

THINK BIG, ACT SMALL

The New York City Automated Payroll (NYCAP) System started in 1999 and was declared completed in 2011. The budget and original estimate was \$66 million. When the project was declared completed, the total cost was an astounding \$360-plus million, or 5.5 times the original budget. The NYCAP project was one of many large troubled projects in the New York City government around this time. Another project was the CityTime project, which had a budget of \$63 million over five years, but ultimately cost \$700 million over 10 years. In reaction to these projects' challenges, the NYC Council passed an ordinance that any IT project that exceeded the budget by more than 10% must report to the City Council.

While there were many reasons why these NYC projects failed to perform as planned, oversight was not one of them. However, the NYC Council's reaction to these project management failures was typical, predictable, and disappointing. It was disappointing because adding more layers of bureaucracy on top of an overbloated process will make future projects more complicated, more expensive, and more challenging. The Standish Group has categorically stated with much conviction—backed by intense research—that the secret to project success is to strongly recommend and enforce limits on size and complexity. These two factors trump all others factors. Considering size and complexity as the major success factors has led us to some very interesting conclusions and challenges.

It is critical to break down large projects into a sequence of smaller ones, prioritized on direct business value, and install stable, full-time, cross-functional teams that execute these projects following a disciplined agile and optimization approach. Organizations that have adopted this approach have seen major project improvement and their project investments have increased. More and more companies are recognizing that a small project optimization solution is highly effective. The quick solution is to just say no to large projects, but the more sensible answer is to adopt a small project strategy. Many companies routinely deliver software at half the cost and less than half the defects with this strategy.

Projects too often get too big to succeed. CIOs and information technology executives are constantly being called on to do more for less. The real key to success is doing less for less. The key to doing less for less is splitting large projects into a sequence of small ones by using optimization; the Standish OptiMix is an example of an optimization tool. Optimization can save your company, your project, your budget, and your job. Throughout the **CHAOS Manifesto 2013** we will attempt to show you how you can optimize your projects successfully.

CHAOS RESOLUTION BY LARGE AND SMALL PROJECTS

Project resolution for the calendar year 2012 in the new CHAOS database. Small projects are defined as projects with less than \$1 million in labor content and large projects are considered projects with more than \$10 million in labor content.

