

Project Health Assessment: An Executive Diagnostic

Project Crisis
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The Project Health Assessment

A confidential framework for executives leading high-stakes initiatives.

Introduction: Beyond Green Lights

Standard project reporting is broken. A project can be on time, on budget, and trending “green” on every status report, yet still be on a direct path to value destruction. The metrics that get tracked—milestone completion, budget variance, resource allocation—are lagging indicators of operational activity, not leading indicators of strategic success.

This disconnect is why so many major initiatives fail. The Standish Group’s CHAOS reports have shown for decades that a significant portion of projects are challenged or fail outright. More recent data from McKinsey is just as stark: large-scale IT projects run 45% over budget, deliver 56% less value than predicted, and 17% go so far as to threaten the company’s very existence (McKinsey, 2012).

The failure is rarely a sudden event. It is a slow erosion of alignment, a quiet accumulation of technical debt, a gradual decay of stakeholder buy-in. This assessment is designed to detect that decay before it becomes catastrophic.

It provides a framework for asking the questions that status reports ignore. It is not a tool for project managers; it is a diagnostic for the executive who owns the outcome. Use it to pressure-test your most critical initiatives and gain a clear, unvarnished view of their true health.

The Assessment Framework

Evaluate your project against the following five domains. For each question, assess the reality of your project, not the official narrative. Assign a rating: **Green** (Healthy), **Amber** (At Risk), or **Red** (Critical).

Domain 1: Strategic Alignment

The ultimate measure of a project’s success is its impact on the business. If the strategic context has shifted, delivering the original plan perfectly is a useless

achievement.

1. **Business Case Validity:** If this project were proposed today, with today's market conditions and strategic priorities, would you fund it? Has the original ROI calculation been invalidated by market shifts, competitive moves, or internal strategy changes?
1. **Executive Intent:** Does the executive team share a crisp, unified understanding of the project's primary goal? Can they articulate precisely what business problem this initiative solves and why it matters *now*?
1. **Value Definition:** Is "value" defined in concrete business terms (e.g., increase market share by 3%, reduce customer churn by 5%, achieve \$10M in operational savings) or in technical outputs (e.g., "launch the new platform")?

Scoring (Domain 1) - Green: The business case is still compelling, executive intent is clear and unified, and value is defined by business outcomes. - **Amber:** There is some debate about the business case, or executives have slightly different interpretations of the project's purpose. - **Red:** The original business case is no longer valid, or the executive team has fundamental disagreements about the project's goals.

Domain 2: Sponsorship and Governance

Active, empowered executive sponsorship is the single most critical success factor for any strategic project. Governance is the mechanism that translates that sponsorship into effective decisions.

1. **Sponsor Engagement:** Does the executive sponsor actively clear roadblocks, enforce tough decisions, and champion the project in senior leadership forums? Or is their involvement limited to attending status meetings?
1. **Decision Velocity:** When the project team encounters a cross-functional conflict or requires a decision that exceeds its authority, is that issue resolved within 48-72 hours? Or does it languish for weeks in committees?
1. **Risk & Candor:** Does the governance structure encourage the transparent reporting of bad news? When a team member flags a significant risk, is that

information met with problem-solving or with blame?

Scoring (Domain 2): - **Green:** The sponsor is a powerful, active advocate. Decisions are made quickly. Bad news travels fast and is addressed constructively. - **Amber:** The sponsor is supportive but not always available. Some decisions get bogged down in process. Teams are hesitant to report negative news. - **Red:** The sponsor is disengaged or lacks the political capital to be effective. Critical decisions are stalled. The project culture punishes candor.

Domain 3: Team Capability and Morale

A-level talent can rescue a flawed plan. A C-level team will fail even with a perfect one. The human element is the engine of the project.

1. **Critical Roles:** Are the key roles—the chief architect, the lead product owner, the core engineering leads—staffed by your proven top performers? Or have they been filled by whoever was available?
1. **Vendor Partnership:** If external vendors or system integrators are involved, are they treated as true partners accountable for outcomes, or as fungible contractors accountable only for hours worked? Do your best internal people work alongside them?
1. **Team Morale & Churn:** Is the core team energized and focused, or are they exhibiting signs of burnout and cynicism? Are you seeing attrition in key roles?

Scoring (Domain 3): - **Green:** The team is staffed with top talent, vendor relationships are true partnerships, and morale is high. - **Amber:** Some key roles are filled with less-than-ideal candidates. There are points of friction with vendors. The team is tired but still committed. - **Red:** The project is understaffed with the wrong people. The vendor relationship is adversarial. The core team is burned out, and key members are leaving.

Domain 4: Technical Viability

Technology choices, once made, create path dependencies that can be extraordinarily expensive to reverse. A flawed architecture can doom a project regardless of the quality of the team or the strength of its sponsorship.

1. **Architectural Integrity:** Was the core technical architecture designed by your most experienced architects and subject to rigorous, independent review? Or did it emerge organically without a coherent vision?
1. **Complexity Management:** Is the project's scope a tightly-edited set of minimum viable features, or has it become a sprawling collection of “nice-to-have” requirements from every stakeholder?
1. **Realistic Testing:** Is the testing strategy comprehensive, automated, and does it reflect real-world usage patterns? Is there a clear plan for performance testing, security auditing, and user acceptance testing that is championed by the business?

Scoring (Domain 4): - Green: The architecture is sound and well-documented. Scope is ruthlessly managed. The testing plan is robust and business-led. -

Amber: The architecture has known weaknesses that are being managed. Scope creep is a constant battle. Testing is more focused on technical function than business process validation. - **Red:** There is no clear architectural owner, or the chosen architecture is fundamentally flawed. The scope is out of control. Testing is an under-resourced afterthought.

The Project Crisis Risk Map

Once you have rated each domain Green, Amber, or Red, use the map below to read your project's aggregate position. The point of the graphic is not to produce a precise mathematical score; it is to force the executive conversation that failing projects usually avoid: do we still have control, and do we have evidence that the work can deliver the promised business outcome?

Project Crisis Risk Map

After scoring, see whether your project has control, evidence, both, or neither.



What moves each axis

Executive Control ↑

Strategic alignment

Sponsorship and governance

Delivery Evidence →

Team capability

Technical viability

Both axes

Risk candor and decision speed

How to use it: score each measurable Green, Amber, or Red, then read your project's aggregate position on the map. One Red domain — espe

How to read the map

The vertical axis is **Executive Control**. It measures whether the project still has active sponsorship, clear strategic intent, fast decisions, and honest escalation.

The horizontal axis is **Delivery Evidence**. It measures whether the project has credible proof that the team, architecture, scope, testing, and operating model can deliver the business outcome.

The four zones are:

- **Rescue Capacity:** Strong control and strong evidence. The project may still have problems, but leadership has enough authority and evidence to intervene effectively.
- **Control Without Proof:** Strong sponsorship, weak delivery evidence. This is often where status reports sound confident while facts remain thin. Require hard evidence before approving more spend.

- **Execution Drift:** Delivery activity continues, but executive control is weakening. This is the pattern behind many late-stage surprises, where teams stay busy while the mandate, value case, or decision path erodes.
- **Crisis Zone:** Weak control and weak evidence. Stop treating the project as a normal delivery problem. A formal Kill, Rescue, or Restructure review is required.

What moves each axis

The four domains in the assessment, plus a fifth cross-cutting measurable, each pull your project's position on this map. Read where the project sits after scoring.

Drives Executive Control (vertical axis):

- **Strategic alignment** (Domain 1) — does the business case still matter, and do senior decision-makers agree on the outcome?
- **Sponsorship and governance** (Domain 2, sponsor-engagement question) — is there an active executive sponsor with the authority to make hard tradeoffs?

A Red on either of these pulls the project downward, toward Execution Drift or Crisis Zone.

Drives Delivery Evidence (horizontal axis):

- **Team capability** (Domain 3) — does the team have the skill, capacity, and morale to execute the recovery plan?
- **Technical viability** (Domain 4) — can the architecture, scope, integration, testing, and operational readiness support the promised outcome?

A Red on either of these pulls the project leftward, toward Control Without Proof or Crisis Zone.

Drives both axes:

- **Risk candor and decision speed** (Domain 2, decision-velocity and risk-and-candor questions) — does bad news reach the top quickly, and are cross-functional decisions made in days rather than weeks? Slow or evasive decisions erode sponsor authority *and* throttle delivery evidence, so a Red here pulls toward the lower-left corner.

If the project lands in **Rescue Capacity**, keep managing it, but attack any Amber measurables before they spread. If any single domain is Red, do not wait for the next steering committee — one Red domain can be enough to destroy the business case, especially when the Red is sponsorship, strategic alignment, or technical viability.

This is the board-level use of the assessment: not to debate whether the project is uncomfortable, but to decide whether continued funding is still defensible.

Interpreting Your Results

Total your scores. This is not a scientific instrument, but a tool to guide your attention.

- **Mostly Green:** Your project is likely healthy, but do not become complacent. The domains you marked Amber are your primary risks. Focus your attention there.
- **Mostly Amber:** Your project is at significant risk. It is drifting towards failure. This is not a time for incremental adjustments. It requires a formal intervention to address the identified weaknesses before they become critical. Your immediate priority is to stabilize the project and address the most severe issues.
- **One or More Red:** Your project is in crisis. A single **Red** in any domain, especially Sponsorship or Strategic Alignment, is enough to guarantee failure. Stop. Do not invest another dollar or another day of effort continuing on the current path. The project must be halted and subjected to a formal Kill/Rescue/Restructure review.

Next Steps

An honest assessment is the first step. The next is decisive action.

A project in crisis does not fix itself. It requires a deliberate, structured intervention led from the top.

At Project Crisis, we help executives navigate these exact situations. We provide the independent expertise and battle-tested frameworks to help you make the right call: kill the initiative and cut your losses, restructure it for success, or execute a high-intensity rescue.

If this assessment has raised serious concerns about your most important project, contact us. A confidential conversation today can prevent a public failure tomorrow.