reality of product maintenance support required from developers
- ☐ Estimating projects is an informal or inconsistent process
- ☐ Only minimal design reviews are performed
- ☐ Re-use of IP is ad hoc
- ☐ Deliverables needed to declare project milestones met are unclear
- ☐ Not all projects are required to have a designated project manager – a functional manager is expected to manage projects when a PM isn't available/assigned
- ☐ No requirement for adequate theory of operation documentation – engineers need to ask peers a lot of questions – people with knowledge may no longer be employees or available as contractors

Total number checked? __________

Would your key developers' input closely correspond to your analysis?

What else would you like to improve in your organization related to project planning?

____

____

____

____

____

____

____

____