The Negative Side of Positive Thinking

By Payson Hall, Catalysis Group, Inc.

The other day, I broke a 12" x 12" x 1" pine board with my bare hand after listening to a 90 minute motivational talk about breaking barriers to achieve goals. As someone with martial arts training, I was less impressed with my own success than I was with the success of a 12-year old in the group of parents and children. The demonstration energized the participants. The inspirational message, "you can do whatever you are committed to" troubled me. Positive thinking is great, but it has limits. No matter how much you "visualize success", some things cannot be done within specified constraints. I suspect the session facilitator would have agreed, particularly if I had produced a 12" x 12" x 1" steel plate.

The "can do" message was troubling because I encounter similar thinking when I discuss project risk and failure with clients in my role as a project management consultant. Some people believe that any project is possible, given a "can do" attitude. This has repeatedly proven to be a very expensive and destructive misconception.

In all organizations, for a variety of reasons, some projects fail. Failed projects consume substantial organizational resources and produce little or no return on investment. A project management concept overlooked by many organizations is the fundamental law of project failure:

Any project can fail.

Three consequences follow from denying the possibility of failure:

1. Failure to recognize and communicate that any project is a gamble
2. Failure to effectively identify, anticipate, and mitigate potential risks
3. Failure to periodically re-assess the wisdom of continuing a project

Before I elaborate, let's put this into a business perspective: how many projects failed in your organization last year? Pick one failed project from your organization's past. Consider the "bottom line" impact of canceling that project one month earlier than it was actually ended.

For discussion purposes, assume a staff of five people, with an hourly cost of $50 per hour each. Assuming 100 project hours per person per month for five people gives 500 team hours. At $50 per hour, the staff costs of the project for one month would be $25,000. Now, let's back up even further, how much could your organization have saved if the project had been canceled early in the definition or planning phases?

The fact that projects sometimes fail is not itself a bad thing. Projects are calculated risks. An organization commits X resources to achieve Y results by Z date. If it is an informed commitment and the risks are known, it might be a prudent business investment. Effective organizations recognize the possibility of failure and try to manage it, but this can be challenging in cultures steeped in "the power of positive thinking."

Let's explore the consequences of denying the law of project failure, and examine how organizations might approach things differently if they acknowledged the possibility of failure.

Consequence #1 - Failure to recognize and communicate that any project is a gamble
Many projects begin with the unreasonable expectation that they cannot fail. Even when projects are well defined in terms of their schedule, scope and resource goals, it may not be clear to the project's sponsors that failure to achieve those goals is a possible outcome.

Imagine a project to build your next home. You and a builder agree to a move-in date, specifications for the home, and a cost to build. This does not guarantee that the house you expect will be ready on time and on budget. If a contract guarantees that it will, you may have legal recourse, but it does not mean that you will have the house. The builder could go out of business. The house could burn down the day before you intend to move in. Weather might delay construction. Toxins found at the building site might drive up costs... The bottom line is... the project might not happen exactly as specified. In some cases, it might not succeed at all. If failure is not considered at the start, it is difficult to make informed decisions about insurance, contingencies, and how much you are willing to invest in the effort.

Project sponsors and project managers need to understand that any project is a gamble. Effective project management can reduce but never eliminate risk. If project sponsors understand failure is a possibility, it empowers them to make better decisions and give better guidance to the project manager. Ultimately, sponsors want the project to deliver within its schedule, scope and resource targets. If a project might go "out of bounds" in one or more dimensions, sponsors will have preferences about what gives first. If a project could either cost $5000 more or take one week longer, the sponsor has a right and an obligation to decide whether to allow more time, spend more money, change the project scope, or cancel the project. If the project sponsors or project manager do not recognize that the project can fail, or if messages about potential failure are not "politically correct" within an organization, necessary communication will not occur.

Consequence #2 - Failure to effectively identify, anticipate, and mitigate potential risks
One of the biggest drawbacks of a "positive thinking" culture is that project teams are discouraged from discussing risk up front. Risk analysis is frequently considered "negative", and people who bring up risks are labeled "nay-sayers". When it is not safe to discuss risk, the project is jeopardized from the start.

Mitigating risk is a critical step in the project planning process. When conducted effectively, risk mitigation entails:

- identification of risks,
- assessing the potential impact and likelihood of identified risks,
- discussing ways to reduce the likelihood of risk,
- discussing ways to reduce the impact of identified risks if they occur, and
- establishing risk monitoring mechanisms to provide maximum warning and recovery time should specific risks occur.

Effective risk management is impossible if the possibility of failure is not or cannot be acknowledged.

The three weeks I spent in paratrooper school focused primarily on things that could go wrong during a parachute jump. By understanding the risks and drilling ourselves in appropriate responses, we were better prepared to react when something went wrong. Waiting for your parachute to fail before considering an effective response is a fatal approach to parachuting. Similarly, failure to consider a project problem until it occurs can be disastrous.

Consequence #3 - Failure to periodically re-assess the wisdom of continuing a project

Setting realistic expectations regarding the possibility of failure and performing effective risk management improve the likelihood of project success, however failure is still possible. This is perhaps the harshest truth of all. If failure is not a safe subject for discussion, then discussing project cancellation is certainly taboo.

One of the simplest strategies for reducing the cost of project failure is to cancel troubled projects early. Most of us have had the experience of working on a project that failed. What is surprising is how often the project team knows a project is failing long before the project is canceled. These "zombie projects" - projects long dead but still moving - are a tragedy for all involved and a waste of organizational resources. Any poker player can tell you that learning to cut your losses is the key to winning, "knowing when to hold 'em and when to fold 'em."

Effective organizations schedule periodic project progress reviews. The objective of a project review is to pause, assess the project work to date, and determine whether the project goal and approach still make sense. A project review should honestly ask and answer several questions:

- What has been learned about the project that was not known previously?
- Which of the potential risks have become real?
- What new risks have been identified?
- Which of our assumptions were wrong and what are the implications?
- How is our progress compared to our plans?
- Is the project on track to meet its original schedule, scope and resource goals?
- Do we still feel confident that this is possible?
- Do we believe that our plans are still credible?

Each project review is also a chance to re-assess the wisdom of continued investment and a chance to cut an organization's losses. If an organization is unwilling to consider the possibility of project failure, it misses the opportunity to recognize early signs of trouble and either take corrective action or curtail investment.

The Bottom Line

Individuals and organizations are capable of doing amazing things if they have the ability and will to do them and a belief that they are possible. This does not mean all things are possible given sufficient enthusiasm. Even in the presence of positive thinking, projects sometimes fail.

Effective organizations acknowledge that projects sometimes fail, and use this awareness to improve their chances of success. Rather than simply encouraging a "can do" attitude, such organizations encourage realistic thinking and create an environment where risks are openly discussed and managed. Organizations that encourage open communication and set realistic expectations can deal with project risks constructively. This open dialogue about risk is better for morale and directly affects the profitability of the organization and the ability of project managers and project sponsors to influence outcomes.

The foundation of effective risk management is to remember that any project can fail. Remember what author Jerry Weinberg calls "The Titanic Effect":

“The thought that disaster is unthinkable, leads to unthinkable disaster.”

The H.M.S. Titanic was an “unsinkable ship” that sank on its maiden voyage in 1912 losing 1,513 lives. The Titanic had 2,224 people aboard, yet carried lifeboats with space for only 1,178. Lifeboats were an unnecessary expense on an unsinkable ship.

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