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Successfully Turning Around a Failing E-procurement Project: Lessons from a UK Borough Council

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Abstract

This paper presents a case study that examines the challenges faced by a British Metropolitan Borough Council in developing and implementing an electronic procurement system. The case illustrates how the project escalated, and the risks associated with that escalation. It also provides the sequence of actions/decisions associated with de-escalation, and explains how the project was eventually turned around. The study identifies the importance of de-escalation triggers, and discusses four de-escalation triggers that emerge from this case.

Keywords

Project Management; information systems development, escalation, de-escalation, project performance

INTRODUCTION

Despite a growing awareness and understanding of causes of Information Systems (IS) failures, many organisations continue to experience project failures (Nelson, 2005; Pan, 2005). According to a 1998 survey (Standish Group, 1998) 74 percent of information technology (IT) projects were delayed, over budget and failed to meet original functional requirements. Among those, 46 percent were completed over budget and behind schedule, and therefore, could be characterised as runaway projects. Generally, runaway projects stem from escalation of commitment to a failing course of action, where projects fail to work out as envisaged but continue onwards (Keil, 1995). Managers can become locked into a cycle of escalating commitment to a failing project despite clear warning signs. To break the escalation cycle, de-escalation of commitment, or the reversal of escalating commitments to failing courses of actions, should be adopted to channel valuable resources to more productive uses. De-escalation can be achieved through either project termination or redirection (Keil and Robey, 1999). While there are a handful of studies examining IS project escalation (Newman and Sabherwal, 1996; Keil, 1995), there is very little research on de-escalation of commitment in these projects (Heng et al., 2003) which is clearly important in reducing the escalation syndrome.

This paper examines the challenges faced by a British Metropolitan Borough Council (BMBC) in developing and implementing an electronic procurement (e-procurement) system. The case illustrates how the project escalated, and the risks associated with that escalation. It also provides the sequence of actions/decisions associated with de-escalation, and explains how the project was eventually turned around. The remainder of the paper is organized as follows: we first explain the concept of de-escalation of commitment, followed by a case description and discussion. The final section presents the conclusions, implications, and future research.

PAST RESEARCH ON DE-ESCALATION OF COMMITMENT TO FAILING COURSES OF ACTION

Escalation of commitment is a phenomenon which refers to situations where decision makers commit additional resources to a failing course of action (Staw and Ross, 1987). While escalation is a general phenomenon that can occur with any type of project, IS projects are susceptible to incur much more time and cost than originally expected (Keil, 1995; Newman and Sabherwal, 1996). The intangible nature of software makes it difficult to obtain accurate estimates of the proportion of work completed, which may promote escalation of commitment by giving a false perception that proximity to completion of the project is close. Furthermore, IS projects are complicated and tend to have erratic requirements (Ewusi-Mensah, 1997) that cause project scope to change frequently. Projects that exhibit such volatility are especially difficult to manage and control. For these reasons, it is not surprising that escalation occurs with high frequency among IS projects.

Despite the importance of reducing escalation, research on de-escalation of commitment in IS projects is relatively limited (Heng et al., 2003). Most of the existing studies were conducted in non-IS settings (e.g. Ross

and Staw, 1993) and only a few were related to IS projects (Keil and Robey, 1999; Montealegre and Keil, 2000). While escalation studies seek to understand why decision makers increase commitments to failing courses of action, de-escalation studies examine how decision makers extricate themselves from escalating commitments. Keil and Robey's study (1999) examined specific actors and actions taken to turn troubled projects around. Their study concluded that actors who are not directly involved in projects are more likely to trigger de-escalation. Their study also identified some specific actions to help turn troubled projects around such as redefining the project, improving project management, changing in project leadership and adding and/or removing resources. Even though these actions are useful for triggering de-escalation, one should not assume that these actions can be instantaneously carried out once unambiguous negative feedback is received (e.g. Garland et al., 1990). Rather, a project would usually pass through several phases before de-escalation can be triggered (Montealegre and Keil, 2000). Montealegre and Keil (2000) suggest that de-escalation is a process that unfolds gradually, leading to a reduction in commitment to previous choices, and the creation of an alternative plan of action. As a consequence of their analysis of a baggage handling system, they inductively developed a model of de-escalation process. The model reveals de-escalation as a four-phase process: (1) problem recognition (2) re-examination of prior course of action (3) search for alternative course of action, and (4) implementing an exit strategy. For each phase of the model, they identify several key activities that may enable de-escalation to move forward.

This brief review of de-escalation studies in the IS literature highlights a knowledge gap. For example, how does one conceptualise the change in actors' commitment during the transition from escalation to de-escalation? While Montealegre and Keil (2000) offer a process perspective on how de-escalation can take place, little information is available on how actors overcome their commitment to previous courses of action, either on their own or through the influence of other actors. It is the aim of this paper to address this important issue.

RESEARCH APPROACH

Our strategy was to undertake in-depth case research of an e-procurement project conducted in BMBC. We did not consider laboratory experiments since the subjects may not have the same emotional attachments as managers personally involved in an IS development project (Brockner, 1992). The case study approach is particularly appropriate for our exploratory study since it allows us to capture the organizational dynamics of the phenomenon better (c.f. Newman and Sabherwal, 1996). Its strength also lies in its ability to explain the phenomenon based on the interpretation of data (Klein & Myers, 1999).

The research access was negotiated with the organisation in December 2001. From January 2002 to August 2002, data collection was undertaken. When our field research began in January 2002, the organisation had just decided to continue the failing project, with the aim of turning it around. BMBC was in the midst of preparing its turnaround strategies and therefore we were able to capture the dynamics of the de-escalation process. Semi-structured interviews and informal discussions were conducted with all the relevant project stakeholders (Klein & Myers, 1999). Semi-structured interviews and observation were the main data source as they allowed the researcher to explore the interviewees' interpretations of their actions and events, as well as their beliefs and aspirations. Secondary data such as reports, memos, and meeting minutes were also gathered to supplement the interview information. Seventeen interviewees participated in twenty-eight interviews, each lasting an average of one and a half hours; these interviews were recorded, and then transcribed immediately after the meetings.

As a first step in our analysis, the first researcher used the interview transcripts to prepare detailed case summaries. Major events, key actors and the actions taken during the development process were identified and summarized. The data were validated with several individuals who were familiar with the project's history. To reduce researcher bias, the second researcher, who was uninvolved with data collection, identified portions containing actors' commitment and actions taken that influenced their participation in the de-escalation process. The entire data analysis process went through numerous iterations, with each iteration cycle following the double hermeneutic circle principle to case study development (Klein and Myers, 1999).

CASE DESCRIPTION: BMBC'S E-GOVERNMENT INITIATIVE

This section presents background information about BMBC and its e-procurement project. It highlights and identifies the critical events that punctuated the escalation process. The case facts are presented in a series of events that illustrate both the escalation and de-escalation processes Figure 1 provides information about the project timeline and accumulated costs.

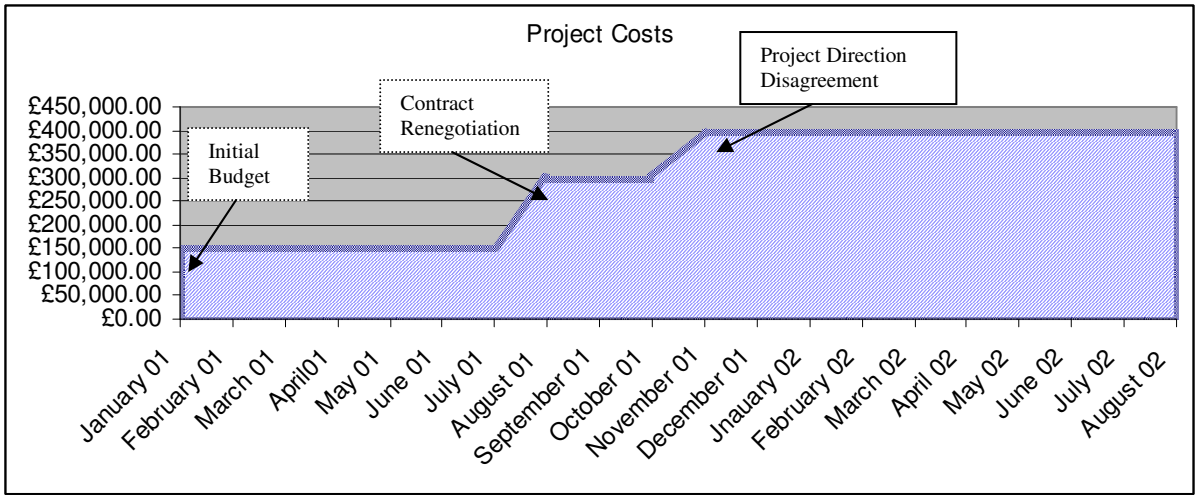

Figure 1 Project timeline and costs

Antecedent Conditions **Pre-January 2001**

BMBC is a UK municipal borough with an elected council that serves a local population of 221,000 and provides a wide range of services. The idea of e-government originates from the central government's 1999 White Paper, Modernizing Government. The White Paper committed the government to the "use of new technology to meet the needs of citizens and business and not trail behind technology development." The overall champion for the e-government initiative was the cabinet deputy of the council, who was assigned a special post known as the "E-Envoy." His main responsibility was to propel the e-government initiative within BMBC.

Event 1: Proposal to Develop the New System **January 2001**

The e-procurement system was proposed due to reasons which included improving purchasing efficiency, setting up a cost control mechanism, and a strong desire to be the first local council in the UK to purchase goods and services electronically. The council head gave full support for the project and the 12-month project was launched in January 2001 with an initial estimated cost of £150,000. The project was headed by the IS Manager, who was supervised by an e-procurement committee formed by a group of senior directors within the council. An external software vendor, selected through a bidding system, was tasked with developing the software. Other key stakeholders included the internal users of the system, such as the Chief Procurement Officer. External users included goods and services suppliers.

Event 2: Requirement Problems **March 2001**

The project faced several problems during its early stages of development. The main problem concerned conflicts among the IS Project Manager, the users and the IS contractor over design issues. On the one hand, internal users complained about the low quality of the software and the failure of the contractor to understand their requirements. "The new version was even worse than the earlier one. They did not seem to understand what we really wanted." (Corporate Service Manager, 15 March 2002). On the other hand, the IS Project Manager and the IS contractor were dissatisfied with the indecisiveness of the users and pinpointed their frequent requests for design change as the main reason for the delay in project development. "In my view, these changes were not so critical." (IS Project Manager, 20 January 2002?)

Event 3: Design Dispute **May 2001**

Despite several meetings and discussions, the problem remained. In fact, the situation worsened when the volume of change intensified and became increasingly unmanageable. "The users' number of requests doubled from 25 to almost 50 per design meeting." (IS analyst, 7 February 2002?)

Event 4: Request to Renegotiate the Contract **July 2001**

The project initially stalled due to a disagreement between the users and the IS contractor. It started when the IS contractor demanded an additional £150,000 for "redesigning the software again". Their reason was that since the contract price was predetermined, any changes to the software after the users had signed off a version of the prototype were chargeable. However, the users disagreed with the claim because they viewed those changes as alterations necessitated by the contractor's mistakes, rather than additions that they were requesting. "They did not follow our initial requests and they were charging us for the mistakes they made?" (Chief Procurement Officer, 2 March 2002)

Event 5: Intervention by E-procurement Committee August 2001
Eventually, the e-procurement steering committee intervened and agreed to make the additional payment. "What were we going to tell everybody if the project did not succeed? The stakes were very high and we could not disappoint them." (IS Strategic Director, 15 January 2002)? "We had to continue. We had to answer to our cabinet deputy." (Corporate Service Director, 4 August 2002). Estimated cost now £300,000.

Event 6: Disagreement over Project Direction among Stakeholders November 2001
After the committee's intervention, the project managed to continue for another two months before it finally collapsed. The same problems resurfaced and the users refused to continue participation in project development. Instead, they proposed the purchase of an e-procurement module which would be added to the existing financial system. At the same time, the IS Project Manager seemed to have lost control of the project and was busy haggling with the IS contractor over the issue of what requests were categorized as "additions" or "alterations". Despite this dire situation, the e-procurement committee did not intervene directly, except to insist to the users that the project had to continue. However, they did promise another £100,000. While the users were resolute about project abandonment, the IS Project Manager however, insisted that they should continue. "*How could we give up? With all the resources invested, the option of reverting to buying packaged software was unimaginable.*" (IS Project Manager, 4 July 2002?) "*The project was his baby. He would never give it up.*" (Technical Manager, 14 July 2002) Estimated cost now £400,000.

Event 7: Whistle-blowing on the Troubled Project December 2001
Refusing to continue with the troubled project, one of the users decided to blow the whistle on the project by reporting to the E-Envoy. "*I believed the involvement of the E-Envoy would resolve the entanglement. The committee and the Project Manager were too optimistic and irrational, from my perspective.*" (Corporate Service Manager, 4 August 2002). The E-Envoy was informed and was surprised at the problems facing the project. He explained why the news came as a surprise to him. "*At the bi-monthly management meetings over the past few months, the committee members did not inform me of any critical problem arising. We were so close. It was too late to give up.*" (E-Envoy, 30 July 2002). Immediately, he halted project development indefinitely until a decision was made.

Event 8: Affirmation of Continued Commitment January 2002
To resolve the problems, the E-Envoy gathered all internal and external stakeholders, including representatives from the IS contractor and goods and services suppliers, to reaffirm his commitment to the project. He stated a strong desire for the project to be continued rather than abandoned. *"It was important for everyone to understand my standpoint, especially in that state of confusion. Besides, the project was highly critical to us. It was the next-generation way of running a local council. Furthermore, the central government expected us to be a role model in the e-procurement initiative in the UK.*" (E-Envoy, 30 July 2002)

Event 9: Clarifying the Magnitude of the Problem February 2002
The E-Envoy organized a focus group meeting to re-examine previous problems. With the E-Envoy's presence and participation, everyone showed great enthusiasm in the meeting. "I simply assured them that no individuals would be punished in this project. I also stressed that we had to succeed at whatever cost." (E-Envoy, 30 July 2002)

Event 10: Lack of Confidence in Project Turnaround April 2002
The assurance from the E-Envoy was well received by everyone present in that meeting as they began to discuss their differences openly. They were unafraid of highlighting their mistakes. In that meeting, several problems were identified. The IS Project Manager explained the change of attitude, "Basically, he [the E-Envoy] banged all our heads together. All he wanted was to try and get the cohesion of the team back. We promised him that we would get together and work out our differences." (IS Project Manager, 4 July 2002). Despite the change in attitude, the IS Project Manager conceded that it was a very difficult phase since users were still contemplating buying a new package software rather than revisiting the software development path again. "It took several of us quite a while to restore confidence that a turnaround was indeed possible." (IS Project Manager, 4 July 2002) "Even though a lot of us appeared cooperative, I knew we were all lacking faith that the second time might work out." (Chief Procurement Officer, 28 August 2002)

Event 11: Identifying & Legitimizing Partial Abandonment Strategy June 2002
Having identified the problems, the whole team started to explore alternative courses of action. The team proposed the adoption of a partial abandonment strategy, which was to reduce the original scope of the project without causing significant changes to its original specification. For that reason, three user departments were short-listed as pilot sites, hence allowing the IS Project Manager to deal with the needs of only three user departments rather than eight departments as before. Furthermore, the project was divided into three stages.

Instead of implementing full-scale procurement functions all at once, the first stage would now focus on the front purchasing process which included only ordering, purchase orders issuance and items delivery. "Reducing the scope certainly enhanced our chances of success." (E-Envoy, 30 July 2002). "With only three departments and the project divided into many stages, all of us felt confident that the first stage was within our reach." (IS Project Manager, 4 July 2002

Event 12: Stakeholders 'Bought in' **July 2002**

The E-Envoy ordered a stakeholder analysis before the rollout of the action plan. The purpose was to find out whether all internal and external constituencies fully supported the devised turnaround strategies. The E-Envoy reckoned that a new stakeholder analysis must be performed since the actors involved in the development process could still be strongly committed to the prior failing course of action. The e-procurement steering committee members carried out the stakeholder analysis. For those who still had doubts, the E-Envoy and committee members spent considerable effort to convince them. "We simply made sure that everyone felt comfortable with the exit strategy. We also encouraged project members to discuss among themselves to see if the exit strategy was the best available option." (IS Strategic Director, 29 July 2002)

Outcome: Troubled Project Successfully Turned Around **August 2002**

All the changes were implemented immediately and they produced remarkable results. One of the user managers commented, "With fewer users, things seemed to progress smoothly and quickly. I would think that everyone of us was determined to make it work. Even the contractor came to meetings two or three times a week. The new team seemed to show more enthusiasm and commitment. In addition, the committee's close monitoring kept all of us on our toes." (Chief Procurement Officer, 28 August 2002). When the first phase of the e-procurement system finally went 'live', the project was eight months behind schedule and close to £300,000 over its original budget. The relatively smooth implementation after the adoption of the de-escalation strategy meant that the crisis concerning the project was finally over.

DISCUSSION

The Importance of Pre-defining De-escalation Trigger Points and the Tracking of the Project Events

Cost and time overruns are prevalent in most escalated projects. One way of minimizing such budget and schedule escalations is to pre-define de-escalation trigger points at the outset of the project (Snow and Keil, 2002). The aim is that when the cost and schedule start to approach these trigger points, managers can take necessary steps to de-escalate the project. However to do that, managers need to track the development of the project, since IS development is perceived as a sequence of events that occurs over time (Newman and Sabherwal, 1996). Close monitoring of project events would act as an early warning system and reduce the risks associated with escalation (Keil, 1995). When patterns likely to result in unfavourable outcomes for the project are detected, managers would be able to actively resolve the problems during the development process, hence minimizing the risk of the project from reaching its de-escalation trigger points.

The case findings of BMBC demonstrate the lack of an early warning system for escalation. Pre-defined de-escalation trigger points were absent, antecedent conditions of the project were overlooked, and there was no tracking mechanism in place to allow early identification of actions which could lead to unfavourable outcomes for the project. These deficiencies could be explained by the immense political pressure to make BMBC "the first local government to purchase electronically" and to complete the project in the "shortest possible time". Not surprisingly, this political pressure negatively impacted on the project manager's selection of project methodology, decisions to outsource, formation of project strategy and project planning (Ross and Staw, 1993).

Throughout the project, there were several encounters characterised by unresolved conflict between the users and the IS department, that should have signalled project degeneration. But due to the IS project manager's failure to track the project events, these destructive conflicts had immense long-term social consequences. The user-analyst relationship was unfrozen, but failed to develop into a desirable relationship, to the detriment of the project. Furthermore, if the project manager had attended to the critical encounters and ensuing episodes, these patterns of degeneration could have been predicted and triggers strategically planned to de-escalate the failing course of the action.

Blowing the Whistle on a Failing Project

Keil and Robey (1999) suggested that escalation can be intensified by the reluctance of organizational employees to transmit negative information concerning the status of troubled projects. Such behaviour, which is termed a "mum effect", is not acceptable in most organizations (Keil and Robey, 1999). In some cases, even though whistle blowing did occur, senior managers have refused to listen and take necessary corrective actions (Snow and Keil, 2002). Such behaviour has often been termed as the "deaf effect" (Keil and Robey, 2001). This "Deaf

effect" could be caused by behaviour such as senior managers listening to several contradictory voices, or trying to escape blame.

As the case of BMBC suggests, the "deaf effects" were clearly present when both the IS project manager and the steering committee refused to acknowledge that the project was on the verge of collapse. They had assumed that the problems were temporary, even though the users were beginning to lose confidence in, and enthusiasm for, the project. The head of corporate affairs overcame the "deaf effect" by bypassing the steering committee and reported to the cabinet deputy who held the highest authority in the project. The cabinet deputy was willing to listen to the problems of the project, which made de-escalation possible. One factor that encouraged the head of corporate affairs to blow the whistle was the open-minded and forgiving culture that existed within the council. Admitting mistakes committed in project failure was an acceptable norm in the council, which definitely helped to cultivate an environment for whistle blowing (Keil, 1995). In particular, our study highlights the influential role corporate culture played in encouraging whistle blowing.

Project Champions' Continuous Commitment to De-escalate a Failing Project

Project champions' commitment in IS projects has long been viewed as a critical success factor in IS project development (Ewusi-Mensah, 1997). Even though commitment is clearly important, there are growing concerns that project champions may sometimes become too committed to certain IS projects (Keil, 1995). They may continue to invest additional resources, thereby further increasing their commitment, which in turn raise the risks associated with escalation of commitment in projects. Several escalation studies have identified project champions' excessive commitment in IS projects as one of the main contributing factors for project entrapment (Keil, 1995). This irrational behaviour can sometimes be due to high degrees of personal responsibility for the outcome of the projects, and possibly forms part of their ambitious plans of empire building within their organizations (Keil, 1995). In addition, several escalation experts (Montealegre and Keil, 2000) further suggested that changes in project championship could hold the key that can promote de-escalation.

Interestingly, the case of BMBC seems to suggest a controversy over the project champions' commitment in project escalation situations. There was no change of project championship in BMBC. The E-Envoy of BMBC continued to play a supporting role even when the project was on the brink of collapse. In fact, the users and the IS project manager cited the E-Envoys' timely intervention and strong determination to complete the project as the main driving force behind the project teams improvement in attitudes and working relationships. The E-Envoy's continued commitment to the troubled project transformed the project group, and boosted everyone's morale and confidence. Therefore, our study argues that project champions' continuous commitment is especially crucial in organizations' efforts to turn around failing projects.

The main issue here is that project champions and their project groups must re-appraise the project situations and their previous actions in order to evaluate the cost and benefits of the option to continue. It is only when there is still an availability of healthy conditions to achieve a favourable outcome that sensible decisions can be made to continue the project in question by devising effective turnaround strategies such as the ones in the BMBC case. This contrasts with simply changing the project champions (Keil, 1995), which could potentially unsettle the project (Newman and Sabherwal, 1996).

Legitimizing Partial Abandonment as a De-escalation Strategy

Prior research has shown that through de-escalation, troubled projects may be successfully turned around or sensibly abandoned (Montealegre and Keil, 2000; Heng et al., 2003). However, with a significant number of escalated projects ultimately failing (Keil, 1995), it is no surprise that project abandonment has become one of the predominant options for troubled projects (Pan, 2005). To date, total abandonment is the most prevalent option (Ewusi-Mensah, 1997) among the three project abandonment categories, total, substantial and partial (Ewusi-Mensah and Przasnyski, 1991). In reality, partial abandonment may offer an even better alternative for many projects (Sauer, 1993). Partial abandonment is defined as a phenomenon 'where the original scope of the project is reduced without entailing major or significant changes to the project's original specifications, prior to full implementation' (Ewusi-Mensah and Przasnyski, 1991, p.69). Particularly, partial abandonment presents an option that brings practical reality to troubled projects as 'it offers the possibility of making a flexible response to an uncertain process; and a counter to escalating commitment to a troubled project' (Sauer, 1993, p.144).

In the case of BMBC partial abandonment was deployed as part of an overall de-escalation strategy to turn around the failing e-procurement project. The partial abandonment plan used in the case centred on reducing the user departments from eight to three and dividing the implementation phases from a single to three separate stages. The project was appropriate for partial abandonment since some sections of the council had already displayed a level of resentment towards the project. Removing these groups of users from the initial phase of the project implementation lessened the extent of disagreement over the design specifications, helping to achieve the ultimate aim of meeting user demands. Furthermore, proficient project management was made more likely with

achievable intermediate targets, rather than the original 'all at one go' approach. Partial abandonment also helped to minimize the cost of failure (Sauer, 1993) to BMBC. Moreover, by salvaging the project rather than choosing total abandonment, BMBC saved itself from a loss of face, and a loss of confidence by its stakeholders, including the general public. Potential savings which were originally envisioned as arising from the improvements to the procurement process were still achieved, rather than suffering the loss of the total payoff from the project.

CONCLUSIONS, IMPLICATIONS AND FUTURE RESEARCH

From a theoretical development point of view, this case study provides some empirical insights into the formation and execution of a de-escalation strategy for IS implementation. There have been several case studies of IS projects that have experienced escalation and failed (e.g., Drummond, 1996; Keil, 1995), very few are successfully turned around (e.g. Montealegre and Keil, 2000). Given that project escalation is a common and costly problem for organizations (Keil and Mann, 1997), it is important to understand how managers can redirect or abandon troubled projects in entrapment situations. As the de-escalation process unfolds differently under different circumstances (Montealegre and Keil, 2000), our contribution adds a process perspective, allowing us to demonstrate how certain triggering activities help to promote the process of de-escalation. The case of BMBC concurs with a prior conclusion that 'de-escalation is a complex and emergent process with no predefined scripts and choreographed moves' (Montealegre and Keil, 2000, p439). Our study provides a vocabulary that researchers and practitioners can use to identify similar components and practices for comparison and benchmarking purposes. It is envisaged that future studies can build on our preliminary findings to develop theories related to de-escalation strategies. More research is needed to develop the criteria for setting up de-escalation trigger points. What are the various considerations for planning early warning systems, and how might we usefully track the trajectory of IS projects? Newman and Sabherwal's (1996) process model could be a good start. Expansion of the model to include project, psychological and organizational factors may prove useful, as they are also important influences in project escalation (Ross and Staw, 1993). On a more pragmatic level it would be useful for managers to be able to identify differences between the project plan and the state of project acceptance, at salient decision or action points and initiate de-escalation plans in a more timely fashion.

Future research must also give more attention to the issue regarding when organization employees should blow the whistle. Prior research has underlined the importance of whistle blowing (Keil and Robey, 2001). However, determining the appropriate timing to blow the whistle is important and clearly needed. Particularly, how should one determine when the project has reached a stage where it is necessary to trigger whistle blowing? We need to know more about how project managers perceive and report IS project status. In some cases, IS managers wrongly perceive the project status, or hide the truth in their reports. Therefore, by achieving accurate project status reporting, project failures may be reduced. In addition, further research should verify whether project champions' commitment to project escalation situations could bring positive impacts in de-escalating a failing project. This is an important issue since the de-escalation process unfolds differently in different circumstances and commitment also varies in project redirection and project abandonment paths. By investigating these issues insights could be gained into the project champions' influence in de-escalating a failing project. This case proposes partial abandonment as an effective de-escalation strategy, however more research is needed to help understand the implications of this approach. Specifically, it would be helpful to evaluate how partial abandonment affects the overall quality of the troubled project. Moreover we also need to know how a partial abandonment strategy interacts with other project management strategies.

In terms of managerial implications, this study is valuable in demonstrating how a de-escalation strategy was developed and executed. In an attempt to offer some insights into breaking the escalation cycle, this article has presented the case of an UK metropolitan borough council that implemented an e-procurement system. and the challenges it faced in redirecting the failing project. This case illustrates the importance of understanding how managers can become easily locked in a cycle of escalation of commitment to a failing course of action, and what strategies and tactics can be adopted to successfully turn around the failing project. The case also illustrates the importance of senior management's role in project de-escalation situations. Finally, we also saw the importance of an organizational awareness of the phenomenon of escalation of commitment; and the need to develop a sound de-escalation strategy to help extricate project teams from future escalation predicaments.

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