

# Value of Failure

## Students Course

### Module 4: Preventing failure

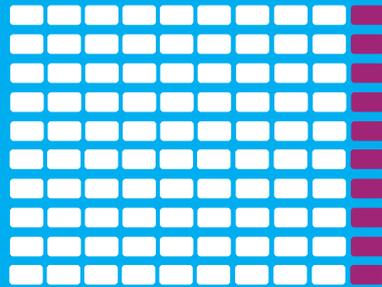
### Students Workbook

Learner Name: \_\_\_\_\_

Assessor/Tutor: \_\_\_\_\_



Did you know that...



...in some sectors up to  
90 % of new businesses fail  
in the first 5 years?

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Did you know that...



...the **value of failure** makes re-starters grow faster and stronger than first-timers?

# I Working with this Workbook

Learning without additional working materials does seldom lead to learning success. The Value of Failure Project therefore designed additional workbooks for tutors as well as for learners to support a fast and productive learning environment. Those workbooks follow the structure of the Value of Failure Learning Resources and give additional information and content.

The Students Workbooks for each of the modules should be seen as a helping hand for learners. They provide help, tasks and additional information. Free pages give room for your individual notes.

We also recommend to study the additional literature and online resources provided on the Value of Failure Website and the Value of Failure Pearltrees Account.

Following resources are provided on the project website:

- Tutors Workbooks
- Learners Workbooks
- Presentations

To enrich the learning experience we are looking forward to your feedback:

 [www.valueoffailure.com](http://www.valueoffailure.com)

## Legend

Presentation 

Workbook 

Example 

Remember 

Digression 

Law 

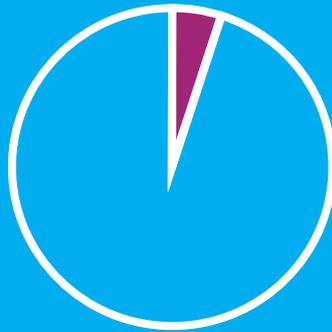
Learned 

Checklist 

Link 

Video 

Did you know that...



...only about **8 %** of failed  
entrepreneurs start  
over again?

# II About the Project

Value of Failure is a European Union funded grass roots initiative to support a better framework for so called failed or second chance entrepreneurs. The idea is to implement a new positive approach to failure in general and to business failure in specific. The project is funded by the European Union within the Erasmus+ framework.

The approach of the project is to address this important topic from two different sides:

1. **Regional alliances** involve all important stakeholders to set up more a failing- friendly environment and funding framework. The project develops a tool-kit for other regions to develop franchises of the alliances on their own.

2. A set of **learning resources** addressing students as well as second chance entrepreneurs are set up to implement a seed for a new thinking about failure and providing in depth knowledge about failure and how to cope with it.

All materials produced are open source and can be used by anyone according to the rules provided in the disclaimer at the end of this publication.

More information about the project, the e-learning courses and the regional alliances can be found on the project website

↶ [www.valueoffailure.com](http://www.valueoffailure.com)

The project is developed, designed and implemented by an experienced international consortium of universities, business development agencies, consulting companies and SMEs (small and medium sized enterprises) coming from Germany, Northern Ireland and Poland:

## 1. University of Szczecin, Poland (Project Leader)

The University of Szczecin (US) is the most powerful organisation in the West Pomeranian region. Presently over 30.000 students are following full-time, evening & part-time studies in 27 subject areas at 13 faculties. One of the most important objectives of the University is education of students and their preparation for entering labour markets. International cooperation com-

prises an extremely important aspect of US's activity. The top priorities are joint research and student & staff mobility programs.

↶ [www.english.usz.edu.pl](http://www.english.usz.edu.pl)

## 2. Canice Consulting, Northern Ireland

Canice Consulting is a small yet established private company based in Northern Ireland which operates in the fields of local and regional development, enterprise education and management and technical support to EU networks and programmes.

Canice Consulting provides a broad range of modern learning services to predominantly the EU market place. Services include training solutions, e-learning content creation, learning technologies and learning strategy design and consulting. Learning technologies include learning portals, learning management systems, content development systems, performance support tools, virtual classroom tools and more.

↶ [www.caniceconsulting.com](http://www.caniceconsulting.com)

## 3. Creo Mind S.C., Poland

CREO MIND (CM) is a civil partnership established from two sole traders: Wojciech Brażuk and Prestige Brand Mariusz Woźniak. The company has wide experience in consulting services in the area of marketing, business development, strategic management and skills development. The owners of CREO MIND have been closely collaborating with the Northern Chamber of Commerce, providing their services for the largest regional chamber of commerce in Poland. Therefore CREO MIND has a strong potential in networking of entrepreneurs and in building relations among various stakeholders of regional market. CREO MIND has elaborated number of analysis and expertise on business and markets. CREO MIND is also recognized on the regional market from elaborating and realizing creative and innovative marketing campaigns and events.

↶ [www.websitecreomind.com](http://www.websitecreomind.com)

Did you know that...



...31% of projects fail?

#### **4. Enterprise Northern Ireland, Northern Ireland**

Enterprise Northern Ireland was established in 2000 to represent the network of Local Enterprise Agencies in Northern Ireland, and is the only membership body in Northern Ireland for organisations providing enterprise support. Enterprise Northern Ireland holds national contracts with various public sector organisations which it delivers primarily through its member agencies. These contracts include the Regional Start Initiative; Social Entrepreneurship, Exploring Enterprise, Tradelinks programme and Business Bootcamp. All of these programmes are further supported by access to finance through the ENI Loan Fund and the Northern Ireland Small Business Loan Fund.

As the only membership body in Northern Ireland for organisations providing enterprise support, Enterprise Northern Ireland is at the heart of a dynamic, high profile network. Enterprise Northern Ireland also represents the interests of the wider small business sector through policy and business development, research and quality assurance, and has a strong lobbying and campaigning remit.

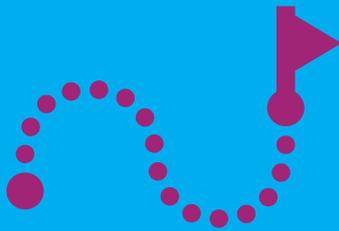
↶ [www.enterpriseni.com](http://www.enterpriseni.com)

#### **5. The visionworks, Germany**

The Visionworks is a small company specialized on consulting, coaching, marketing and project management especially for (micro) SMEs and Start-ups. For its clients the visionworks develops investor ready business plans and financing concepts and accompanies founders until the closing of financing. The visionworks has international contacts to public and private investors and has also worked extensively with all relevant regional stakeholders and institutions which are relevant for the regional Second Chance Entrepreneurs Alliance. Despite that the visionworks has great experience in developing learning courses and learning environments for adult education as well as for students.

↶ [www.thevisionworks.de](http://www.thevisionworks.de)

Did you know that...



...88% of projects  
are past the deadline?

# III About this Course

## Course Overview

The Value of Failure Course was designed for adult learners, including high-school teachers, undergraduates and the interested public. For teachers and tutors, the course will look at advances in psychological knowledge about failure which helps them to integrate this important topic into their teaching. For adult learners, it will help them to appreciate the positive effects of failure and their potential impact on their everyday life. The goal of the course is to make the existing positive effects of failure accessible to everybody.

The course can be used in a classroom environment as well as a self-contained distance learning course. Distributed free of charge on the Value of Failure project website.

← [www.valueoffailure.com](http://www.valueoffailure.com)

## Course Components

The syllabus of the Value of Failure course is divided into seven different units called modules Each of them focussing on different aspects of failure.

**Module 1:** Basics of failure

**Module 2:** What is Failure

**Module 3:** Causes of Failure

**Module 4:** Preventing Failure

**Module 5:** How to detect Failure

**Module 6:** Coping with Failure

**Module 7:** Learning from Failure

Each module is divided by sub-sections and can be used as a stand-alone learning session. Therefore each module starts with an introduction about the course which can be skipped if you have studied the previous modules already . All modules include additional resources such as videos and also provides questionnaires, examples and tests where appropriate.

Did you know that...



...the average cost overrun  
of projects is **189%**?

# IV About this Module

## Module 4: Preventing failure

### Introduction

In the first 3 modules of this course we have learned that different personal mindsets result in different perceptions of success and failure, and that there is nothing like a typical failure. Each failure is different and, depending on what we draw out of it, there is “good”, “productive” and even “happy” failure.

We do need failures for personal growth and learning. But still, preventing failure and succeeding in the big picture should remain option no. 1. To do so, we have to analyse where failures result from. This is the first step of effective planning. In fact, ineffective planning is amongst the most common causes of failure.

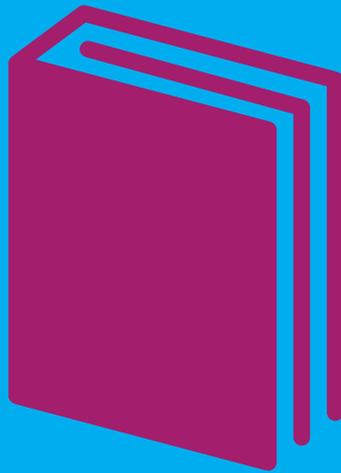
In this module we will explore the basics of successful project management as well as risk management. Both processes are very important to prevent failure in the first place.

**Additional information can be found on our website and our Pearltrees-Account:**

↩ [www.valueoffailure.com](http://www.valueoffailure.com)

↩ [www.pearltrees.com/thevalueoffailure/](http://www.pearltrees.com/thevalueoffailure/)

Did you know that...



...Stephen King threw away his entire draft of “Carrie”? His wife found it in the trash and the book later launched his career with now more than 350 Million books sold.

# V Learning Achievements



In this module you will learn about:

Achieved

Date

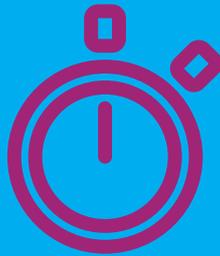
## 1. Project management

You will understand the process of successful project management.

## 2. Basics of risk management

You will learn how to identify and quantify risks.

Did you know that...



...the average time overrun of projects is **222%**?

## Module 4: Preventing failure

### Chapter 4.1 Project management

Definition Project management:

- The application of knowledge, skills, tools and techniques to project activities in order to meet or exceed stakeholder needs and expectations from a project.
- Project Management is the process of defining, planning,organizing, leading and controlling the development of a project.

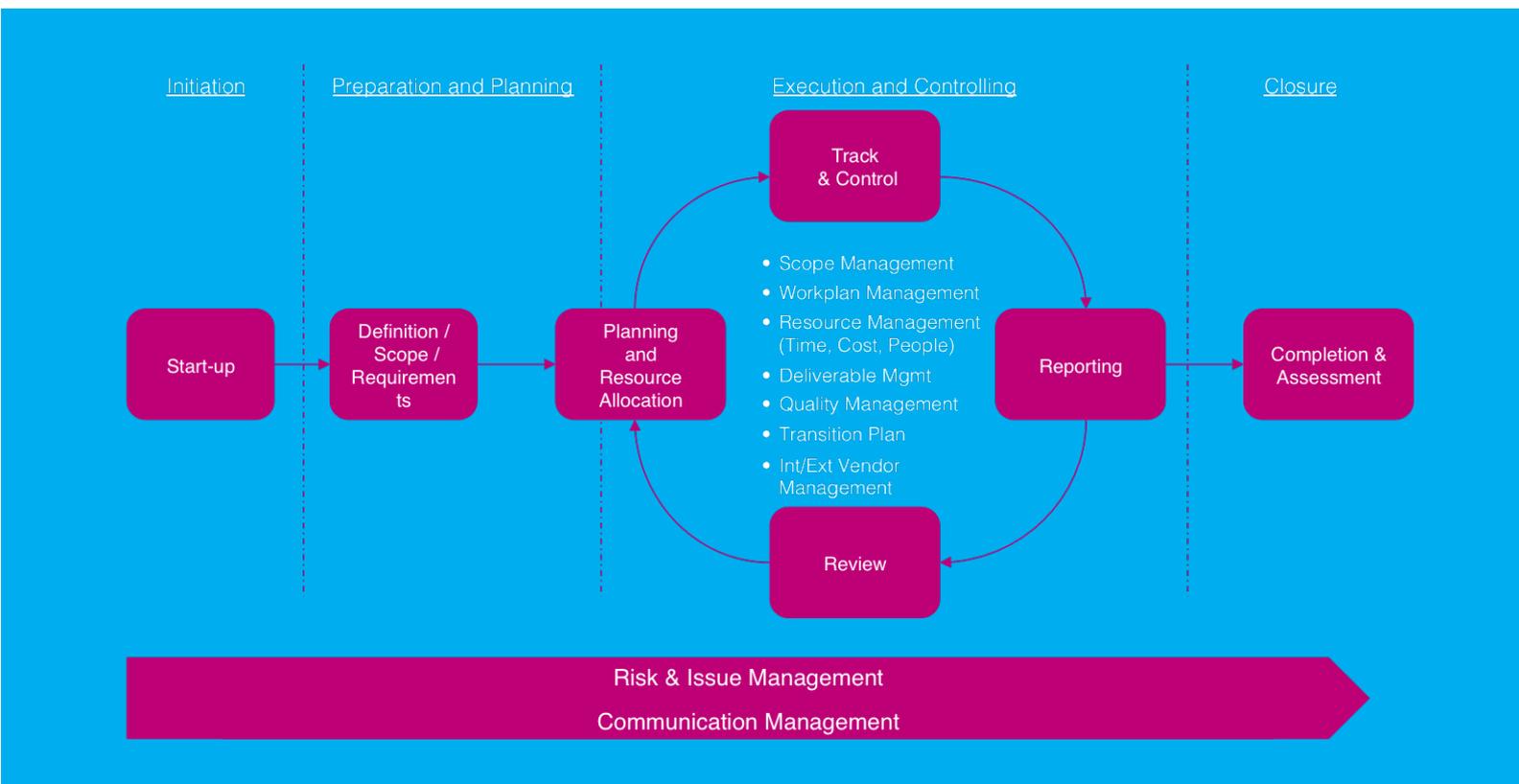
Basic elements of project management:

- Project scope
- Deliverables
- Roadmaps
- Roles and responsibilities
- Communication procedures

Use of project management:

- To focus and clarify so that it can be proceeded in a systematic, effective, and efficient way.
- Identification of everything that needs to be considered and done to reach a goal (includes what should be communicated and to whom).
- To identify who will do what when.
- Reduction of confusion, frustration, backtracking, and errors that can be associated with de-veloping or introducing something new.

Figure 4.1: Project Framework



Did you know that...



...that James Dyson created  
**5,126** failed prototypes of his  
vacuum cleaner before succeeding?

The process of project management can be separated in 5 different phases:

### Phase 1: Initiation

- Process in which activities are performed to assess the size, scope, and complexity of the project and to establish procedures to support later project activities.
- Depending on the project some of the following activities might be unnecessary.

#### Activities:

- Establishment of a project initiation team
- Establishment of relationships with the important stakeholders
- Establishment of a project initiation plan
- Establishment of management procedures
- Establishment of project management environment and project workbook

### Phase 2: Preparation and Planning

- The Project Planning provides an overall framework for managing project costs and schedules.
- Project planning takes place at the beginning and at the end of each project phase (controlling).
- Project planning involves defining clear “activities” or “tasks” and the work needed to complete each activity.

#### Activities:

- Description of project scope, alternatives and feasibility
- Dividing the project into manageable tasks
- Estimating and creating a resources plan
- Developing a preliminary project schedule
- Developing a project communication plan
- Determining project standards and procedures
- Identifying and assessing project risks
- Developing a statement of work
- Setting a baseline project plan

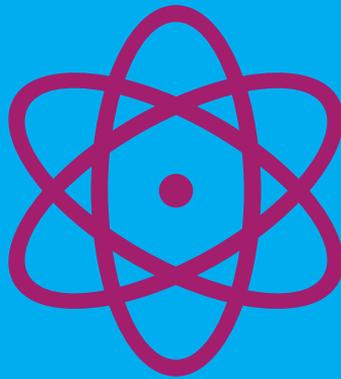
### Phase 3: Execution and Controlling

- The plans created in the prior project phases are put to action.
- If you develop a high quality project plan, it is much more likely that the project will be successfully executed.

#### Activities:

- Execution of baseline project plan
- Monitoring of project progress against baseline plan
- Monitoring of changes to baseline plan
- Maintaining the project workbook
- Communication of project status

Did you know that...



...Albert Einstein had some communication and learning difficulties in school?

## Phase 4: Closure

- Final phase of project management focussing on bringing the project to an successful end.
- Closure is very important since a project is not complete until it is closed and it is at closedown that projects are deemed a success or failure.
- Projects can conclude with a natural or unnatural termination.
- Natural termination occurs when the requirements of the project have been met and thus the project completed and is a success.
- An unnatural termination occurs when the project is stopped before natural completion.

### Activities:

- Closing down the project
- Conducting post-project review

You can find different structures for project management procedures. Another example is the following:

## 1. Start-up

- As you engage potential team members and stakeholders, project initiation activities establish the scope, goals and preliminary plan.

### Activities:

- Document and/or confirm scope and assumptions
- Confirm financing
- Draft high level plan
- Identify who needs to provide input into plan and resources

### Possible checklists that might be helpful

- Project start-up and financing

### Templates that might be helpful

- Project scope, GANTT Chart and resource planning
- Project role descriptions

## 2. Define and confirm scope/requirements

- Engage your financiers and business stakeholders to confirm the project scope and clarify business requirements. It is also the time to identify the technical requirements with the appropriate providers (if applicable).

### Activities:

- Confirm baseline project scope with stakeholders
- Define, document and confirm business and technical requirements
- Identify impact on business processes
- Identify what's not in scope

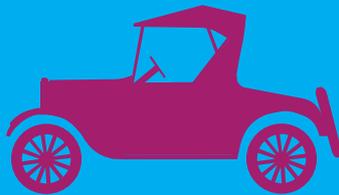
### Possible checklistst hat might be helpful

- Financing

### Templates that might be helpful

- Project scope

Did you know that...



...Henry Ford failed with a couple of automobile businesses before he learned from his failures and revolutionized the automotive industry?

### 3. Develop plan and secure resources

- The initial detailed project plan provides a project roadmap and is the working baseline for all team members and stakeholders. As the project evolves, the plan may need to be refined.

#### Activities:

- Identify who needs to provide input into plan
- Develop preliminary detailed plan based on scope, requirements, etc.
- Identify skills needed to accomplish tasks (and plan how skills can be acquired from external resources if needed)
- Develop communication plan
- Identify and secure resources
- Conduct pre-kick-off meeting with important stakeholders
- Conduct kick-off meeting
- Conduct risk assessment with team members
- Identify the criteria for stopping the project in emergency (upcoming failure)
- Update detailed plan and get buy-in from team and stakeholders

#### Possible checklists that might be helpful

- Project planning
- Deliverable and quality assurance
- Transition

#### Templates that might be helpful

- Activity list
- Detailed project plan
- Project resource plan
- Project risk assessment

### 4. Track, Control, Report and Review

- Once you kick off the project controlling (esp. tracking, reporting, reviewing) is most important

#### Activities:

- Implement communication plan
- Hold regular team meetings to:
  - share progress/status
  - identify/resolve issues
- Hold formal stakeholder updates
- Monitor progress and report status
- Monitor risks and take action as necessary
- Identify and manage issues
- Manage scope and track changes
- Update plan as needed

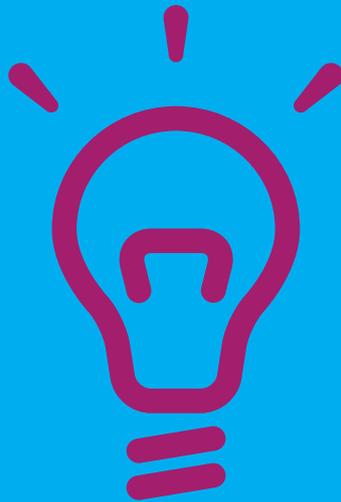
#### Possible checklists that might be helpful

- Project planning
- Transition

#### Templates that might be helpful

- Project scope change
- Communication matrix
- Detailed project plan
- Risk assessment
- Issue log

Did you know that...



...Thomas Edison has been told by his teachers to be “too stupid to learn” before he invented some world-changing gadgets and applied for more than 1000 patents?

## 5. Completion and Assessment

- Import to ensure a smooth transition and leverage lessons learned for future projects.

### Activities:

- Develop a cutover plan or checklist, if applicable
- Complete documentation, training, and knowledge transfer
- Conduct final project review
- Conduct sponsor sign-off
- Transition to support/service organization or next project team
- Close-out final tasks and issues
- Conduct lessons learned
- Celebrate success

### Possible checklists that might be helpful

- Transition
- Project closeout

### Templates that might be helpful

- Issue log
- Detailed project plan
- Communications matrix

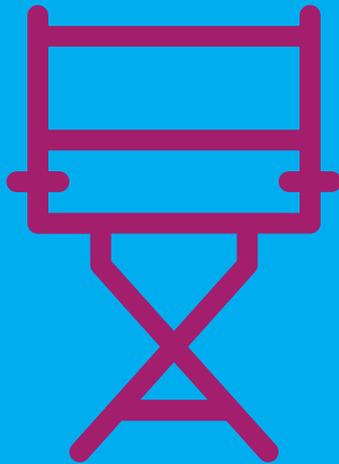
Successful project management is actually easy to learn and there are many different helpful tools available. Some of the most common are:

1. Work Breakdown Structure (WBS)
2. GANTT Charts
3. Network Diagrams

### 1. Work Breakdown Structure (WBS)

- To successfully plan workload and available resources, work must be divided into manageable tasks and then logically order them to ensure a smooth evolution between tasks.
- The definition of tasks and their sequences is referred to as the WBS.
- WBS is essential in planning and executing a project because it is the foundation for developing the project schedules (e.g. GANTT chart) for identifying milestones in the scheduling and for managing costs.

Did you know that...



...Steven Spielberg was rejected by the University of Southern California School of Cinematic Arts multiple times before he won three Academy Awards?

Figure 4.2: Work Breakdown Structure - Example

Phase	Duration in days	Number of Resources
1.0 Project Planning Phase		
1.1 Define the problem		
1.1.1 Meet with users	2	2
1.1.2 Determine scope	2	2
1.1.3 Write statement of business benefits	1	-
1.1.4 Define statement of system capabilities	1	-
1.1.5 Develop context diagram	1	-
1.2 Produce the project schedule		
1.2.1 Develop work breakdown schedule	3	2
1.2.2 Estimate resources, durations, and predecessors	2	2
1.2.3 Develop PERT chart and Gantt chart	2	2

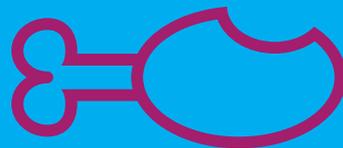
### 3. GANTT Charts

- A graphical visualization of a project that shows each task as a horizontal bar whose length is proportional to its time for completion.
- A GANTT chart is a horizontal bar chart that illustrates a project schedule.
- In the GANTT chart time is displayed on the horizontal axis and the tasks activities are arranged vertically from top to bottom, in order of their start dates.
- A detailed GANTT chart for a large project might be quite complex and hard to understand.
- To simplify the chart you can combine related activities into one task.

Figure 4.3: GANTT Chart - Example



Did you know that...

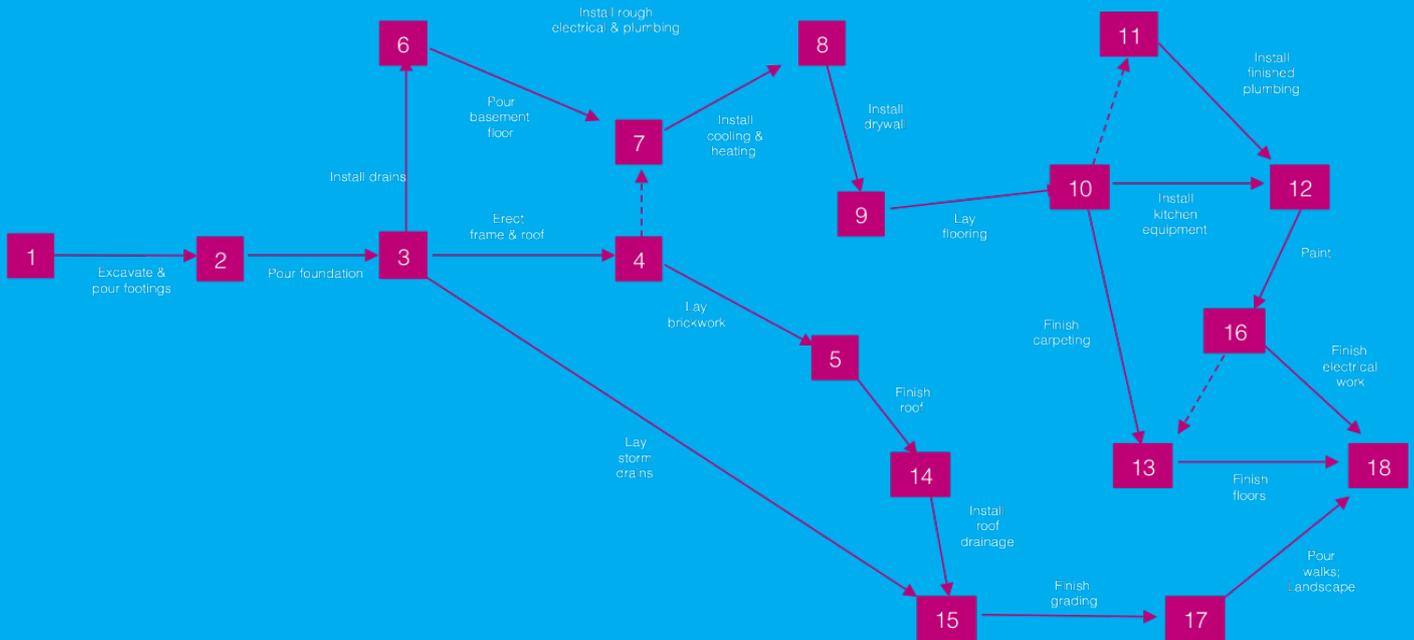


...Colonel Harland David Sanders  
was fired from dozens of jobs before  
founding KFC - one of the worlds best  
known franchise brands?

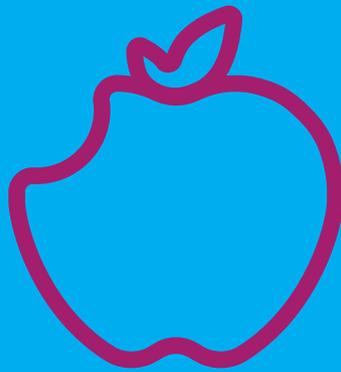
### 3. Network Diagram

- A graphical depiction of tasks and their inter-relationships.
- The distinguishing feature of a network diagram is that the ordering of tasks is shown by connecting with its predecessor and successor tasks.
- Network Diagramming is a critical path scheduling technique used for controlling resources.
  - Critical path scheduling is a scheduling technique whose order and duration of a sequence of task activities directly affect the completion date of a project.

Figure 4.4: Network Diagram - Example



Did you know that...

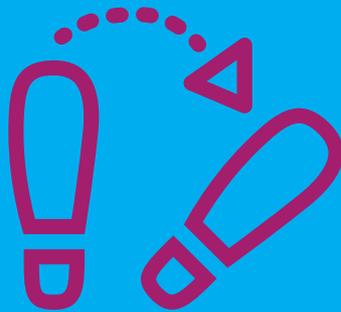


...Sir Isaac Newton failed miserably running the family farm after being pulled out of school by his mother? Later she realized that he was not a farmer at all and she let him finish his education.

#### Task 4.1: GANTT Chart

Think of a difficult and complex task you are facing at the moment. Take your time and develop a GANTT Chart on this free page.

Did you know that...



...Fred Astair has been judged as follows after his first screen tests:  
“Can’t sing. Can’t act. Slightly balding.  
Can dance a little.”

## Task 4.2: Network Diagram

Now try to draw a network diagram for this task

Did you know that...



...R.H. Macy failed with a couple of businesses before he started Macy's and became Americas No.1 retailer with about 800 stores?

## Chapter 4.2 Risk management

In the last modules we learned about the basics of attribution theory - the process how and where we attribute certain events to. This is a very personal and subjective process. Now we want to look at reasons for success and failure in a more objective way.

One method to find out the reasons for success and failure is the so called **Root Cause Analysis (RCA)**. RCA is a process originally designed for investigation and categorization of root causes of events with safety, health, environmental, quality, reliability and production impacts. Simply stated, RCA is a tool designed to help identify not only which kind of event occurred, but also why it occurred. Only when we are able to determine why an event or failure occurred we will be able to specify workable corrective measures that prevent future events of the type observed.

Often used in healthcare, RCA can also be very helpful for personal purposes.

**Definitions:** Important terms terms around risk management

### Risks:

- Risks are potential events that have negative impacts on a certain tasks or project (e.g. safety, technical performance, cost or schedule)
  - Complex function of probability, consequences and vulnerability
  - Risks can be reduced but never eliminated

### Risk Assessment:

- Risk assessment and risk analysis can be defined as a set of systematic methods to:
  - Identify hazards
  - Quantify risks
  - Determine components, safety measures and/or human interventions important for the task
- Risk analysis is teamwork
  - Ideally risk analysis should be done by bringing together experts with different backgrounds

### Risk Management:

- Risk Management comprises purposeful thought to the sources, magnitude, and mitigation of risk, and actions directed toward its balanced reduction
- The same tools and perspectives that are used to discover, manage and reduce risks can be used to discover, manage and increase project opportunities
- Risk management is a continuous and iterative decision making technique designed to improve the probability of success. It is a proactive approach that:
  - Seeks or identifies risks
  - Assesses the likelihood of these risks
  - Assesses the impact of these risks
  - Identifies the most significant risks
  - Develops and chooses mitigation options to implement
  - Tracks progress to confirm that cumulative project risk is indeed declining
  - Communicates and documents the project risk status
  - Repeats this process throughout the project life



## Summary

The goal of this module was to understand the process of project management as well as the basics of risk management. You learned different techniques that help you to execute efficient planning to prevent failure.

**Additional information, literature and resources can be found on our website and our Pearltrees-Account:**

 [www.valueoffailue.com](http://www.valueoffailue.com)

 [www.pearltrees.com/thevalueoffailure/](http://www.pearltrees.com/thevalueoffailure/)

# V Disclaimer

The Value of Failure Project has been funded with support from the European Commission. The author is solely responsible for this publication (communication) and the Commission accepts no responsibility for any use may be made of the information contained therein.



Erasmus+



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