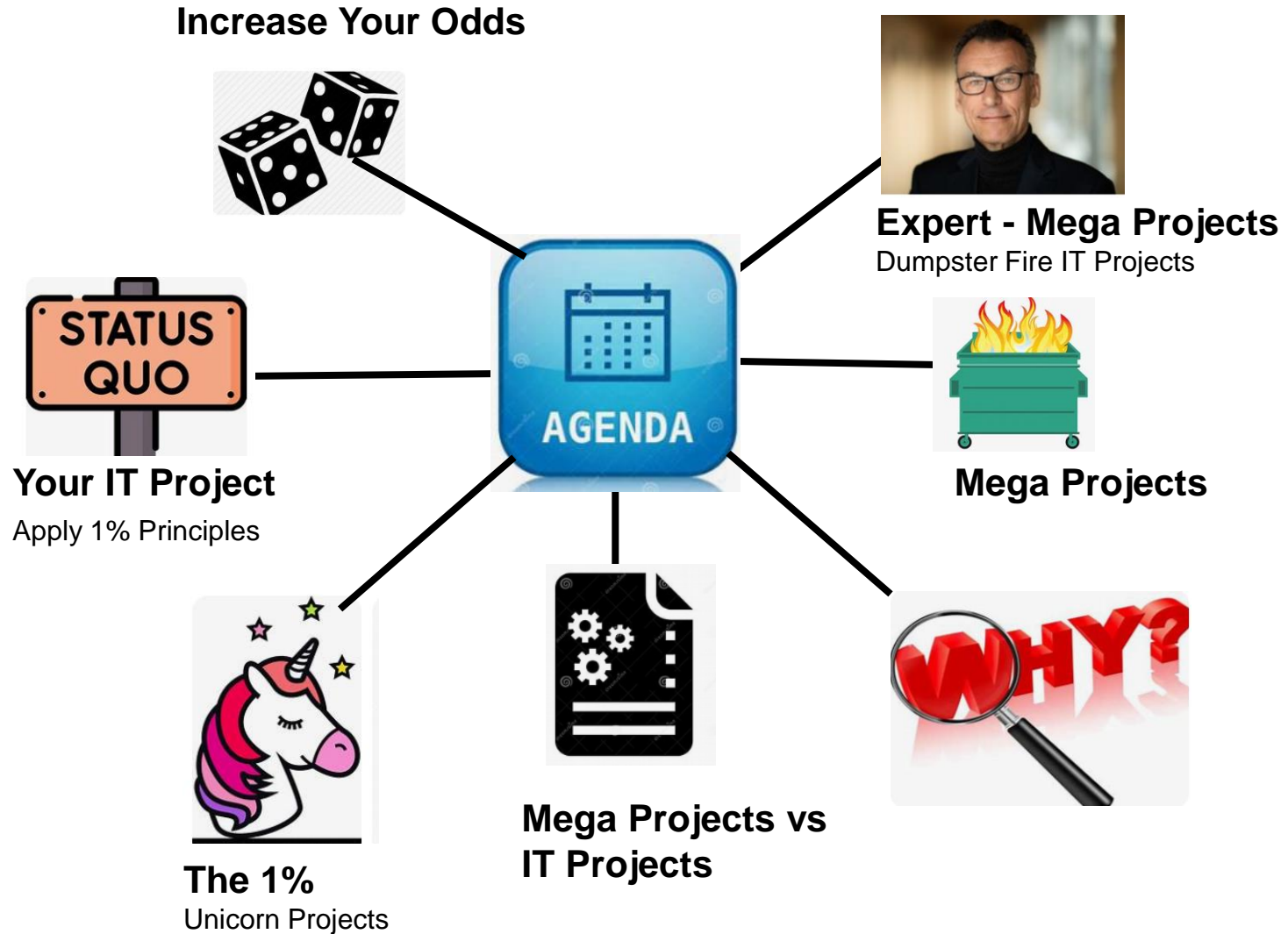


Dumpster Fire IT Projects

Art Yonemoto

Yonemoto & Associates

Dumpster Fire IT Projects



Dumpster Fire IT Projects

Question



Ever wonder why, some, maybe many IT Projects go “Off the Rails”?

Dumpster Fire IT Projects

Background

Art Yonemoto



**University of California
Berkeley**



Bachelor



**Computer
Science**



**Master of
Business
Administration**



Bank of America

ROLM



SIEMENS

Yonemoto & Associates

Follow the Money, Connect the Dots, Critical Thinking

Dumpster Fire IT Projects

Background

Art Yonemoto

Yonemoto & Associates

Follow the Money



Reduce costs



Connect the Dots



Critical Thinking



Yonemoto & Associates

Follow the Money, Connect the Dots, Critical Thinking

Dumpster Fire IT Projects

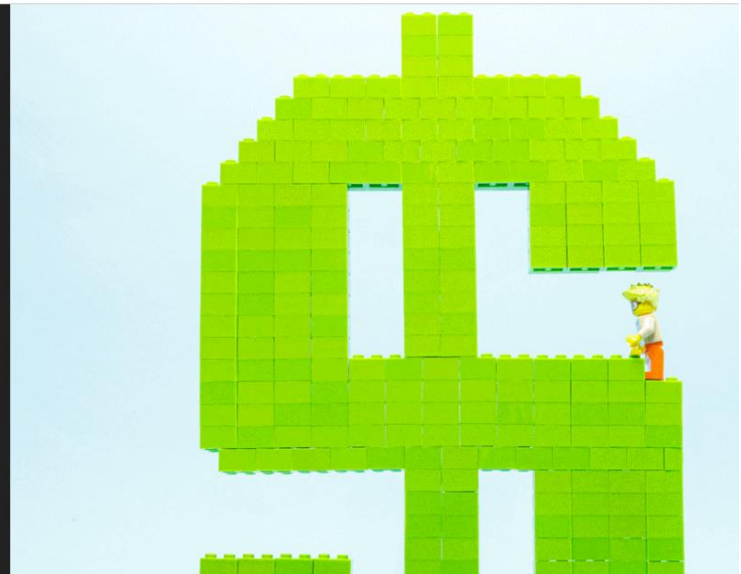
Wall Street Journal

THE WALL STREET JOURNAL.

[English Edition](#) | [Print Edition](#) | [Video](#) | [Audio](#) | [Latest Headlines](#) | [More](#)

99% of Big Projects Fail. His Fix Starts With Legos.

An economist who spent decades studying 'megaprojects' has some advice for getting them right: Think slow, act fast and build brick by tiny plastic brick.



Dumpster Fire IT Projects

Background



Bent Flyvbjerg

Danish Economist

Retired Professor University of Oxford

Investigate Mega Projects

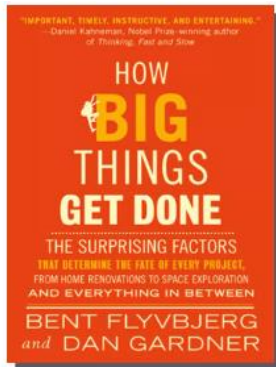
\$1 billion+ projects

Initial Study 258 major projects

Highways, Airports, Buildings, Museums

Now 16,000+ major projects

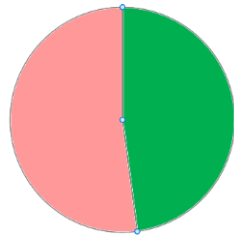
136 countries



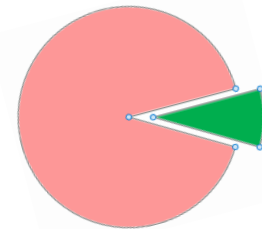
Dumpster Fire IT Projects

Definition & Results

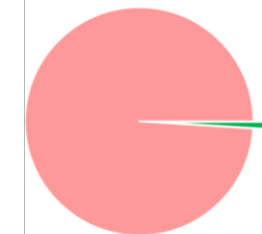
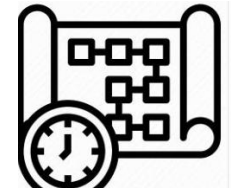
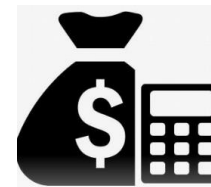
Definition



47.9% - Delivered on Budget



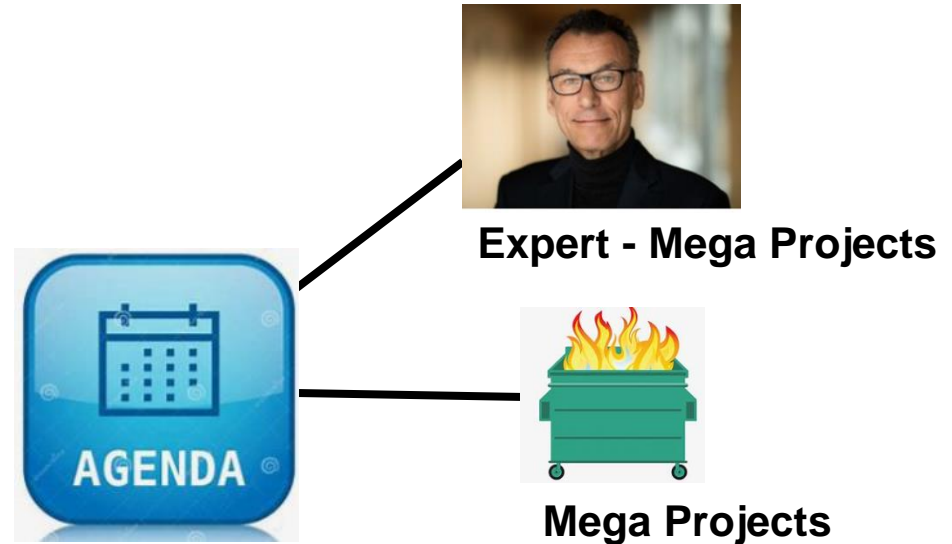
8.5% - Delivered on Budget
On Time



0.5% - Delivered on Budget
On Time
Projected Benefits



Dumpster Fire IT Projects



Dumpster Fire IT Projects

Cost Overruns

23 Project Categories – Largest Cost Overruns

1- Nuclear Storage Facilities

2- Olympic Games

3- Nuclear Power Plants

4- IT Projects

5- Hydroelectric Dams



**Georgia Power customers to pay
\$7.56B of Vogtle \$10.2 billion
overruns**

Affordable Care Act (Obamacare)



Yonemoto & Associates

Follow the Money, Connect the Dots, Critical Thinking

Dumpster Fire IT Projects

NYC East Side Access Extension

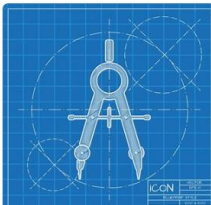
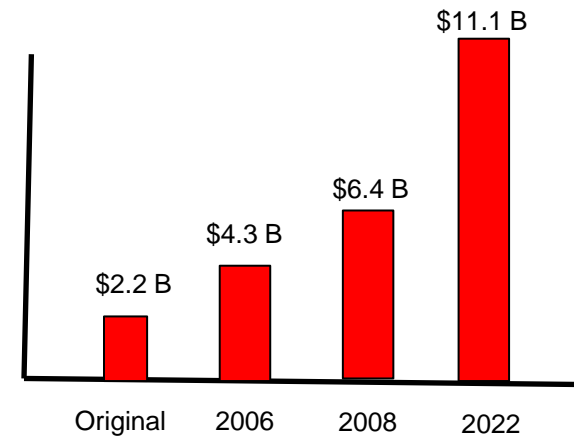
Extend Long Island RR to Manhattan



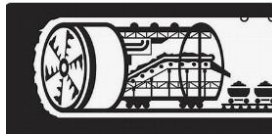
Original Estimate

2006 – Construction Contract Awarded

Estimated Completion - 2011



Design Changes



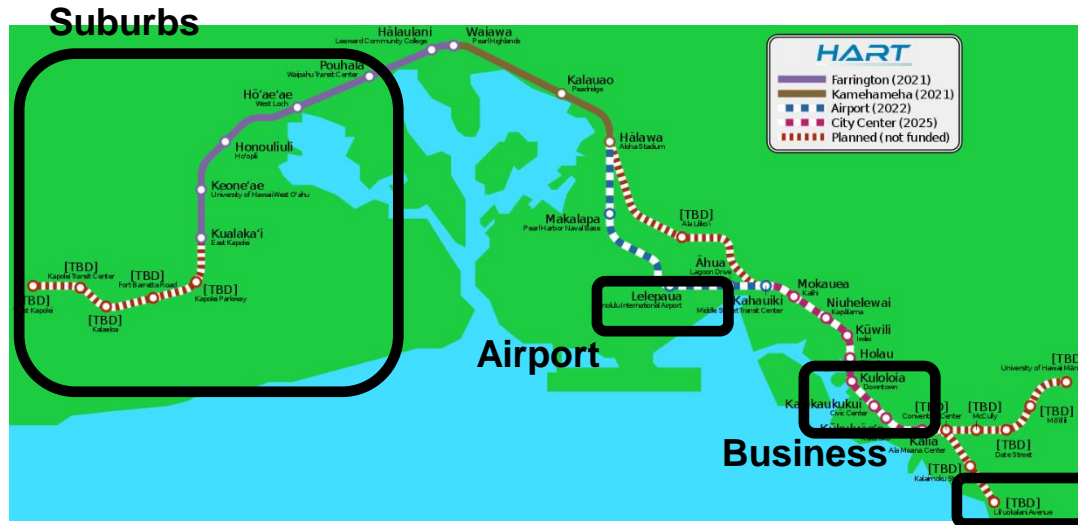
Tunnel Problems



Coordination with
Other Agencies

Dumpster Fire IT Projects

Honolulu Area Rapid Transit



Original Estimate

2006 - \$4 Billion Estimate

20 Miles, 21 Stations

Start 2012

Est Completion - 2020

Current Estimate & Status

\$4 billion to \$12.5 billion

Completion 2031 (11 years late)

Partially open 2023



Sacred Burial Grounds



Welding Cracks in tracks



Wheels 1/2" narrower than tracks

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Follow the Money, Connect the Dots, Critical Thinking

Dumpster Fire IT Projects

California High Speed Rail



Original Estimate

2008 – Ballot Approval **\$10 Billion Bond**

Los Angeles to San Francisco

\$33 Billion

Est Completion - 2020

Recent Estimate

From \$33 Billion to \$128 Billion

Est. Completion - 2033 **First Segment**

Recent Status

171 mile “starter” Merced - Bakersfield

Est Start - **2033**



Engineering
Problems



Geological
Obstacles



Politics

Dumpster Fire IT Projects

California High Speed Rail



Projected Benefits



10 Million Miles/day

1%

1 Billion Miles/day

Other Considerations



2008 California Growing

Technology Changes

The Goal of the "Goal"

Electric Vehicles

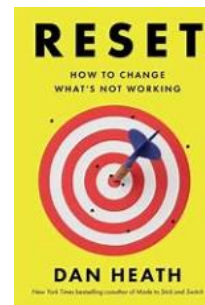


Driverless

Reset and Review Goal



VS.



1) Climate Change Goals

2) Reduce Travel time 6 hours to 2.5 hours

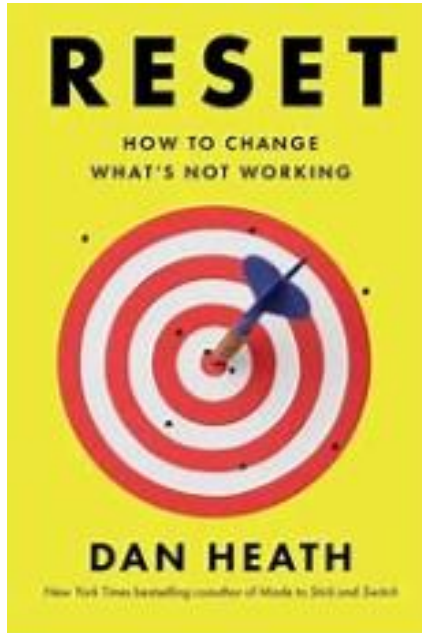
Improve Customer Experience

Yonemoto & Associates

Follow the Money, Connect the Dots, Critical Thinking

Dumpster Fire IT Projects

Customer Experience



**How to Change
What's Not Working**



Dan Heath

New York Times best selling author (co author with both Chip) of 6 Business books, sold over 4 million copies



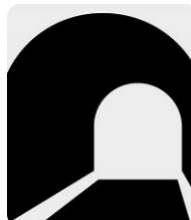
CUSTOMER EXPERIENCE

*) Shave 20 minutes - London to Paris.

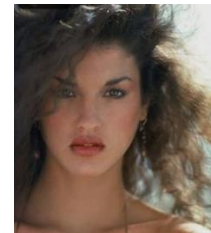
6 Billion € (Euros)

vs.

*) Have female and male models walk up/down the aisle serving free wine



Danger of
Tunnel Vision



10% of 6 Billion €

Yonemoto & Associates

Follow the Money, Connect the Dots, Critical Thinking

Dumpster Fire IT Projects

California High Speed Rail



Other Considerations



2008

The Goal of the “Goal”

Reduce Travel time 6 hours to 2.5 hours

Improve Customer Experience

Technology Changes



Reset and Review Goal



vs.



\$128 Billion

\$1-2 Billion



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Follow the Money, Connect the Dots, Critical Thinking

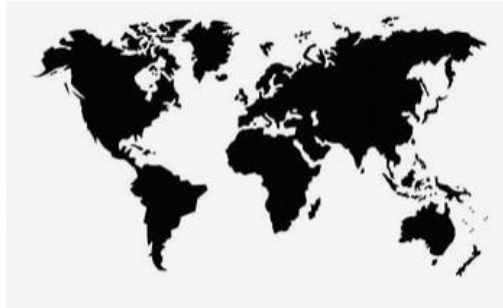
Dumpster Fire IT Projects

IT Projects



2003

110 Countries



Deloitte

\$1 to \$5 Million

2008

Convert and consolidate 100+ systems

Integrate Supply Chain System



Shut down Distribution Centers



\$192.5 Million - Write Off

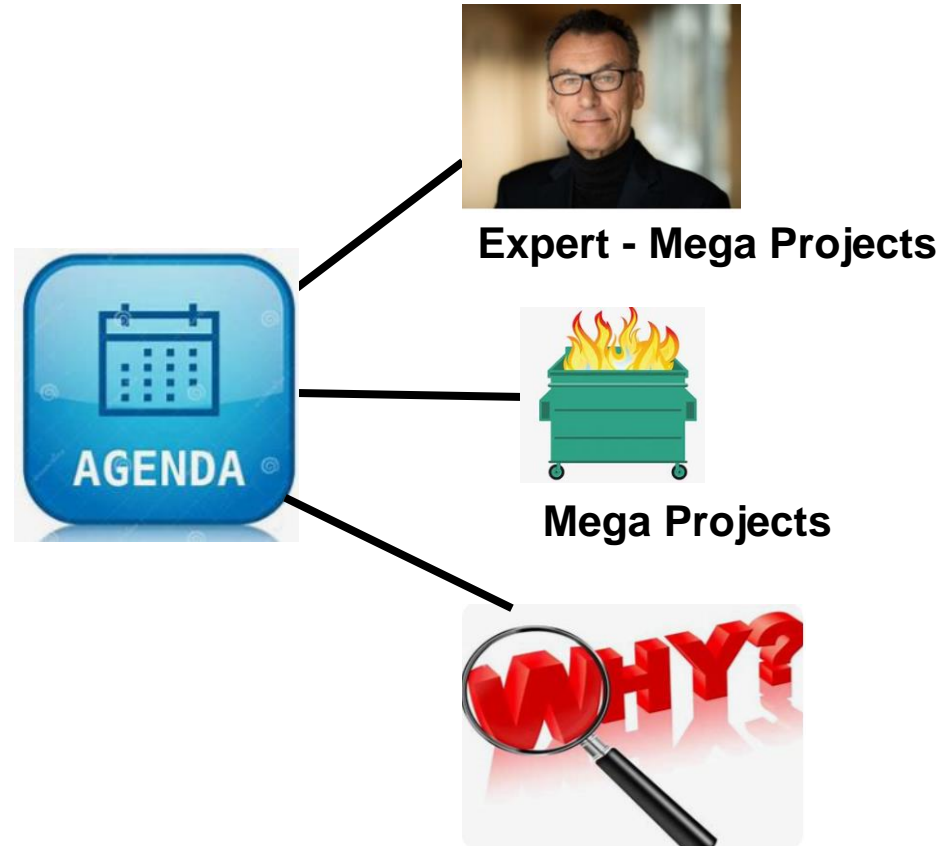
2012



Levi's lawsuit vs. Deloitte

\$100 Million

Dumpster Fire IT Projects



Dumpster Fire IT Projects

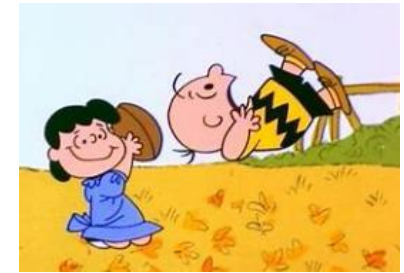
Why This Happens



We're Humans



Underestimate Complexity



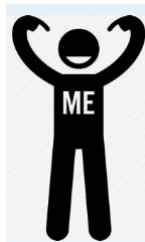
"This time is Different"

Planning Fallacy

People underestimate the time it takes to complete a future task, despite knowledge that previous tasks have generally taken longer than planned.



Over confident



Ego & Legacy



Competitive Forces



Strategic Misrepresentation

Dunning Kruger

Yonemoto & Associates

Follow the Money, Connect the Dots, Critical Thinking

Dumpster Fire IT Projects



Dumpster Fire IT Projects

Mega Projects vs. IT Projects

	Mega Project	IT Project
Optimism	✓	✓
Politics (External)	✓	✗
Vendor Sales Pressure	✓	✓
Vendor Pressure on Steroids	✓	✗
Ego & Legacy	✓	✗
Strategic Misrepresentation	✓	✗
Planning Fallacy	✓	✓

Dumpster Fire IT Projects

Strategic Misrepresentation



Mega Project (Public)

Camel Nose (under the tent)



Benefits



Downplay
Costs

Go Back for more Funding



Other
People
Money

Sunk Cost Fallacy



Throwing Good Money after Bad





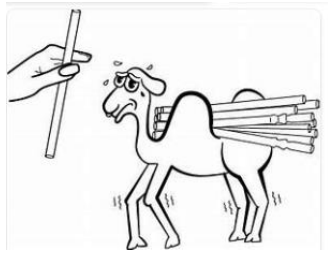


No Consequences



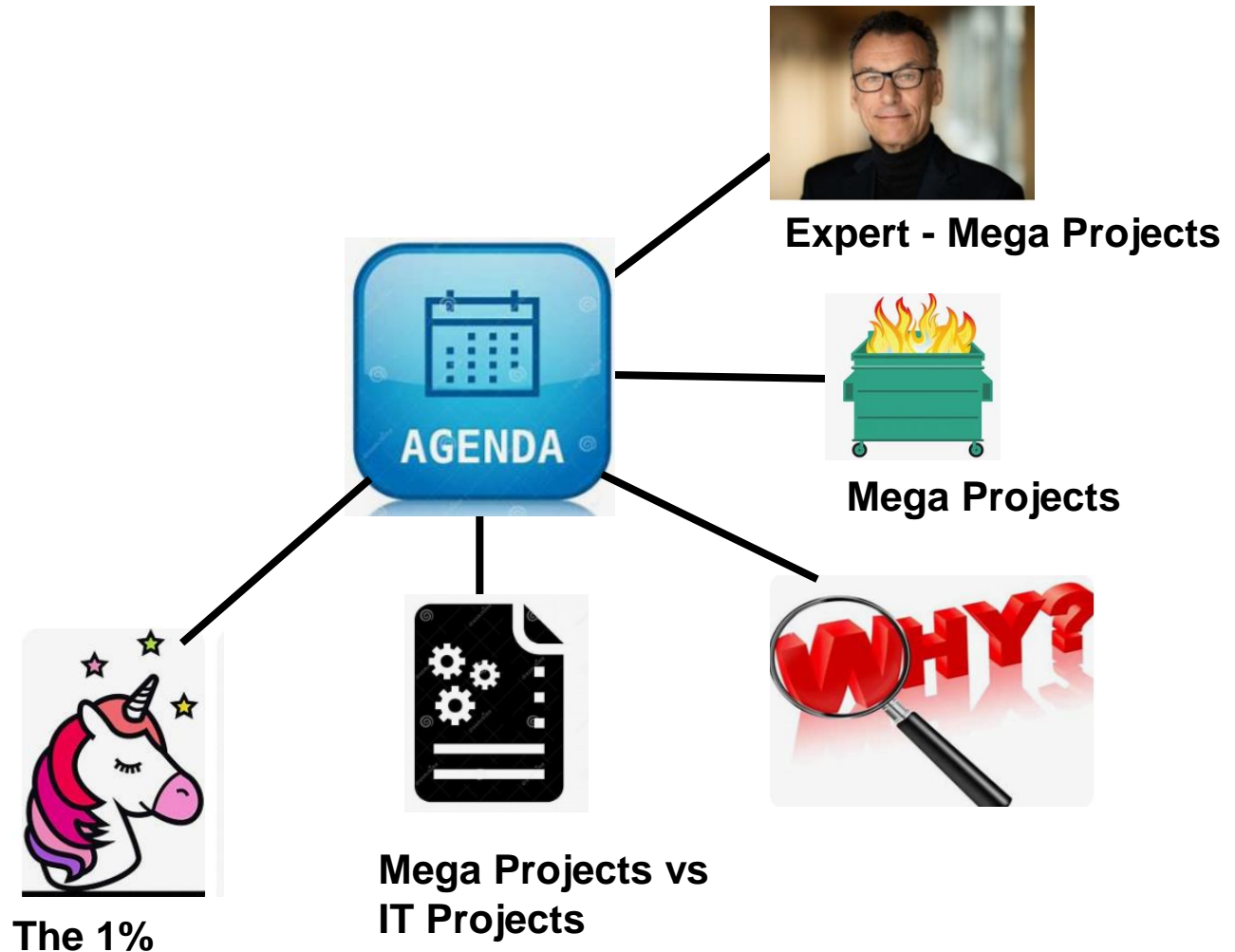
May be a Good
Value in the
Long Term

Dumpster Fire IT Projects

Mega Projects vs. IT Projects

	Mega Project	IT Project
Resources		
Workload		 <p>Straw that breaks the Camel's back</p>
Schedule		
Actual Process	Ready Aim Fire	Ready Fire Aim

Dumpster Fire IT Projects



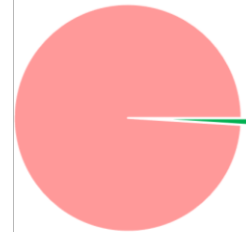
Dumpster Fire IT Projects

Solution - Mega Project



*Professor
Flyvbjerg*

Focus - Why Projects Succeed



0.5%

Delivered on Budget

On Time

Projected Benefits

2 Pieces of Advice

1

**Think Slow
Act Fast**



2

Modularity

Composability



Legos

Dumpster Fire IT Projects

Think **Slow**, Act Fast



Daniel Kahneman

Cognitive Scientist
Expert on the psychology of
judgment and decision making



**Nobel Prize
Winner**

Two Modes of Thinking

System 1 - Fast, Instinctive, emotional



System 2 - Slower, more Deliberate, more Logical, more Analytical



Dumpster Fire IT Projects

Think Slow – Act **Fast**

“Modularity is a clunky word for the elegant idea of big things made from small things,”

“Look for it in the world, and you’ll see it everywhere.”

Everywhere includes “software, subways, hardware, hotels, office buildings, schools, factories, hospitals, rockets, satellites, cars and app stores,”

“They’re all profoundly modular, built with a basic building block.”

“They can scale up like crazy, getting better, faster, bigger and cheaper as they do.”



Modularity



Legos



**Think Slow
Act Fast**

Dumpster Fire IT Projects

Mega Project - Success



Frank Gehry

Canadian born
American architect



Guggenheim Museum – Bilbao, Spain

Year 1



Year 2



Asked Why (Goal of the Goal)?

Experiment in Design

Developed various Models

Tear down, Rebuild ...

Zoom In, Zoom Out



Think Slow

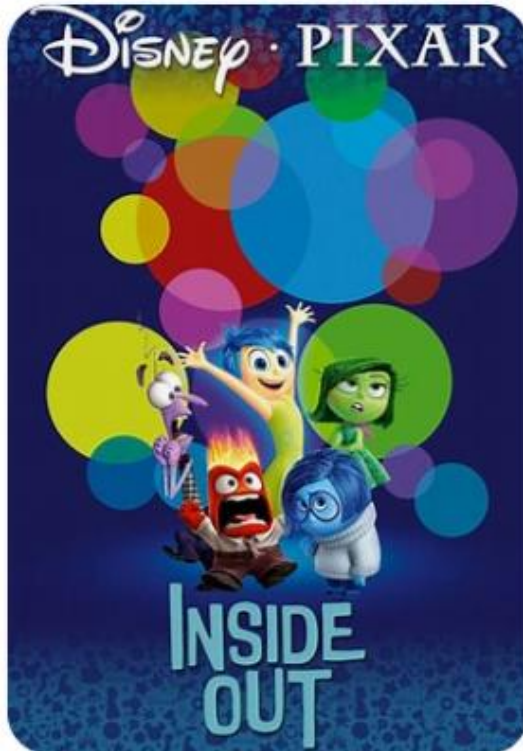


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Dumpster Fire IT Projects

Success - Pixar



12 page outline

120 page Draft

87,000 Storyboards

Prototype (crude) film

Shown to Pixar employees (feedback)

Redo prototypes, show to test audience **8 times**

Begin Production



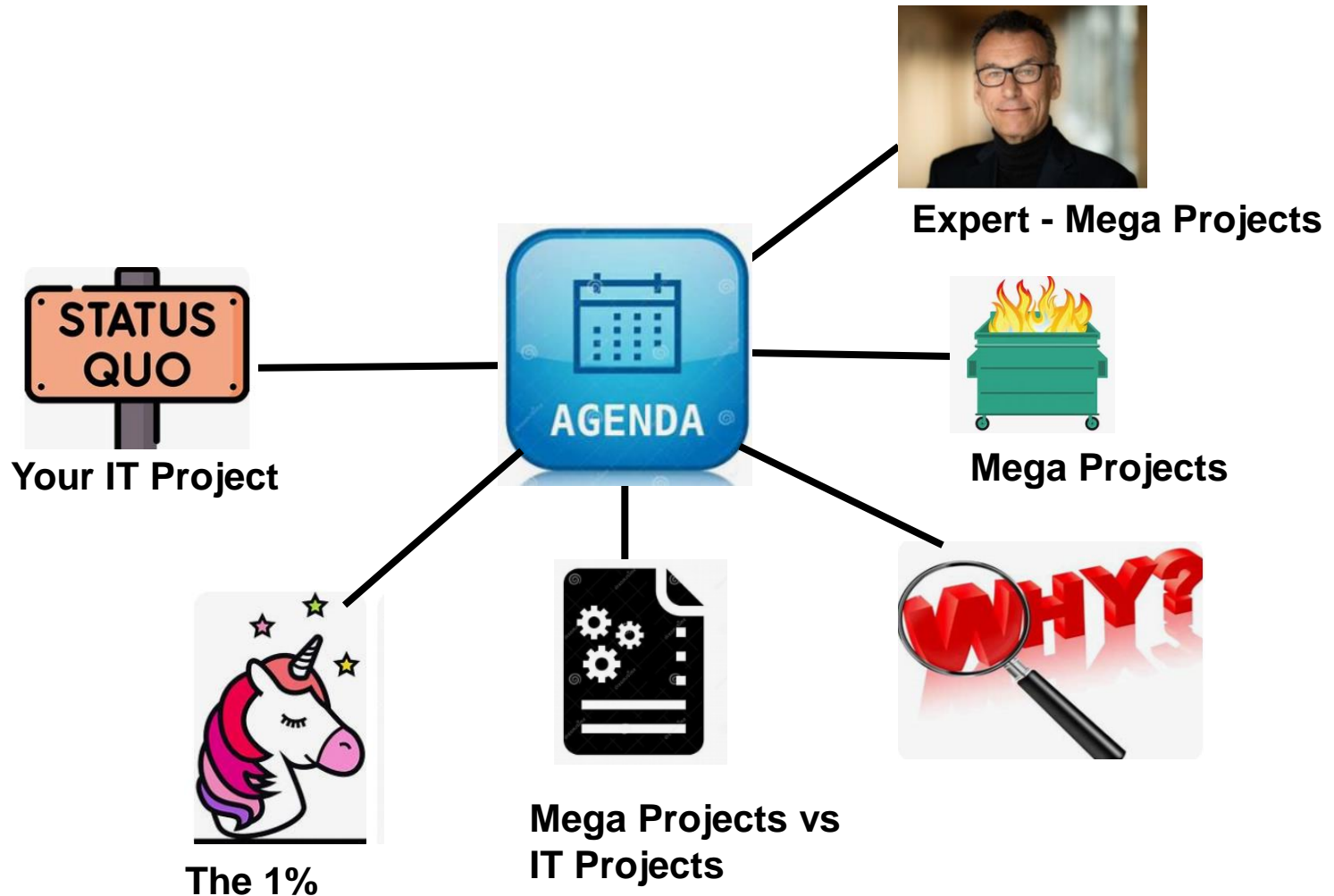
~~First Names~~

~~Enqui~~

~~Schadenfreude~~



Dumpster Fire IT Projects



Dumpster Fire IT Projects

Traditional IT Project

Default

Traditional (Hare) Project

Think **Fast**

Act **Fast**

Stuck in Mud



\$



\$



\$



\$



\$



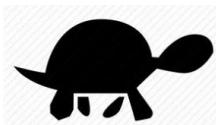
\$



Alternative (Tortoise) Project

Think **Slow**

Act **Fast**



\$



\$



\$



\$



Dumpster Fire IT Projects

Traditional IT Project



Traditional (Hare) Project

Think **Fast**

Act **Fast**

Stuck in Mud



Business/Organization - Bias to Action



Hurry Up and Wait - Making up for Lost Time



Starting from behind

Optics



Status Report → "Still Thinking"

Sunk Cost Fallacy



Double Expenses



Current

New



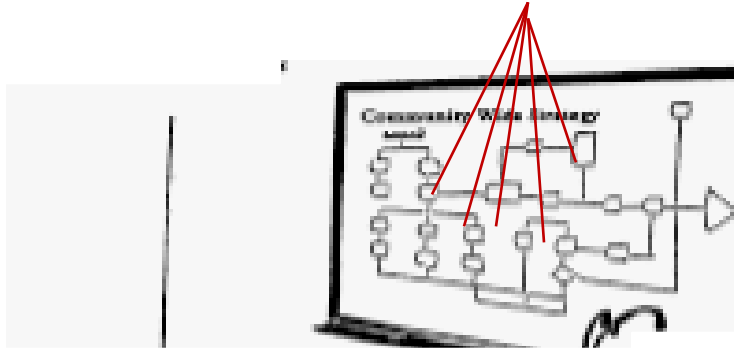
Yonemoto & Associates

Follow the Money, Connect the Dots, Critical Thinking

Dumpster Fire IT Projects

Traditional IT Project

Make
Assumptions



Lack of Focus

- * Process
- * End Results

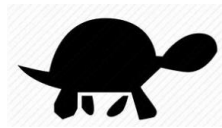
NOT a failure of IT

- 1) You don't know what you don't know
- 2) Pressure to get things done as quickly as possible
- 3) No Additional Outside Resources

Dumpster Fire IT Projects

Tortoise IT Project

Alternative (Tortoise) Project



Think **Slow**



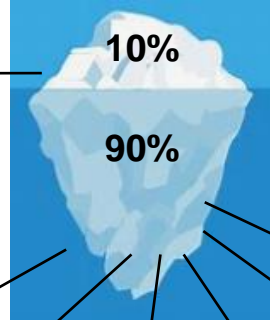
Act **Faster**



Why this is hard to do



Superficial



Hourly



Time is money



Who

What

When

Where

Why

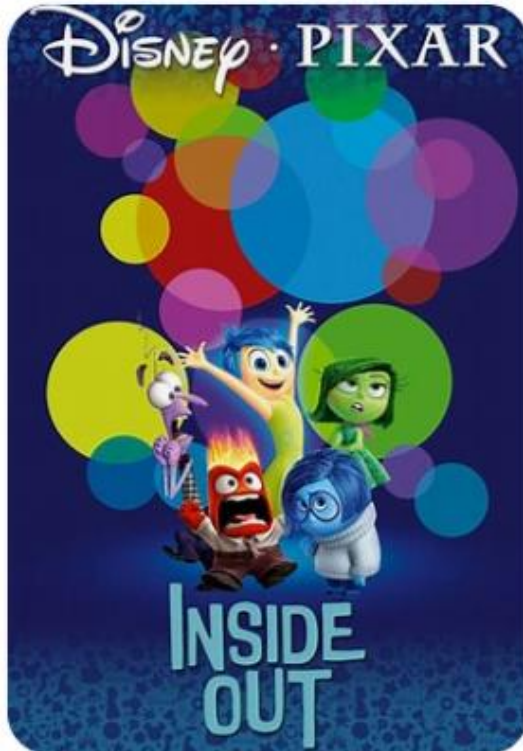
How



The Devil is in the Details

Dumpster Fire IT Projects

Success – IT Project - Flexible



RFP **Unique/Expensive**
or

Vendor Comparison **Standard-Commodity**

- * Peer to peer discussion/review

- * Focus on End Result



- * Select Initial Pilot Site **Expect Failures**

- * Redo Pilots, gain additional feedback **X times**

Begin System Rollout



Ramp Up
Early Out



Dumpster Fire IT Projects



Dumpster Fire IT Projects

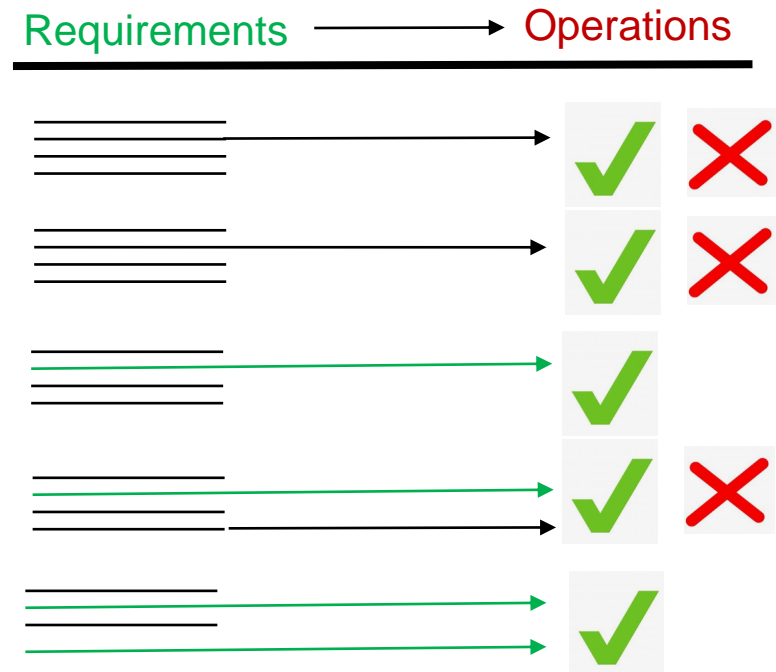
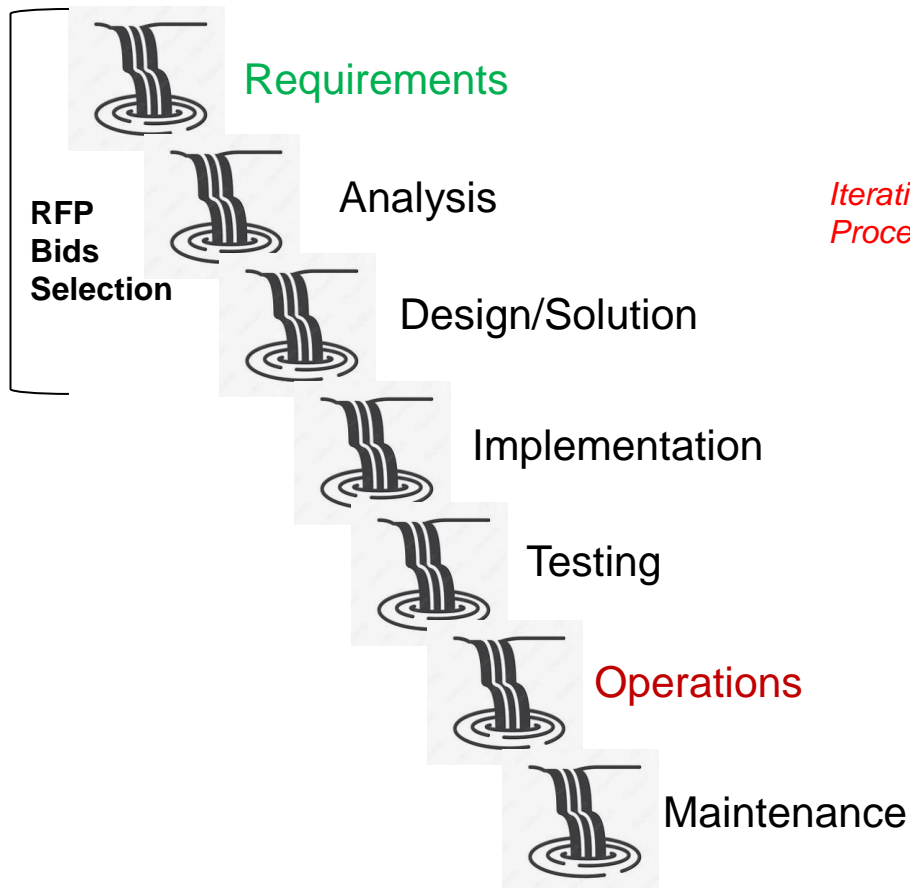
Increase Your Odds



Traditional “Waterfall”

vs.

Agile Methodolgy



Dumpster Fire IT Projects

Agile Projects – Scrum vs Kanban



Prescriptive
Rules Based

vs.

KANBAN

Continuous Flow
Adaptable

Resources

Dedicated

Limited

Roles & Responsibilities

Structured

Flexible

Timeline

Sprints (2 weeks)

Continuous

Leader

Scrum Master

Project Manager

Type of Change

Revolutionary

Evolutionary

Dumpster Fire IT Projects

IT Project Advice



Which button do you prefer to press?

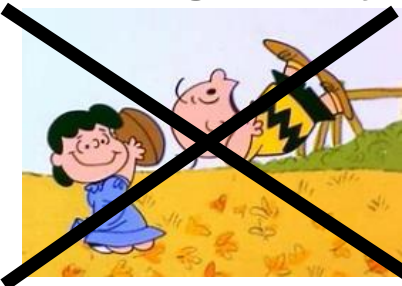


Help Button – Start of the project?



Panic Button – During the project when things go wrong?

Planning Fallacy



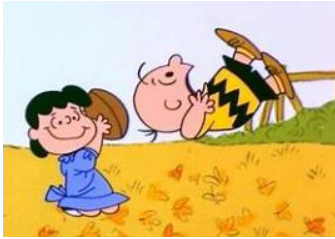
"This time is Different"



Think Different

Dumpster Fire IT Projects

IT Project Tips



Be Honest



Be Smart



Be Humble



Be Brave



Be Patient



Be Reasonable

Dumpster Fire IT Projects

CIO Tips

- * Are you running a Lean Operation?
- * Does it make sense to Outsource for Specialized Expertise?
- * Opportunity Costs DIY → 2 to 3 times time/costs Lower Quality results



CFO



Dumpster Fire IT Projects

Question



Ever wonder why, some, maybe many IT Projects go “Off the Rails”?

Dumpster Fire IT Projects

Takeaways

Do You have Direct Responsibility?

Yes Take action?

Yes Your Next Steps?

No Why Not?

No Bring up with the appropriate Decision Maker?

Yes See Script (next slide)

No Why Not?



Dumpster Fire IT Projects

Takeaways

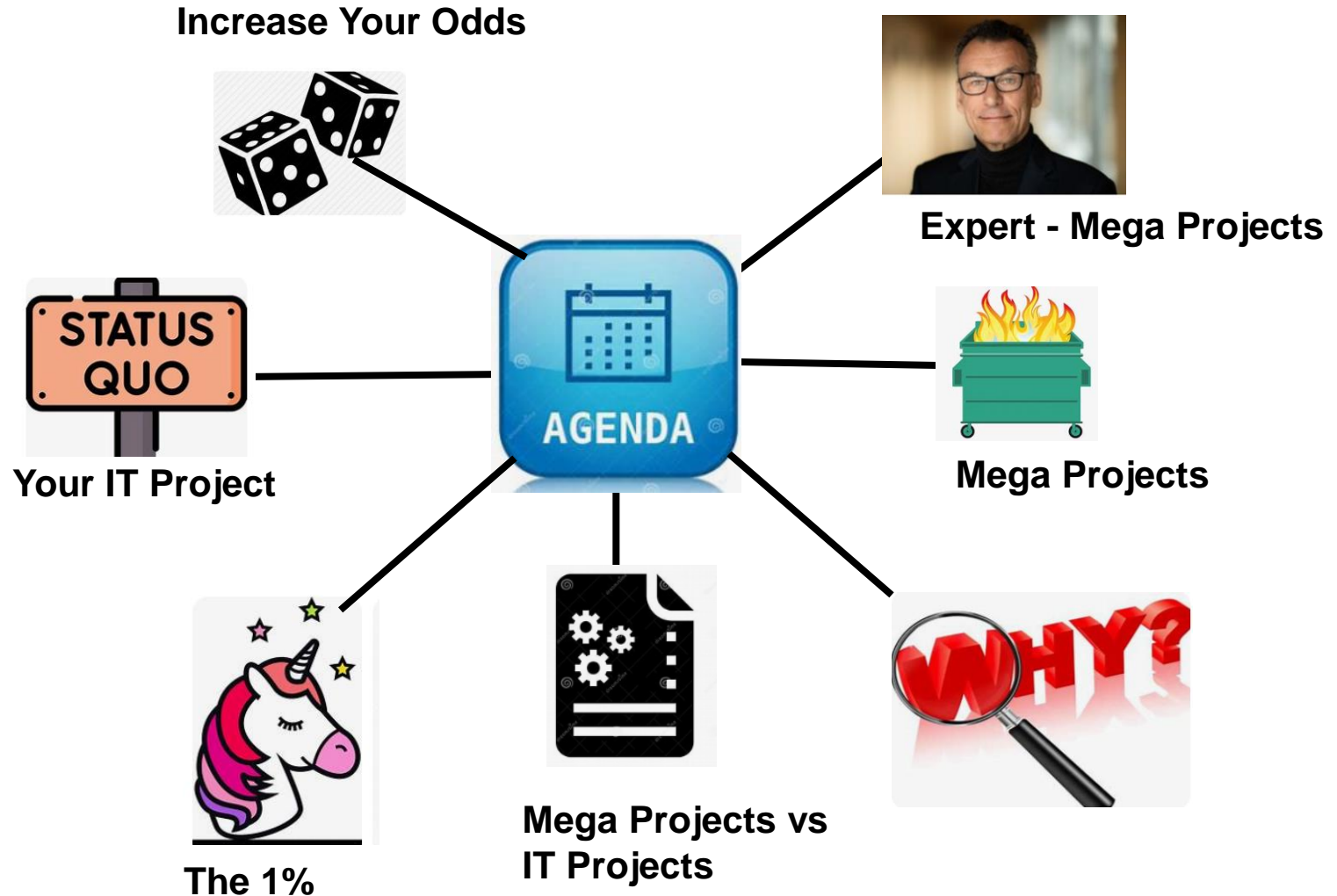
Suggested Script

“I attended a conference. One session was focused on why IT projects go ‘off the rails’.

This situation is actually both common and predictable. Studies showed why and how this occurs. And what can be done to avoid these issues.

I gained a greater appreciation & perspective about IT projects. I can share the information with you.

Dumpster Fire IT Projects



Dumpster Fire IT Projects

Conclusion



for Me

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Yonemoto & Associates

Follow the Money, Connect the Dots, Critical Thinking