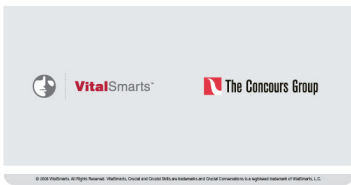




About the Silence Fails Study



The *Silence Fails* study collected data from more than 1,000 executives and project management professionals across 40 companies and a wide variety of industries, including pharmaceuticals, airlines, financial services, government agencies, and consumer products. While most of the 40 were Fortune 500 multinational organizations, about 10 percent were smaller, regional firms. Some organizations had sophisticated project governance, management processes, and policies, while others had far less developed approaches. The analysis encompassed more than 2,200 projects ranging from \$10,000 IT projects to billion-dollar organizational restructuring efforts.

Visit www.silencefails.com to download the full report along with other useful resources that will make a difference for you, your team, and your organization.

EXECUTIVE SUMMARY

The Five Crucial Conversations for Flawless Execution

Situation Analysis

A senior leader's success depends on flawless execution of business strategy. In today's business world, strategy is executed through cross-functional projects such as major product releases, strategic IT undertakings, substantial organizational restructuring, fast-paced downsizings, and aggressive quality initiatives. Senior leaders commonly bet the company on the success of these momentous projects.

But these bets rarely pay off as anticipated. Failure rates of major projects run upwards of 91 percent¹, costing hundreds of billions of dollars a year. In addition to having a financial impact, these failures can cost careers. In 2005, CEO turnover doubled from the previous year. Close to two-thirds of all major companies have replaced their CEOs within the last five years.²

Previous studies suggest that a primary reason for this alarming rate of dismissals has been the inability to deliver on critical initiatives. The CEOs' shortcomings were less about strategy and decision making than about their ability to execute their plans.³

Introduction to the *Silence Fails* Study

Silence Fails: The Five Crucial Conversations for Flawless Execution research study, conducted by VitalSmarts and The Concours Group, uncovers five crucial issues—defined in the study as crucial conversations—that have an enormous impact on whether high-stakes business initiatives succeed.

The *Silence Fails* study demonstrates that when even one of these crucial conversations fails, a silent crisis plays out in a deceptively simple dynamic that results in failure to execute an initiative 85 percent of the time. The general effects are going over budget, missing deadlines, and failing to meet quality and functionality specs. Team morale is inevitably damaged in the process.

Alternately, when these conversations succeed, the failure rate is reduced by 50 to 70 percent.

The Five Crucial Conversations for Flawless Execution

The five crucial conversations identified by the study are the most prevalent and most costly barriers to project success. They are:

1. **Fact-Free Planning.** A Project is set up to fail when deadlines or resource limits are set with no consideration for reality. Eighty-five percent of participants experienced this problem on nearly 40 percent of their projects.
2. **AWOL Sponsors.** A sponsor doesn't provide leadership, political clout, time, or energy to see a project through to completion. Sixty-five percent experienced this on one-third of their projects. Fewer than 12 percent of those indicated that they could skillfully address this issue.

About the Sponsors

VitalSmarts

An innovator in corporate training and organizational performance, VitalSmarts helps teams and organizations achieve the results they care about most. With award-winning training products based on more than 25 years of ongoing research, VitalSmarts has helped more than 300 of the Fortune 500 realize significant results using a proven method for driving rapid, sustainable, and measurable change in behaviors. VitalSmarts has been ranked twice by *Inc.* magazine as one of the fastest-growing companies in America and has trained more than 500,000 people worldwide. www.vital-smarts.com

The Concours Group

The Concours Group is a new breed of professional services firm, supporting senior executives through the blend of leading-edge intellectual capital and pragmatic business applications. The firm works with more than 300 of the Global 1,000 firms, helping leaders turn human and technological potential into business value. The Concours Institute is the research and education arm of The Concours Group. Concours research discovers and develops future best practices in business, technology, and human capital; its education articulates them and motivates their adoption; and its innovative senior-person Advisory Services enables clients to implement them quickly and achieve business results. www.concoursgroup.com

3. **Skirting.** People work around the priority-setting process. Just over 50 percent of project leaders attempt to speak up on this issue, and only 16 percent of those solve the problem.
4. **Project Chicken.** Team leaders and members don't admit when there are problems with a project but instead wait for someone else to speak up first. While 55 percent of study participants experienced this problem, fewer than 14 percent of those skillfully addressed it.
5. **Team Failures.** Team members perpetuate dysfunction when they are unwilling or unable to support the project. Encountered by 80 percent of all project leaders with very few of those feeling able to address this issue, team failures go unaddressed nearly half of the time.

When a Conversation Fails

These concerns are more common than most senior leaders realize; 90 percent of project managers routinely encounter one or more of these five concerns—and nearly one in five projects are plagued by all five.

But the problem isn't that these concerns are common; in fact, they may be an inevitable part of any large strategic implementation. The problem is that those who encounter these problems don't effectively confront and resolve them. This study reveals that only half ever attempt to confront the problems, and when they do, only 17 percent say they are able to get their concerns heard and understood. This study also reveals that many leaders lack the skills to address these issues and instead often see themselves as the scapegoats and feel they are ignored, blown off, or pressured into submission.

The Good News

Although this study shares important findings that can predict and explain failure, the most important implication of the research is the potential that leaders have to influence success.

In each of the five crucial conversations, the study found that just speaking up can make a difference and that speaking up skillfully and effectively dramatically improves project success. When these conversations succeed, the impact on the course of the initiative is profound. Those who successfully address one or more of the five issues are 50 percent to 70 percent more likely to fully achieve project objectives—on budget, on schedule, on spec, and with intact team morale.

Next Steps for Senior Leaders

Senior leaders can predict and prevent the failure of high-stakes business initiatives by creating a culture where the five conversations are held quickly and effectively. *Silence Fails* also provides insights and recommendations on how senior leaders can develop a business case for change, measure behaviors, invest in skills, hold senior management accountable, and make heroes of early adopters.

Notes

1 "CHAOS Chronicles," Standish Group, 2004 and "The Strategy Focused Organization," Kaplan and Norton, 2001

2 "CHAOS Chronicles," Standish Group, 2004

3 "Dependable Software by Design," *Scientific American*, June 2006, p. 69