

The Attack of the Killer Assumptions
Why some projects go badly wrong.

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The high failure rate of systems projects takes a huge toll on a company's ability to operate cost effectively and efficiently. Much has been written about why projects fail. Here we take a look at one of the factors that may be at the root of this persistent problem: the all-too-human practice of making apparently reasonable assumptions. Making assumptions in itself is not wrong. What turns assumptions into project killers is not declaring and communicating the basis of an assumption so that its authenticity can be verified.

A recent article by Barbara Lancaster ([Inside Out July 22nd, 2002](#)) outlined the continuing problems faced by enterprises – including telcos – in achieving the successful completion of systems projects. “There have simply been too many examples of projects running way beyond the target date, with final costs running several times higher than budgeted.” The track record continues to get worse. The 2001 Standish Group annual survey of IT projects reported that results continue to deteriorate in 2001, with only 9% of projects meeting time, budget and performance expectations. Fully 29% of projects were complete failures.

Market researchers are telling us that telecom expenditure on Operations Support Systems will increase again, over the next five years. Barbara makes the point that if OSS expenditure is to drive the necessary increases in productivity and performance the industry needs, then the Telcos must find ways of getting much better value for money out of these projects. She headlines the need for everyone – Telcos, application vendors, and systems integrators – to address this abysmal failure rate by exercising integrity, by recognizing the value of experience and by working to higher professional standards. No argument from me about any of that.

We know that there are many factors contributing to this dire state of affairs and that customers and suppliers alike have a role to play in improving matters. In this article, I would like to focus on just one of many important dimensions: the notion that a possible cause of such frequent failure is deeply rooted in the culture of certain organizations.

LTC has been called in on many occasions to either rescue a project or realign the product with the client's true needs. In analyzing both successful and failed projects, we established the following precepts:

- People, teams and companies do not usually set out to fail.
- Telco executives usually have sufficient awareness of the poor industry track record in delivering capital projects, and therefore understand the significant potential for failure of the systems projects they authorize.
- Suppliers do (mostly) have reasonable documented methodologies and standards that, if correctly and consistently applied, would deliver successful projects with a reasonable level of confidence.

Yet despite this level of awareness, projects frequently fail, and often fail badly. Our challenge was to find out why do people fail when they should, in theory, know exactly what to do to be successful? What gets in the way?

An intriguing possibility emerged from our studies. We found that in many cases technical and skill deficiencies among the project teams were not the whole problem. Sometimes the organizational culture was contaminated by unwritten rules that were too strong for any individual or group to overcome.

We found that the impact of a defective organizational culture could be traced to a class of assumptions that we have labeled "Killer Assumptions". Despite the fact that in most cases we found such assumptions to be false, we found that they were accepted and acted upon as fact because:

- When voiced from a position of authority or influence, most people will believe they are true and act on them accordingly.
- On rare occasions when a Killer Assumption is challenged, it is often seen as organizationally disruptive – based on claims that it can damage relationships between customer and supplier, and between team leaders and team members.

Making assumptions in itself is not wrong. What turns assumptions into project killers is not declaring and communicating the basis of an assumption so that its authenticity can be verified. When people simply behave as if they're true, then it can lead to critical checks and balances not being implemented, which in turn can lead to project failure.

We have identified a number of Killer Assumptions, which fall into clear groups:

- **Killer Assumptions made by clients:**
 - A Telco assumes that a Systems Integrator understands how their business really works, and that they know how to customize an array of

standard applications to build an integrated operational environment that delivers results.

- A Telco assumes that the application vendor fully understands their business model and how their standard product needs to be customized so as to seamlessly integrate with other the applications included in the overall solution.
- **Killer Assumptions made by suppliers:**
 - A Systems Integrator assumes that each Application Vendor has sufficient understanding of the overall system requirements to ensure their product will work collectively with other system elements to deliver the required operational functionality.
 - An Application Vendor assumes that the System Integrator has sufficient understanding of their standard product to ensure that it will work collectively with other system elements to deliver the required operational functionality.
 - A Software Vendor assumes that the client sufficiently understands their product, and its limitations, to define how it needs to be customized to support their business model.
- **Killer Assumptions made within organizations:**
 - Telco Line managers often assume that senior executives who make product-based systems purchase decisions truly understand the low-level operational needs of the business.
 - Executives in a systems integration company assume that because quality management processes have been mandated, their teams will resist all client pressure to deviate from them (while still meeting target cost limits and while achieving revenue targets).
 - Telco operations departments assume their IT department understands what they need and how they intend to use the system. They also assume that the IT Department knows how to communicate those needs to suppliers and will make sure that the system will fulfill those needs.

The fact that in many cases these assumptions turn out to be wrong is not the most serious problem. What really does the damage is the failure to challenge these assumptions. In some companies, challenging a position or work product is considered to be counter-productive or a sign of negativity. This leads to people not implementing the safeguards that could avoid failure. And the ultimate killer? No one gets fired for going along with the crowd.

The message of the astoundingly high failure rate of IT projects is simple: it is no longer safe to assume anything. Nowadays, it is essential to run the risk of offending people by checking, by querying and by taking nothing for granted. Once the project is successfully implemented, everyone will appreciate it. Really.

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