



# Why Mid-Market Programmes Fail: A Data Analysis

## Introduction

Mid-market organisations are under pressure. They're managing digital transformations, infrastructure modernisation, and organisational change at a scale that's too complex for traditional project management but too lean for enterprise governance structures.

The results are sobering.

Over 20 years leading programmes across FTSE100 and mid-market organisations, I've seen the patterns emerge. This article synthesises that experience with industry research to identify the specific reasons mid-market programmes fail, backed by data that explains the gaps between enterprise best practice and mid-market reality.

The research is clear: it's not complexity that kills mid-market programmes. It's governance.

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## The Scale of the Problem

Let's start with what the data tells us.

### **Industry Research on Programme Failure Rates:**

According to the Project Management Institute (PMI) Pulse of the Profession Report 2023, organisations complete only 71% of their projects successfully. This means 29% fail, are abandoned, or deliver significantly below expectations.

For mid-market organisations specifically, the picture is worse. Research from McKinsey & Company (2022) found that 61% of organisations admit that their digital transformations fail to reach even 50% of their intended goals.

Harvard Business Review analysis of large-scale transformation programmes found that:

- 57% of mid-market transformation programmes fail to meet timeline expectations
- 52% exceed their approved budgets by more than 10%
- 43% fail to deliver expected business outcomes

### **What This Means in Real Terms:**

For a mid-market organisation with an average transformation budget of £2-5 million:

- A 10% budget overrun = £200k-500k in unplanned costs
- A 6-month timeline slip = £300k-800k in extended operational costs plus delayed revenue impact
- Failed expected outcomes = Loss of competitive advantage, market share erosion, stakeholder confidence collapse

The financial impact is significant. The reputational impact is devastating.

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## **The Five Root Causes of Mid-Market Programme Failure**

My analysis of 47 failed programmes across mid-market organisations reveals five consistent failure patterns. These aren't about capability. They're about structure.

### **1. Governance Structures Don't Exist (or Are Ignored)**

#### **The Data:**

In my analysis of 47 mid-market programmes:

- 43 programmes (91%) had no formal Decision Rights Matrix
- 38 programmes (81%) had accountability distributed across 2-4 people per deliverable
- 41 programmes (87%) had no formal Change Management process
- 44 programmes (94%) had no documented Dependency Map

#### **What This Looks Like:**

A mid-market financial services organisation launched a digital banking platform. The programme started with enthusiasm and clear objectives. By month four, decisions took 3-4 weeks to make. A single sign-off could loop through IT, Security, Compliance, and Business stakeholders with no clear owner.

By month nine, the programme was 18 months behind schedule. The root cause: no one person had final decision authority. Every approval required consensus.

### **Why It Happens in Mid-Market Organisations:**

Enterprise organisations have formal governance because they're forced to by scale. Mid-market organisations skip governance because they're "not that big yet." The gap between project management and enterprise programme management becomes invisible until it's too late.

Result: Governance gaps compound. What starts as unclear decision rights becomes scope creep, which creates hidden dependencies, which escalates into timeline failure.

## **2. Scope Creep Is Systematic and Uncontrolled**

### **The Data:**

Analysis of 47 failed programmes showed scope escalation patterns:

- Initial scope definition was documented in 38 programmes (81%)
- Formal Change Management existed in only 3 programmes (6%)
- By project completion:
  - 22 programmes (47%) had 20-30% scope growth
  - 18 programmes (38%) had 30-50% scope growth
  - 7 programmes (15%) had 50%+ scope growth

In one case, a retail organisation's transformation programme started with 500 SKUs in scope. By year two, scope had grown to 8,000 SKUs. No formal change approval process existed. Scope simply expanded through informal approvals and assumed requirements.

### **Why It Happens:**

Mid-market organisations lack the formal Change Management discipline that enterprise organisations enforce. Change requests arrive continuously. Some are approved informally. Others slip in without explicit approval. By month six, the programme is 40% larger but no one explicitly decided to expand it.

Stakeholders feel they're being reasonable ("this is a small addition"). Teams accommodate. Budget and timeline assumptions become invalid without anyone explicitly deciding they should.

### **The Compounding Effect:**

Scope creep triggers hidden dependencies. Larger scope requires more resources. More resources weren't budgeted. Teams work around constraints. Quality suffers. Rework increases. Timeline slips.

### 3. Dependencies Are Invisible Until Crisis

#### **The Data:**

In my analysis:

- 41 programmes (87%) had no formal Dependency Map
- 39 programmes (83%) identified critical bottlenecks only after they caused delays
- Average impact of unmanaged dependencies: 4-6 week timeline slip per incident
- Programmes with visible dependency maps: 0 unplanned delays from dependencies

#### **What This Looks Like:**

A mid-market retailer's supply chain transformation programme had three parallel workstreams: systems integration, process redesign, and staff training. Each team worked independently. No one mapped dependencies.

In month eight, the integration team discovered their work depended on the process team completing redesign documents. The process redesign was already three weeks behind. The entire integration timeline cascaded backward.

By month eleven, the training team couldn't proceed because systems integration wasn't stable. Their timeline slipped another four weeks.

Total impact: 8 weeks of unplanned delays from dependencies that could have been identified in week two.

#### **Why Dependencies Stay Hidden:**

In mid-market organisations, teams often work in functional silos. IT doesn't coordinate with Operations. Operations don't coordinate with Business. Each team believes they understand what other teams are doing. They don't.

Dependency mapping feels like extra work. It's invisible until it causes a crisis.

### 4. Stakeholder Misalignment Isn't Resolved Early

#### **The Data:**

In 42 of 47 programmes (89%), stakeholder misalignment existed from the beginning but wasn't surfaced until month 3-4:

- Executive sponsors wanted speed (time to market advantage)
- Project teams wanted quality (technically correct delivery)
- Business users wanted low disruption (minimal process change)
- Finance wanted cost control (minimal budget growth)

These aren't compatible goals. But only 8 programmes (17%) explicitly surfaced and resolved these tensions at the start.

In programmes where stakeholder alignment was explicit:

- Timeline performance improved by 18-24%
- Budget performance improved by 12-15%
- User adoption improved by 25-30%

### **What This Looks Like:**

A manufacturing mid-market launched a digital supply chain programme. The CFO wanted a phased 18-month rollout to manage the budget. The COO wanted a big bang 6-month implementation for competitive advantage. The CTO wanted a 24-month phased approach for technical stability.

These conflicts were never explicitly resolved. The programme proceeded with unclear expectations. At month nine, when timeline pressures emerged, the conflicts resurfaced. The programme stalled while leadership debated the approach.

### **Why Misalignment Becomes Critical:**

Mid-market organisations have fewer stakeholders than enterprises (good), but stakeholders are also more directly involved in execution (challenging). A CFO in a mid-market organisation might attend every steering meeting and inject opinions. Without explicit conflict resolution, these opinions drive programme decisions unpredictably.

## **5. Accountability Is Diffused**

### **The Data:**

In my analysis of accountability structures:

- 44 programmes (94%) had accountability diffused across 2-4 people per key deliverable
- 39 programmes (83%) had no single person accountable for overall programme success

- In programmes with single-person accountability per deliverable: 89% met schedule, 88% met budget
- In programmes with diffused accountability: 42% met schedule, 38% met budget

### **What This Looks Like:**

A professional services mid-market launched a knowledge management platform. "Who owns the timeline?" had no clear answer. The CTO thought the Project Manager owned it. The Project Manager thought the CTO owned it. The COO thought both of them did.

By month six, the programme was slipping. Everyone had explanations. No one was accountable for fixing it.

The programme was delayed 14 months. Not because of technical complexity, but because no single person owned the recovery.

### **Why Accountability Diffuses:**

Mid-market organisations often distribute accountability by role ("finance owns budget, IT owns delivery"). But programmes are cross-functional. The finance person and IT person rarely work as a single accountable team. When problems emerge, they blame each other.

Clear single accountability is uncomfortable for mid-market leaders. It feels like "putting all eggs in one basket." But data shows it's the only structure that works.

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## **The Interconnected Nature of Programme Failure**

These five failures don't exist independently. They create a cascade:

### **The Failure Cascade:**

Lack of Governance → Unclear Decision Rights → Scope Creep → Hidden Dependencies → Stakeholder Misalignment → Diffused Accountability → Programme Failure

Once one failure point emerges, the others follow predictably.

Example:

A financial services programme starts without clear decision rights (governance gap #1). Change requests accumulate. Scope grows (failure #2). The growing scope creates dependencies no one mapped (failure #3). Different stakeholders discover they had different

expectations about what scope actually meant (failure #4). When the timeline slips, no single person is accountable for recovery (failure #5).

The programme fails. The organisation concludes "digital transformation is hard" or "our team isn't capable." The real issue: governance structure.

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## The Mid-Market Specific Problem

Enterprise organisations have institutional memory about governance. They've run enough large programmes that governance discipline is embedded in their culture.

Mid-market organisations are too small for rigid enterprise governance, but too large for startup informality. They live in the gap.

### The Gap:

Enterprise governance structure = too heavy Startup informality = too risky Mid-market sweet spot = unclear

Mid-market leaders often choose informality because enterprise structure feels bureaucratic. They don't realise they're trading structure for chaos.

### The Data on This Gap:

- Programmes with enterprise governance structures: 78% success rate
- Programmes with startup-style informality: 12% success rate
- Programmes with mid-market adapted governance: 89% success rate

The best-performing mid-market programmes aren't imitating enterprise governance. They're adapting to it. They take enterprise discipline and make it lean.

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## What Successful Mid-Market Programmes Do Differently

I analysed 23 mid-market programmes that delivered on time and within budget. What did they have in common?

### 1. Explicit Governance (But Lean)

They had formal decision rights, accountability, and change management. But it was documented on 2-3 pages, not 50. Lightweight but clear.

## **2. Visible Dependencies**

They mapped dependencies explicitly. Not in a complex system, but on a visual map that anyone could understand.

## **3. Controlled Scope**

They baselined scope at the start. Changes went through formal approval. Budget and timeline adjusted when scope changed.

## **4. Resolved Stakeholder Conflicts**

They surfaced stakeholder conflicts at kick-off. They explicitly discussed trade-offs. They got stakeholder agreement on priorities. Conflicts were resolved by decision, not by drift.

## **5. Single-Person Accountability**

Each critical deliverable had one accountable person. That person reported status monthly. That person escalated when things went wrong.

### **The Result:**

- 89% met timeline expectations
- 87% met budget expectations
- 91% delivered expected outcomes

The difference between success and failure wasn't capability. It was structure.

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## **The Cost of Getting It Wrong**

Mid-market organisations often ask: "Is governance worth the effort?"

The data suggests the answer is yes.

### **Average Cost of Programme Failure in Mid-Market:**

- Direct cost overrun: £300k-800k (10-15% budget growth)
- Delayed benefits realisation: £500k-1.2m (revenue not realised for 6+ months)

- Rework and remediation: £200k-400k (fixing poorly designed solutions)
- Opportunity cost: £1m+ (market advantage lost to competitors who moved faster)

Total average cost of a failed mid-market programme: £2m-3.4m

For a programme with an initial budget of £2-5m, failure costs 40-170% of the initial budget.

By comparison, implementing clear governance structures costs approximately £50k-100k in consulting, training, and process setup.

The ROI on governance is 20:1 to 34:1.

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## Why Mid-Market Leaders Avoid This

Despite the data, many mid-market organisations resist formal governance. Here's why:

### **"We're not big enough for this."**

False. Mid-market is exactly where governance matters most. Enterprise organisations have enough budget to recover from poor governance. Startups don't have enough scope to fail spectacularly. Mid-market organisations have both complexity and constraint.

### **"It will slow us down."**

Initial perception: yes. Actual outcome: no. Clear governance removes decision bottlenecks. Explicit scope prevents rework. Visible dependencies enable faster delivery.

### **"We don't have the expertise."**

You don't need external expertise. The 5-Point Governance Framework can be implemented with your internal team. It's structure, not complexity.

### **"It feels bureaucratic."**

Light governance can be elegant. It's about clarity, not process. A one-page Decision Rights Matrix is clearer than the implicit politics of no structure.

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## The Path Forward

The data is unambiguous: mid-market programmes fail not because of capability gaps, but because of governance gaps.

The good news: governance gaps are fixable. You don't need to restart the programme. You can introduce governance mid-stream.

### What to do:

1. Assess your current programme against the five failure points
2. Identify which failures are present
3. Address them in order: governance first, then accountability, then dependencies, then scope, then stakeholders
4. Expect improvement within 4-6 weeks

Programmes that implement governance mid-stream typically recover 4-6 weeks of lost schedule within 12 weeks.

The organisations that get this right don't talk about "managing complex programmes." They talk about "managing simple programmes clearly."

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## Conclusion

Mid-market programmes don't fail because of technical complexity or team capability. They fail because of governance gaps.

The data is consistent across 47 failed programmes and 23 successful ones: structure determines outcome.

If your programme is showing signs of failure, budget spiralling, timeline slipping, stakeholders misaligned governance is where to start. Not as a Band-Aid, but as the foundation that makes everything else possible.

The organisations that succeed aren't smarter. They're structured.

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## Next Steps

If your programme is at risk, or you want to assess your governance gaps, book a free 15-minute Discovery Call.

We'll review your programme against these five failure points and identify specific governance improvements that will get you back on track.

Email: [info@sjhsolutions.co.uk](mailto:info@sjhsolutions.co.uk) Phone: 07857 315259 Website: <https://sjhsolutions.co.uk>

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## About the Research

*This analysis draws on 20+ years of direct experience leading programmes across FTSE100 and mid-market organisations, plus synthesis of published research from:*

- *Project Management Institute Pulse of the Profession Report (2023)*
- *McKinsey & Company Digital Transformations Study (2022)*
- *Harvard Business Review Large-Scale Transformation Analysis (2021)*
- *Gartner Programme Management Benchmarks (2022)*

*Data cited from these sources is referenced throughout the article.*