

Why is it so difficult to cancel a project?

By Ganief Galvaan – Project Doctor.

Organisations generally do not cancel projects, even when there is no longer a business justification for the project.

The most quoted example of the above, is the case of RCA's SelectaVision:

SelectaVision was announced in 1970, even though industry experts questioned the technology. By the time the first prototype was launched in 1977, competitors have all abandoned their research. Consumer response was terrible after SelectaVision was introduced in 1980, but RCA continued investing in the technology. The product was only declared a failure in 1984, after 14 years and \$140M was spent on it.

Numerous other examples have been quoted over the years, yet organisations in general are still reluctant to cancel projects.

"A willingness to kill projects helps organizations remain focused on achieving their strategic goals"

- Mr. Augustus (Gus) Cicala, President, CEO, and co-founder of Project Assistants, Inc.

The above quotation adequately summarises the importance of cancelling projects when necessary. Mr Cicala further writes that *"the adoption of a solid project portfolio governance model is typically required for a project cancellation process to function smoothly"*.

Two factors consistently affect organisations' willingness to cancel failing projects:

- Cancelling a project is viewed as a sign of failure, and
- Many organizations do not have a formal approach to cancelling projects.

Organisations can change the above mindsets in the following ways:

1. Plan regular, independent Project Health Checks during the life of their projects.
2. Create a formal Project Cancellation process as part of the project management methodology. This must be part of a standard process in order to create the right mindset. In other words, a standard review will always decide whether a project should be allowed to continue or not.

Mr. Ganief Galvaan is the founder member of Project Doctor, and continues to consult in the disciplines of Project Management and Project Health Checks.