

The Defense Acquisition Professional Reading List

The Defense Acquisition Professional Reading List is intended to enrich the knowledge and understanding of the civilian, military, contractor, and industrial workforce who participate in the entire defense acquisition enterprise. These book reviews/recommendations are designed to complement the education and training that are vital to developing the essential competencies and skills required of the Defense Acquisition Workforce. Each issue of the *Defense Acquisition Research Journal (ARJ)* will contain one or more reviews of suggested books, with more available on the *Defense ARJ* website.

We encourage *Defense ARJ* readers to submit reviews of books they believe should be required reading for the defense acquisition professional. The reviews should be 400 words or fewer, describe the book and its major ideas, and explain its relevance to defense acquisition. Please send your reviews to the Managing Editor, *Defense Acquisition Research Journal*: Norene.Fagan-Blanch@dau.mil.

Featured Book



Book Reviewed:

*Megaprojects and Risk:
An Anatomy of Ambition*

Author(s):

Bent Flyvbjerg, Nils. Bruzelius,
and Werner Rothengatter

Publisher:

Cambridge, Cambridge
University Press

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2003

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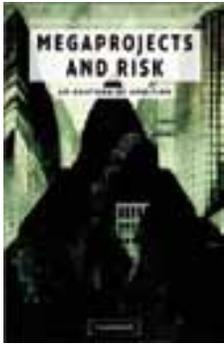
0-521-00946-4

Hard/Softcover:

Softcover: 207 pages

Reviewed by:

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Review:

Megaprojects have some distinct characteristics: Unusually large by definition, they require significant amounts of capital expenditure (hundreds of millions of dollars) and human resources; they produce complex systems with high levels of technological innovation; and they have the potential to change their surrounding economic, social, and organizational environment.

It is through projects and programs that assets and knowledge are developed, and those assets and infrastructure enable the necessary operations and supply chains.

Clearly, they are important for the organizations, individuals, economy, and society. However, it is also clear that the performance record of megaprojects is quite poor, with significant cost and schedule overruns.

The authors look at the performance record of megaprojects from around the globe through a risk “lens.” They provide an in-depth analysis of three transport megaprojects: the Channel Tunnel between the United Kingdom and France; the Great Belt bridge/tunnel in Denmark; and the Øresund Bridge between Denmark and Sweden. They focus on the front-end part of the projects, that is, the feasibility/appraisal stage. These detailed analyses are complemented with data from other major projects in both the public and private sectors, including the transport, information technology, oil and gas, and aerospace sectors.

Through their analyses, the authors critique the “conventional approach to megaproject development” (p. 86) and come up with a number of interesting findings. For example, “cost estimates used...in decision making...are systematically and significantly deceptive” (p. 20); “over optimistic estimates of project viability in the initial planning stage and inadequate analysis of risk and uncertainty” (p. 41); and “accountability is low for parties involved in project development and implementation” (p. 45).

The main reasons for poor performance identified by the authors include the poor consideration of risks; institutional issues (such as lack of stakeholder involvement or a lack of clearly defined roles); and a lack of accountability in the project decision-making process. The authors call, perhaps optimistically, for a mechanism that will enforce accountability and transparency. To this end, they provide an overview of a number of instruments that might help.

This book is of interest to the defense acquisition community, in part because it shows that overruns are not limited to defense projects alone, but also because it argues that the cause of cost growth is not due solely to “unrealistically optimistic estimates,” as Schwartz (2010, p. 16) cites in a recent report for Congress. Rather, there are other dynamics at play here that contribute to project escalation: organizational, cultural, behavioral, and cognitive. It is through understanding these dynamics that the problems surrounding project escalation can begin to be addressed more effectively.

REFERENCE

Schwartz, M. (2010). *The Nunn-McCurdy Act: Background, analysis, and issues for Congress*. CRS Report for Congress (Report No. 7-5700). Washington, DC: Congressional Research Service.