PROJECT MANAGEMENT GLOBAL
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Why Project Management Still Fails — and How the Industry Can Change Course

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FMI Corporation's new *2025 Project Manager Study: Why Project Management Still Fails* report paints a candid picture of an industry still struggling to achieve consistent project success. Despite huge advances in tools, processes, and data analytics, only 2.5% of construction firms report that projects consistently finish on time and on budget.

Part one is available to download here.

The study, based on survey responses from **243 executives and 84 project managers**, reveals a persistent gap between what leaders expect and what project teams actually deliver.

"Our research confirms that the gap between good and great is measurable and begins well before the first shovel breaks ground," said Tyler Paré, head of FMI Consulting's operations practice. "This report gives leaders clear indicators to identify, helping them take immediate steps toward better results."

The report also highlights three practices that consistently set high-performing contractors apart: early project manager involvement in estimating, structured pre-execution planning and field leadership buy-in prior to mobilization. Together, these create a scalable standard for profit reliability and schedule predictability.

"Too often, project managers are asked to deliver results without being given the influence or resources to succeed," said Gregg Schoppman, partner at FMI. "High-performing firms change that dynamic by making project management a cornerstone of how they operate."

Yet it also points to three practical disciplines that clearly separate high-performing contractors from the rest:

1. **Early project manager involvement in estimating**,
2. **Structured pre-execution planning**, and
3. **Field leadership buy-in before mobilisation**.

Together, these factors form the foundation for profit reliability, schedule predictability, and scalable performance improvement.

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1. The Project Manager Gap

Project managers remain the critical differentiator between best-in-class contractors and underperformers. Their role bridges both the field and the client, linking operational execution with business outcomes. But FMI's research shows that most firms still fail to give project managers the support or involvement they need to succeed.

The **"project manager difference"** is quantifiable. Firms that involve project managers early in the estimating process are **78% more likely to meet profit margin targets**, compared to **55%** when project managers have little or no input.

This early disconnect—between those who price the work and those who deliver it—creates the first cracks in a project's foundation. Project managers often inherit budgets they didn't shape, assumptions they didn't validate, and timelines they can't realistically meet.

As one project manager quoted in the report put it, "Projects go best when the project manager is brought in and takes responsibility. That way the superintendent never feels alone, and the client appreciates the integrity of the organisation."

The takeaway

Early engagement isn't about turning project managers into estimators. It's about creating **ownership before the first shovel hits the ground**. Profit reliability rises sharply when project managers can test assumptions, identify procurement and lead-time risks, and build realistic resource plans before bidding is complete.

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2. Pre-Execution Planning: The Missing Discipline

FMI's study exposes another weak link: **a lack of consistent, proactive pre-execution planning**. Nearly 90% of contractors say they have a defined project management playbook, but only **24% apply it consistently across projects**.

Executives and project managers also disagree on how effective their planning actually is. **Thirty-five percent of project managers** say their planning is “thorough and proactive,” compared to only **20% of executives**. This perception gap highlights how subjective “planning” can be when standards and accountability are unclear.

The data show that **firms with stronger pre-execution planning are far more likely to hit profit targets**. In fact, companies where executives strongly agree that project managers plan thoroughly achieve profit targets **81% of the time**, compared to **50%** among those who somewhat disagree.

FMI identifies three main barriers to effective planning:

- **Lack of structure:** No standard process or deliverables.
- **Lack of accountability:** Planning quality isn’t measured or reinforced.
- **Lack of capacity:** Project managers are too busy closing out existing projects to focus on upcoming ones.

The report contrasts **“passive planning”** — a quiet, checklist-driven exercise — with **“active planning”**, described as a collaborative, time-bound sprint where teams engage fully before mobilisation. High-performing firms treat this phase like a live simulation: all players in the room, clock ticking, decisions made, and risks neutralised.

The takeaway

Planning isn’t paperwork — it’s risk management. Every hour spent clarifying logistics, lead times, and responsibilities before breaking ground pays back multiple times in cost and schedule control. Firms that invest protected time for planning build momentum and predictability that lasts through execution.

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3. Field Leadership Buy-In: The Make-or-Break Step

Perhaps the most telling statistic in the study: **only one in four executives strongly agree that project managers secure field leader buy-in before mobilisation.**

This alignment gap has huge consequences. When field leaders co-own the plan before work begins, **76% of projects finish on or ahead of schedule**, compared to just **58%** when alignment is weak.

Earning buy-in means more than sending an email or conducting a pre-job briefing. It requires **active collaboration and written commitments** — field sign-off on sequence, schedule, and budget before crews mobilise. Best-in-class firms make this a formal checkpoint: **no mobilisation without field leader approval**.

As one executive bluntly noted, *“We are in the labor management business. Materials can be returned. Labor dollars cannot.”*

The takeaway

True field alignment requires mutual ownership. Project managers must involve superintendents and foremen early, give them real influence over decisions, and secure documented sign-off before work begins. This not only builds accountability but also prevents execution chaos later.

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4. Why Execution Still Breaks Down

FMI concludes that most project failures originate **before** execution ever starts. The window between project award and mobilisation — where assumptions are tested, plans refined, and buy-in secured — is where many organisations lose control.

Even companies with detailed procedural manuals underperform when **assumption validation, dedicated planning time, and accountability** are missing. Without those safeguards, project teams are left improvising under pressure, and projects unravel once in motion.

To reverse this trend, FMI offers six leadership actions:

1. **Mandate early project manager involvement** in 80% of bid reviews.
2. **Develop structured pre-execution sprints** within 10 days of award.
3. **Secure field leader sign-off** two weeks before mobilisation.
4. **Hold "stand and deliver" review sessions** where project teams present plans to executives.
5. **Institutionalise standard procedures** with clear ownership and audits.
6. **Measure and reward collaboration** to reinforce alignment across teams.

These recommendations emphasise process discipline and shared accountability — the missing ingredients in many construction organisations today.

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5. Looking Ahead: From Manager to Business Leader

The next parts of FMI's Project Manager Study will explore **how high performers manage disciplined execution** and **how the project manager role is evolving**. As projects become more complex and margins tighten, project managers are expected to act less as coordinators and more as business leaders — driving financial outcomes, client satisfaction, and team performance.

However, FMI notes that while expectations are rising, **investment in training and systems often lags behind**. Closing this gap will determine whether firms can sustain predictable performance or continue repeating the same failures.

FMI's *2025 Project Manager Study* makes one message clear: **project management doesn't fail**

because of lack of knowledge — it fails because of lack of consistency and ownership.

Only a small fraction of firms consistently deliver on time and on budget, but the path to improvement is visible. Early project manager involvement, structured planning, and genuine field alignment are proven differentiators that turn good contractors into great ones.

As the construction industry enters a new phase of digital transformation and labour constraints, those who standardise these fundamentals will not only survive but thrive — delivering projects that finish not by chance, but by design.