What To Do When A Project Fails

We have been in business for over 30 years, providing financial management services, and guidance, to the management teams of privately owned companies. Our carefully selected former CFOs are very good at assessing what is broken, determining what is needed to fix it, and guiding management to get it done. Many of our clients keep us engaged for years because they realize we can help them at any stage in the life of their company.

But sometimes it doesn’t work. Sometimes the old ways are too deeply ingrained to change. Or the people in place aren’t able to do what is needed. Or management decides the devil they know is better than the devil they don’t know. Sometimes we get it wrong because we misread the signs or took the leaders’ opinions of the problem as 100% accurate when they weren’t. And sometimes it’s a combination of all those factors, and we failed to see that on Day 1. When that happens, we have to acknowledge we made a mistake and step back as gracefully as possible. We’ve had to do that recently.

What do you do when that happens to you? Whether you run your own company or manage a division or just one single department, you’ve run into a wall at some point in your career and had to acknowledge that you missed the mark and couldn’t fix the problem. What do you do? Do you tell yourself it’s their fault and you were right – It would have worked if only they’d let you do it your way? Or: if only they’d given you the full story up front, you would have crafted a different solution that would have certainly worked? Or, worst case: they were right all along and your weaknesses are out in the open for all to see (and point to behind your back)?

Or do you look at your part and try to find the lesson to be learned? Every outcome has two possibilities, so it’s been said – it was either a success or a learning opportunity. Lessons that might be available could include:

• I should have done more homework before crafting a plan of action. I missed some key facts.
• I should have had Plan B defined before I charged ahead with Plan A. I was too sure of Plan A.
• I didn’t acknowledge to myself the areas that I’m not as good at as others, and how that applied here.
• I was driven by the fat compensation I could earn if it got done quickly. I was afraid to lose that.

• I needed to have a win, any win, to prove my value to myself. And to them.
• Insert your learning opportunity here:

What we learned: Some business owners don’t necessarily want reporting accuracy as much as they want to control the story. In those cases we are best bowing out of the picture, which is what we did.

Weary of figuring it out yourself? The hardest part of a failed project is usually looking at your part in it, objectively and with the goal of learning how to do it better next time, not beating yourself up about it. This is so in business management just as it is in life’s relationships. In fact we can learn about ourselves from using the same self-analysis approach in any endeavor, any relationship, any outcome good or bad. And that’s the truth.
Failure Into Fortune
(continued from previous page)

• MIE, a plastic insert molder who felt they were too small to survive industry consolidation, transformed into an automated 6 Sigma manufacturer of sensor housings for the worldwide auto industry.
• Keymac, a manufacturer of outmoded analog airbag actuator components, reinvented itself as a rapidly growing electronics prototype house.
• National Laser, one-man rebuilder and seller of used dental lasers. Took legal action against a much larger rival, innovated itself into AMD Lasers, that became the leading brand in diode dental lasers.

Each of these companies, were beset with challenges that threatened their future existence. The owner-operators engaged outside expertise to help think through their seemingly insurmountable problems. In each case, the company had internal expertise and management, but needed help to find a new vision to guide the company’s actions.

Early in my career I was tasked with putting in new enterprise software. I went to my boss and told him, “I have done my very best, but I just cannot figure out how to get this thing implemented on time.” He stormed back, “Never say you’ve done your very best—that leaves me no hope of ever getting this software implemented.” He then went on to help me reframe the project based on what I could deliver today, then work through the rest. We pulled together a user team that identified 131 problems with the existing system. With the help of an outside consultant, we learned that 91 could be fixed by activating unused modules and another 23 would take some modest programming. We cut 18 months and hundreds of thousands of dollars on a new system. It was my proudest failure!

Janas, a middle market investment banking firm, applies the experiences – successes and failures – of its professional team to help its clients achieve their goals.

Dick Gregerson, President of Janas Associates, has been advising privately owned companies on growth strategies and M&A for 20 years. He can be reached at deg@janascorp.com.

“The only real mistake is the one from which we learn nothing.” - HENRY FORD

Is this on your bookshelf yet?

Gene Siciliano
WESTERN MANAGEMENT ASSOCIATES

P | 888 788 6534
D | 310 645 1091
E | info@CFOforRent.com

www.CFOforRent.com