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When you have to dump it

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The project is not working and that truth is staring at you

WHEN YOU HAVE TO D UMP IT

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ELTON John is right; "sorry" is the hardest word.

It is hard to admit when you are wrong. What is harder is to find a way forward — a way to correct your past mistakes.

But when it comes to hard-headed business decisions, backtracking may often be the only thing to do.

It makes sense to cut further losses and such containment efforts are routine events in most establishments.

The biggest loss containment effort in which I had a personal stake happened in the United States in the early '90s.

I began noticing its worrying escalation in a hotel room in Washington DC. I was a student delegate in the annual conference of the American Physical Society (APS).

Despite the happy atmosphere of the conference (where many graduate students find their future placements) and the beautiful pre-cherry-blossom weather, I was worried because I had just seen a TV commercial that said: "US$10 billion ($14.4 billion) for a particle accelerator??!! What the heck is it any way?"

The US$10-billion project under attack was the Superconducting Super Collider (SSC) particle accelerator in Texas, which was eventually shut down in 1993.

This was despite of an initial investment of about US$2 billion.

This cancellation meant that more than 2,000 bright and experienced physicists would be looking for jobs around the time I would enter the job market.

This concern represented my personal stake in the project.

But the actual impact of my backtracking was much deeper. It precipitated a minor recession in parts of Dallas to the south of the Trinity River in Texas.

Similar backtracking — albeit at a much smaller scale — can happen in your organisation as well. Let's say you decide to invest $2 million in a software system to solve a particular business problem.

Half a million dollars into the project, you realise it was a wrong solution.

It may seem obvious that you should save the company $1.5 million by stopping the project. This decision is exactly what the collective wisdom of the US Congress arrived at in 1993 regarding the SSC.

But it is not that simple.

Corporate backtracking is a complex process. It has multiple, often interconnected, aspects that have to be managed with skill.

If you decide to backtrack, what does it say about your business acumen?

Will it trigger a backlash from the top management, who might accuse you of poor judgment? Will your name be so much in the mud you may find it impossible to get a job and support your family?

Let's say it really wasn't your fault and you had valid arguments to convince everybody of your innocence. Will that make it simple enough to pull the plug on the project?

It probably will not because big projects involve other people. Stopping a project half-way would probably mean sacking the whole team.

This human cost is something we have to be aware of. It is not always about dollars and cents. If you are a kind soul, you will have to move the team to some other (potentially-unproductive) project, thereby eroding the savings that would have accrued from stopping the project. Wouldn't it be better to continue working on the original project, doomed as it was?

In most cases, it will be wise to shut down doomed projects. But don't underestimate the costs that could be involved. They may not always be counted in monetary terms, but also in terms of its impact on human beings.

It is far wiser not to embark on dubious projects. When you must get involved in uncertain projects, review your exit options carefully. For instance, would it be possible to reshape the project in a different but still salvageable direction?

And if and when you do have to shut them down, do it with decisiveness. Do it with skill. Most importantly, do it with compassion.

A scientist from the European Organisation for Nuclear Research (Cern), the writer works as senior quantitative developer at Standard Chartered Bank, Singapore. His internationally-acclaimed book, The Unreal Universe, is available in local bookstores and at www.TheUnrealUniverse.com.

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