Comparison between the success of Lighting Pole in Sulaimani Project and the failure of Mawlana Park Project executed by North Power Company in Sulaimani Governorate

MBA Thesis
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Introduction

In today’s world, any kinds of activities are considered as a project in different context; each activity has a different characteristic and needs a specific requirement which lead to a unique outcome. Each project involves a new vision and strategy in order to achieve the main objectives decided. Project management requires new techniques and procedures due to the political competitive system of the modern world, global economy, the high competition among the produces and a high respect for the value. For any businesses by any firms, a performing business includes an investment in a successful project with the determined results planned before the commencement of the project. Robert Frese has mentioned five major factors behind the success of any business project and they are (user involvement, executive management support, and clear statement of requirements, proper planning and realistic expectations). Moreover, some other authors indicated the reasons behind the failure of any projects. For instance, Field will connect failure to the failure to appreciate and determine the scope of the project. Hoffman pointed that project managers too often act as “process cops and report compilers and lose sight of what they’re supposed to be doing – to make sure projects are running effectively”.

In the Kurdistan Region of Iraq, there are many companies working in the field of construction and implemented hundreds of projects in the help to build the infrastructure of the region. North Power Company is one of the leading companies of construction working in Sulaimaniyah governorate. The company has implemented many construction projects such as banks,

1 Robert Frese and others, ‘Project success and failure: What is success, what is failure, and how can you improve your odds for success’, http://www.umsl.edu/~sauterv/analysis/6840_f03_papers/frese/
buildings, custom buildings and electrical substation (construction of the buildings providing electrical instruments and machines, installation electrical machines, etc...). More recently, the company has worked in landscape projects. The company has a great reputation in building and construction. The recent strategy of the company is directed toward constructing Solar System (providing and installation). North Power has implemented two projects; Mawlama Park Project & Lighting Pole in Sulaimani Project. The company acknowledged its failure in Mawlama Park project and its success in Lighting Pole in Sulaimani Project.

Methodology

This paper aims at the comparison between the failures of a project with the success of another which have been implemented by North Power Company in Sulaimani. The paper wants to compare the success of Lighting Pole in Sulaimani Project to the failure of Mawlama Park Project which is both implemented by North Power Company. In any field, some projects were serious and expansive failures and this is the reason why we need to know how we can improve the knowledge and the practice when we conceive and develop a project. In the first section the inside factors will be compared while in the second section is dedicated to compare the outside factors. The data that has been used in this paper are received from the head of projects in North Power Company supported by academic opinion of business scholar and experts.

Mawlama Park Project: Mawlama Park for green area and public entertainment was one of the projects implemented by North Power Company for construction in Sulaimani. The park is part of the bigger project of building a big mall called Family Mall.

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4 Daban Nabil Ali – Head of Projects department.
**Lighting Pole in Sulaimani Project:** The project has been awarded by the municipality of Sulaimani in order to lighten the street of Sulaimani and to give an attractive view to the city. The budget of the project was 110,000,000 USD (eleven million Dollars) which include lighting pole with landscaping the middle street between sides of the road and fountain areas. The project received electricity and water supply by the government alongside pole and lighting fixture by Philips International Company.
Section One

Inside factors

In this section, the inside causes of success and failure between the two projects will be compared.

Issue one: Strategy of the firm in implementing a specific project

In many occasions, firms claim to have effective strategies when it comes to implement any project within their specializations. However, despite the importance of having an effective strategy and objective, it is also very crucial to implement the strategies as planned and make sure that it will achieve the decided goal of the project. This has been emphasized by many scholars who investigated the reasons behind the success of any project. For instance, Charles, in one article has indicated that “well-formulated strategies only produce superior performance for the firm when they are successfully implemented”\(^5\) Moreover, the degree of consensus among managers and decision makers of the strategy of a firm have an effect on the success of the project and will lead to a higher levels of performance. On the contrary, if there is not any consensus on strategy of firm, members of that firm will not work under the same objects.\(^6\)

One of the key factors behind the failure of Mawlana project is the lack of knowledge about the vision and objective of the project. It is very essential for the implementing staff to have a clear idea about every aspects of the project in order to achieve the decided outcome. Project success is described by reaching the objectives and planned outcomes in accordance with cost, time and performance of the project. As long as projects are unique, the success criteria differ from one

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specific project to another.\textsuperscript{7} If the whole staff or at least the senior managers are not aware of the main objectives, how can success be expected. In project management, the objectives of the project shall be clearly determined in project management plan and the deliverables should be explained to the subordinates and deadline should be made for each outcome. Otherwise, the delay will be an inevitable result. In the Lighting Pole in Sulaimani Project, however, the strategic point to achieve the objectives of the project were clearly identified. In addition to that, despite the fact that the North Power Company has implemented many construction projects in the past, the company did not conduct a comprehensive study on the obstacles of the project as the project was a mixture of construction and landscaping. There were many challenges faced the company which was not taken into consideration. For example, the location of the Project should have been chosen by North Power Company to give an attractive landscaping to Family Mall, while in reality the park is located behind the mall and it cannot be noticed as the location has been chosen by Family mall administration. This was one of the main reasons behind the failure of Mawlana Park Project. On the other hand, in Lighting Pole project, the team of the project was collaborate, brainstorm, share knowledge between them. Individuals cared about their work to ensure the project achieves its goals. For the most part, team members get along together well and they are positive and proactive. Moreover, team members have the information and data they need to make the best decisions at all levels of the Project.

\textsuperscript{7} Ioana Beleiu and others, ‘Main Factors Influencing Project Success’, Interdisciplinary management Research, at p.60.
**Issue two: Management of the project**

The project manager shall direct and lead the project to the edge of success. The main responsibility of any project will be bear by project managers. In this regard, Ioana has indicated that “Projects environments are dynamic, so success factors might change their level of influence in time. Thus, a permanent monitoring of these factors is needed and whenever necessary the project manager should influence certain factors in order to increase chances of accomplishing success criteria.”

In the lighting pole in Sulaimani Project, the staff who implemented the project was highly skilled and the project manager was successful in managing the project. Partner Company (Philips) assigned one of their experts with the project staff for support and trainings to the team. Philips conducted many workshops and trainings to the executive and technical team both inside and outside Iraq. Capacity building will also help the whole company for future projects in the same field. One example of skilled staff was making discount of the manufacturing production. For instance, when they took prices for the bill filling of the lighting pole during tendering, the price was 1000 but when they obtained the tender they made a discount of buying pole from 1000 USD (after negotiating the price) to 850 USD and the same is true for all the items used in the project that make the total profit of the project more than expected or estimated.

On the other hand, one of the main reasons that led to the failure of Mawlan Park Project was belonged to the project manager. There were many reports by the subordinates with regard to the failure of the project manager of the whole project in managing the project. The project manager

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8 Ioana Beleiu and others, ‘Main Factors Influencing Project Success’, Interdisciplinary management Research, at p.71
of the whole project was accused of miscommunication with the rest of the staff and he was not listening to the rest of the managers and staff.

Generally, it is said that project managers spend 90 percent of their time communicating; meetings, phone calls, memos, e-mails, reports, presentations, the list goes on and on. Project communications management centers on determining who needs what information and when, and then producing a plan to provide that needed information. It includes generating, collecting, disseminating, and storing communication. Successful projects require successful communication, and communication is the key link between people, ideas, and information.  

In Mawlana park project the subordinates claimed that they do not have a proper communication tools in use. The only way of communication was monthly meeting with the project manager. Thus, the subordinate staffs were not updated with the information. The reasons behind this ignorance will be discussed in the assignment three.

With regard to the decision making process, the project manager of the whole project was accused of autocratic who decided on all the issues without consulting to any other staff. As long as projects consist of a serious activity for a specific period of time, it is very difficult for managers to predict all the activities that will be needed to guarantee the success of any project. Managers always uses many tool such as project plan, budgets and timelines to reduce the possibilities of failure or at least reduce the execution risks. Having a clear plan and strategy to implement any project are the key to success. Plan and strategy in every phase of the project with effective monitoring tool to make sure that they were properly followed.

For example the failure of Jacques Cartier Champlain Bridge Corporation – Canada in building highway overpass construction that cost the company approximately 11 Million USD due to the

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Failure to coordinate across multiple projects, Lack of long term planning, Failure to utilize “program management” practices, and Lack of internal communications. Moreover, lack of effective plan by project manager in Vehicle emissions system has had led to major scandal for the car manufacturing company Volkswagen against the government.

In management style, there are always two main types, autocratic and consultative. In autocratic style is when the manager maintains total control and ownership of the decision. The manager is also completely responsible for the good or bad outcome as a result of the decision. The manager does not ask for any suggestions or ideas from outside sources and decides from his or her own internal information and perception of the situation. If the outcome for the decision is not positive, staffs of the project begin to feel they could have done a better job themselves and the manager may lose credibility as the case of Mawlana Park Project. On the other hand, Consultative decision making is when the manger involves the members of the organization. Other perspectives of the situation are discovered because the manager deliberately asks and encourages others to participate by giving their ideas, perceptions, knowledge, and information concerning the decision. The manager maintains total control of the decision because, although outside information is considered, the manager alone decides. The manager is also completely responsible for the good or bad outcome as a result of the decision. The advantages include some group participation and involvement. This is especially valuable when a person is affected negatively by the decision. The responsibility of failure will be shared to some extent. Moreover, lack of training to the staff was another major issue behind the failure of the staff.

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11 Ibid
13 Ibid.
Although the project had a complete staff for implementing the project, there were many reports by the junior staff complaining about the lack of training to the technical staff as they were not familiar with the details of the project. The project was not a short term project; thus, the staff was in a desperate need to attend trainings. The leadership style of senior managers can also have an effect on implementing the decisions and decision making in general.  

**Issue three: SWOT analysis before conducting the project**

In Lighting Pole, the senior management staff of the project has conducted a SWOT analysis for the strengths, weaknesses, opportunities and threats to the project.

**Strength:** the company has a long experience in construction and a skilled staff to implement the project. The company received continues support from Philips Company.

**Weakness:** though the company has experience in construction, the electricity part of the project is challenging.

**Opportunities:** as long as the project completed successfully, this will be an accumulated experience for the future projects in lightings.

**Threats:** there will be a threat of having many competitors in the market that will threat of attracting the staff of North Power Company.

Generally, the strength and opportunities of the project are outweighed the weaknesses and threats. This helped the project manager to have a clear vision on the project.

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On the other hand, the SWOT analysis or any other study to Mawlana Park project was missing. Thus, the staff did not have a clear vision on the project which was one of the reasons that led to the failure of the project.

**Issue four: Proper reporting throughout the project**

In Lighting Pole, the project team was successfully involved and communicated both horizontally and vertically throughout the project implementation. The team of the project had a regular meeting every week to update the rest of the staff of the progress of the project. The organizational chart of the project was literally implemented; each subordinates reported to their supervisors and the supervisors reported all the issues to the project managers of both electrical and civil department. The project manager of these two departments reported directly to the project manager of the project. The roles and responsibilities of all team members were clearly defined. This clearness in reporting mechanisms was helpful in facilitating the implementation of the project. One example has been given by Daban Nabeel with regard to quickness of reporting on any issues; he mentioned that for any item needed on the field required only few hours to respond by the superior staff. Once, the technical staff requested some specific cable (known as Tues cable) to be send by Philips Company, the request procedures needed only two days for a formal request to Philips.

On the other hand, in Mawlana Park Project, The project had suffered from not implementing a reporting mechanism properly and the organizational chart was not implemented as planned. The organizational chart of the company is shown below with the problems in implementing:
The project has adopted the project-based style of management in running the project that means the project manager of each department will be responsible for his or her staff inside the company.\textsuperscript{15} For instance, the project manager of the civil department in the above explained diagram will be responsible for the entire department and each staff should report to the project manager in the civil department and the project manager of each department will report to the Project Manager of the whole Project in North Power Company. There is not any relation between the staff of each department except the project managers of each department; meaning that each department will report to the head of their department which is a project manager. The Project Manager of the whole Project is responsible to the overall strategy of the project. If one sample of the above mentioned diagram is taken, for instance the project management of the civil work, it can be seen that technical staff will be responsible to monitor the labors, technical staff is responsible to report to the surveyors and the surveyors will report to civil engineer

supervisors. The latter will report to the project manager for civil department and the project manager will report to the Project Manager of the whole Project of the company. However, in reality, the above mentioned diagram was not implemented as it is in Mawlana Park Project. The main problem in the company is that the progress reporting process was not organized well in order to report all the activities to the manager of each department. For instance, some of the project department staff reports directly to the program manager (project manager to the whole project) without referring to the project manager which led the wrong decisions. Another problem in this chart is the lack of combination among the project managers of all departments. For example, the project manager of the construction department not connected well with the project manager in finance department which make to take some decisions not applicable for the work in this time, i.e. project manager of construction department make a decision for payment without having the knowledge of the availability of cash in the finance department. Having a clear roles and responsibilities of all staff has been emphasized by many authors. For instance, Ioana Beleiu in one article has emphasized on the significance of defining the responsibilities of every staff by saying that “Clearly defined roles and responsibilities are a must when dealing with projects in order to ensure a successful implementation. By knowing what they have to do and when they have to do it, team’s efficiency is increased”.16

**Issue five: Scope management**

In Mawlana Park Project, the scope of the project does not include the detail of activities and the bill of quantity did not match the drawing of the project. As the result, the project had to

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16 Ioana Beleiu and others, ‘Main Factors Influencing Project Success’, Interdisciplinary management Research, at p.67.
stop many times due to the vagueness and unclear scope. While in Lighting Pole project, all the project deliverables and assumptions were well documented and milestones were clearly determined upon the due dates of significant events such as finishing the architectural part of the project. The scope of the project was approved by the steering committee of the company. Further, the scope of the project was explained to the whole staff before the beginning of the project; taking into consideration the needs of the all project stakeholders. The project also has a clear scope statement.

The following is an example of a clear milestone to part of the project:

- Permits approved—March 5
- Foundation poured—March 14
- Dry in, Framing, sheathing, electrical, and mechanical inspections passed—May 25
- Final inspection—June 7

**Issue six: Budget of the project**

A budget is defined as management's quantitative expression of plans for a forthcoming period. Budgets are prepared at various levels of an organization. The master budget is defined as the overall financial plan for the period, which reflects the organization's goals and objectives. The master budget includes operating and financial budgets. Operating budgets show the company's planned sales and operating expenses. Financial budgets reflect financing plans such as borrowing, leasing, and cash management.¹⁷

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In the Lighting Pole project, each item in this project, during the preparation of the bill of quantity is well analyzed and the price is well calculated that make each item profitable. For instance, the pole cost price was about 1000 USD during filling the tender, the staff who was responsible of filling the tender made this 1000 USD as the base price and we added administration cost and profit 20 percent that make the tender price for the clients 1200 USD which is make the project profitable at the end. Moreover, from the beginning of the project, the estimated budget was 11000000 USD. However, both North Power with Philips were agreed to galvanize poles in Sulaimani city near to the location of the project which led the actual spending of the budget to decrease to 8500000; meaning that the budget has decreased by 2500000 USD. Source for agricultural soil cost decreased from 4 to 3 USD such as a land as they use near location for soil instead of importing them.

On the other hand, the estimated budget of the Mawlana Park project at the stage of tendering was counted as 8700000USD but during the implementation period till the end of the projects, many items were ignored to be included while they were very essential in achieving the purpose of the project. For instance, those who were in charge of filling the tender, forgot to insert the fees of transporting items from abroad (especially for landscaping purpose) which needed a high cost. Moreover, many unimportant items were calculated while they could have been ignored which make the change in the budget of the project from estimated budget 8700000 USD to actual 9400000 USD that is caused the delay and deficit in the project implementation.
Issue seven: Risk Management

In Lighting Pole project, when the planning work has been done, the project team introduced all common risks to the project. For each risk, they also determined the probability that the risk event will occur and the potential impact on the project; meaning that they have a quick response to all potential risk. In this project, Risks were well identified, those events identified as high-risk the company had specific plans put into place to mitigate them so they do not, in fact, happen. Low-level risks have been identified as assumptions. That is, there is potential risk involved, but you are assuming that the positive outcome is much more probable. This compare to Mawlana Park Project is considered success, as in Mawlana project the risk was not expected and panned well. For example, because of the nature of bad soil of the ground, the project needed about 8 to 10 meter backfilling. This means a lot of human resource efforts and cost to make the land ready to build construction, particularly civil work. The project needed redesign after the commencement of the project as there were many unexpected errors. The harsh weather of Sulaimani City has played a negative role in this regard. In winter, the project had to stop because of heavy raining and floods. The overall area needed hundreds tons of soil in order to provide a proper land for landscaping which was another part of the project implemented by another company. This overfilling cost a lot of money to the company and the company had to waste both time and material in facing this problem. These risks were not expected in risk management plan.

Issue eight: Quality

There are a balance between cost, time and quality. It is possible to have high quality and low cost, but at the expense of time, and conversely to have high quality and a fast project, but at
a cost. If both time and money are restricted, then quality is likely to suffer. High quality is not always the primary objective for the client; time or cost may be more important. It is only realistic to specify a very high standard of quality if the budget is available to achieve that standard.

In Lighting Pole Project, the balance between these three have been achieved which had led to the success of the project. Moreover, the main reason behind the success of Lighting Pole was the quality of the materials used in the project. The quality of materials is from the best company in the world (Philips) that makes the clients happy with the quality and price. Quality is the major concern by the clients as in most cases; the clients are paying extra cost to receive a high quality item in return. The quality of the item utilized in the project has been described by the client as a good quality in many occasions.

It is widely agreed that Quality control and safety represent increasingly important concerns for project managers. Defects or failures in constructed facilities can result in very large costs. Even with minor defects, re-construction may be required and facility operations impaired. Increased costs and delays are the result.

Inspectors and quality assurance personnel will be involved in a project to represent a variety of different organizations. Each of the parties directly concerned with the project may have their own quality and safety inspectors, including the owner, the engineer/architect, and the various constructor firms. In this regard, the project described by the government inspectors as successful as the project met all the standards of quality and safety.

In Mawlana Park Project, quality did not take into consideration and the company had many competitors who could provide better quality. The company has suffered from outside
competitors in parking project. The company is very well known in buildings not gardens. Thus, throughout the implementation of the project, the staff was under the stress of their competitors as the competitive companies such as Jabal Lebanon and Gardenia were tried to attract the expert staff to their companies by giving them a higher salary. For example, the project lost two of its most experiences engineers by offering higher wages by Gardenia Company for landscaping in Sulaimani.

Section two

Outside factors

In this section the outside factors will be compared between the two projects

Issue one: Location of the project

Despite the fact that some outside factors are forced by the clients, the location of both projects are different, in Mawlana Park Project the location of the project was not carefully chosen as the main sewage box culvert in the city is aligned directly in the middle of the project. Thus, before the beginning of the implementation of the project, due to the lack of the previous data to where the line of the box is exactly located caused a huge cost by excavating a large amount of soil till the exact location of the box culvert found by an expert staff. After that, the staff changes the location of the infrastructure which located above the line of the culvert. This was also another reason that caused delay in the overall project. In contrast, the lighting pole project is located in an appropriate place near the material sources.
Issue Two: Stakeholders expectation

Mawlana Park Project was failed to view the project through the eyes of the stakeholders which results in a failure to appreciate how the project will impact the stakeholders or how they will react to the project. The project manager failed to balance between the power and influence of many external stakeholders such as the government and environment activist. For example, the municipality of Sulaimani fined the project for not finished on time on many occasions as the project manager ignored that the government instruction could not be negotiated. Moreover, the environment activists were worried because of sewage leaking as the result of breaking sewage box underneath the park. Compare to the Lighting Pole project, where it received a positive feedback by the stakeholders. The project was described by many (such as the government and the clients as a successful project) that gave the city an attractive view. It helped the city to be more attractive even for foreign visitors from other countries. The above mentioned points are some points that have been described by those who involved directly or indirectly in the implementation of the project. In this regard, Madeeha, has said that “Stakeholder behavior and stakeholder management were essential success elements within project portfolio management (PPM) success”.\textsuperscript{18} Thus, it is quite crucial to take into consideration the expectation and demands of stakeholders.

Issue three: Multiple clients of the project with different requests

Originally, when the Municipality of Sulaimani agreed to dedicate a land to Family Mall (owned by Halabja Group Company), there was a condition by Sulaimani Municipality which was the building of a green park behind the Mall. Halabja Group Company has awarded the

\textsuperscript{18} Medeeha Sha and Imran Haider, ‘Impact of Internal Stakeholder’s Engagement on Project Portfolio Management Success’ 2014, at p. 1777.
project of a park (known as Mawlana Park) to North Power Company. Thus, there are three sides that have different request throughout the implementation of the project. The project manager had to take into account the instruction by all these three. Having more than one client had rather hindered the implementation of the project. For example, where there was a need to implement Beharton Item, the company had to take the approval from both Halabja Group and Municipality and during the implementation they have their own supervisors that make difficulties in making decisions and time and lead to extra administration cost accumulated to the North Power company. The process of releasing payment from the clients was delayed every time without advance notification which was inconsistence with the contract; the project had to stop many times.

Scope creep is another risk that needs to be taken into account which might be arisen as the result of multiple clients. Scope Creep occurs when a change, an update or addition, to the whole or even part of the project has been requested when the project is already underway. This might affect several areas of the project from deliverables to deadlines. Thus, the deliverables and deadlines were not met as decided. This was happened many times in Mawlana Park Project due to the need to acceptance from both Municipality and Halabja Group Company.

On the other hand, in Lighting Pole project, there was only one client who was the municipality of Sulaimani with many facilitation and support from the government. Furthermore, Sulaimani governorate praised the company for this successful project; as the result, the Municipality of Sulaimani awarded the tender of maintenance to the same staff for the period of three years. Obtaining the maintenance for that period helped the company financially and improves the sides of the project. What helped North Power Company to gain this advantage was the efficient work

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by the project staff and the complicated technicalities required for maintaining the whole project. Thus, the company becomes an expert in maintenance as well in this field and has an opportunity in similar projects in the future.

**Issue Four: Meeting standards and the specification of the Iraqi Civil engineering**

General specifications of work quality are available in numerous fields and are issued in publications of organizations such as the American Society for Testing and Materials (ASTM), the American National Standards Institute (ANSI), or the Construction Specifications Institute (CSI). Iraq has its own civil engineer specification codes and the Lighting Pole in Sulaimani project met the standards indicated in the specification. The concrete used in the project also met the ACI\(^20\) code specification which is also mandatory in the Iraqi Civil Law. However, complying with these specifications and standards did not happen in Mawlana Park project and the project has been charged with 20000 USD and future compliance with these standards. Despite the fact that Complying with these specifications are mandatory, it will also give credit to the reputation of the company, particularly when it comes to dealing with government.

**Conclusion**

This paper conducted the comparison between two projects that have been implemented by North Power Company in Sulaimani. The successful one was the Lighting Pole Project and the failed one was Mawlana Park Project. The paper has shed light only on the reasons that was the factor behind the success of Lighting Pole Project and the same factors were misdealt in the failed project. This means that there might be some success point in Mawlana Park and some weaknesses in the Lighting Pole Project. However, the contrast points were discussed only in the

\(^{20}\) American Concrete Institute
context of this paper. Management and budget calculations were main points of comparison alongside some external factors such as multiple clients and the location of the project.

Recommendations

- North Power Company shall have a small department caring about lesson learned process throughout the life of each project in order to take benefit from the weaknesses and try to enhance them for the future projects (not to repeat the same mistake twice).

- The Company shall use project charter as normally it has been ignored by many companies. This document consists of many items that will give a clear vision on the entire project. This could be also discussed with the stakeholders before the beginning of the project.

- The company shall be careful about the general situation in the country such as oil price or any other financial and political instability by conducting research on various areas.

- Human Resource department shall take effective measures to prevent accepting unskilled staff or project managers who manage the projects. The best practice is to accept the project manager first by a special committee and then under the presence of project manager the subordinates shall be chosen.

- For any firms, they should have regular trainings, particularly by seeking foreign expertise, in order to update their staff and increase their skills.
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