Beyond the Project-by-Project IT Trap: Why Continuous Improvement Partnerships Are the Future

2W Technologies, INC.

The traditional project-by-project approach to IT consulting systematically failing the organizations it was designed to serve. According to the Standish Group's CHAOS research, **only 16.2% of IT projects are completed on time and on budget with all promised functionality**. The remaining 83.8% are either over cost, late, scope-reduced, or canceled entirely, with **52.7% classified as "challenged"** and **31.1% canceled before completion**. These are not anomalies. They reflect a structural flaw in how enterprises engage with technology: episodic, fragmented, and disconnected from the ongoing nature of digital operations.

This white paper examines why the project-based IT engagement model fails, identifies the escalating pressures that make this approach untenable, and presents the continuous improvement partnership as a strategic alternative. It draws on third-party research from McKinsey, Harvard Business Review, IBM, Accenture, and other authoritative firms, alongside the real-world model developed by 2W Technologies, INC., a firm with over 33 years of consulting experience, 14 Microsoft certifications, and recognition as both the largest global Epicor partner and a top managed services provider in North America for six consecutive years.

The Project-by-Project Dilemma: A Structural Flaw

The most damaging aspect of the project-based model is not any single failure; it is the systematic destruction of organizational knowledge and momentum between engagements. As 2W Technologies describes the pattern: *"Every new project means re-scoping, re-explaining your environment, and waiting for approvals before work can begin. The result is wasted time, fragmented execution, and initiatives that never quite gain the momentum they need."*

This dynamic creates five interlocking problems:

- **Repeated Ramp-Up and Knowledge Loss:** Each new engagement begins with weeks spent re-explaining systems, business goals, and constraints to a fresh team of consultants. By the time those consultants genuinely understand the environment, the project is winding down, and then the knowledge disappears with them. The client is *"back to square one for the next engagement"*. The Standish Group's research on project failure factors reinforces this: among the top indicators of "challenged" projects are **lack of user input, incomplete**

requirements, and changing requirements, all of which are exacerbated when external teams lack deep, ongoing familiarity with the business.

- **Budget Unpredictability and Cost Overruns:** Each project cycle introduces a new Statement of Work, new approvals, and new billing uncertainties. The financial exposure is substantial. A 2012 McKinsey study found large IT projects run **45% over budget and 7% over schedule, while delivering 56% less value than predicted**. Harvard Business Review research by Bent Flyvbjerg and Alexander Budzier quantified the tail risk: the **average cost overrun across IT projects is 27%**, and fully **1 in 6 projects is a "black swan" with a cost overrun of 200% or more**, severe enough to threaten careers and even entire companies. When budgets swing this wildly, CFOs lose confidence in IT investment planning, and CIOs lose credibility with the board.
- **Fragmented Accountability:** Once a project engagement concludes, there is typically no one accountable for continuity. Internal teams are left to *"carry the burden of coordination that should be someone else's job"*. Business leaders find themselves **managing the consultants**, chasing updates, bridging gaps between teams, and triage-Ing issues, rather than focusing on strategy. Industry commentary from consulting advisory firm Grant Graham confirms this pattern: founders and COOs increasingly describe traditional consulting engagements as producing *"comprehensive reports and recommendations"* that leave clients to *"grapple with the often-complex and resource-intensive task of actual implementation"* alone.
- **Start-Stop Execution and Stalled Roadmaps:** Between discrete projects, **technology roadmaps stall**. Improvements wait in backlog until the next engagement is approved, scoped, and funded. The Standish Group's analysis of 50,000 global projects (2020 data) found **66% of technology projects end in partial or total failure**, with **31% of U.S. IT projects canceled outright** and **53% "so worrying that they were challenged"**. These cancellation and stall rates reflect not just poor execution but also the structural inability of the project model to sustain momentum.
- **Compounding Technical Debt:** The project model's inherent focus on immediate deliverables often means underlying issues, outdated code, deferred maintenance, aging infrastructure, are deferred to "next time." There is rarely a mechanism to address them continuously. This compounds into technical debt that grows silently between engagements until it reaches crisis levels.

The net effect is a **perpetual reset cycle** in which context is repeatedly rebuilt and lost, budgets are consumed by rework and overhead, and the organization lurches between scoped deliverables rather than pursuing a coherent long-term technology strategy.

Escalating Complexity: Why One-Off Projects Can No Longer Keep Pace

The structural weaknesses of the project model are being amplified by **four escalating pressures** that demand continuous, adaptive IT operations:

1. Digital Transformation Failure at Scale

The failure rates for digital transformation, the type of work most enterprises are now undertaking, are remarkably high across every major research firm. BCG found in 2020 that **70% of digital transformation efforts fall short of meeting their targets**. In that same year, McKinsey reported that 17% of large IT projects failed so severely that they put the company's survival at risk. 2023, EY found that **two-thirds of senior leaders had experienced at least one underperforming digital transformation in the prior five years**. And in 2024, Bain reported that **88% of business transformations fail to achieve their original ambitions**.

The common thread across these studies is not technology failure per se, but execution failure, initiatives that lose momentum, lack continuity, or cannot adapt quickly enough. A project-based model, with its inherent stop-start rhythm, structurally undermines the sustained effort that digital transformation demands.

2. The Technical Debt Crisis

Technical debt, the accumulated cost of deferred maintenance, outdated systems, and expedient workarounds, has reached a tipping point. Pegasystems' 2025 study, conducted by Savanta and surveying over 500 IT decision-makers worldwide, found that the average enterprise wastes more than $370 million each year because it cannot efficiently modernize legacy systems.

This cost breaks down as follows:

- **$134 million/year** wasted on the time required to complete legacy transformation projects through traditional, resource-intensive processes
- **$58 million/year** lost to time invested in legacy transformation initiatives that ultimately failed
- **$56 million/year** consumed by maintaining, updating, and integrating with legacy systems

The human cost is equally stark. According to Stripe's Developer Coefficient research (cited by Bytelota's 2025 analysis), **engineers spend 33% of their time on technical debt** instead of building new features, with growth-stage companies hitting **42%**. Sonar's analysis of over 200 real-world projects calculated the direct cost at **$306,000 annually per million lines of code**, or **$1.5 million over five years**, equivalent to **27,500 developer hours** spent on firefighting instead of innovation.

McKinsey Digital estimated that technical debt represents **20–40% of an organization's entire technology estate value** before depreciation, and **more than 50% of companies spend over 25% of their total IT budget** just servicing this debt.

Perhaps most telling in the Pega study, **only 9% of respondents** said their digital transformation efforts had put them in a position to fully retire or replace all legacy applications. Meanwhile, **78% agreed** that the time, money, and effort spent maintaining legacy applications could be spent more productively elsewhere, and **63% reported depending on 1 to 10 legacy applications daily**, with another **29% depending on 11 to 20**. Technical debt is not going away; it is accelerating, and the episodic project model has no built-in mechanism to address it continuously.

3. Relentless Cybersecurity and Compliance Pressure

Security and compliance are not project deliverables; they are continuous obligations. Yet many organizations still treat them as periodic initiatives. The consequences of this approach are severe.

IBM's Cost of a Data Breach Report 2025 revealed a **global average breach cost of $4.4 million** (a 9% decrease from the prior year, attributed to faster breach lifecycle resolution). In the United States, the figure is even higher: data breaches now cost U.S. organizations **more than $10 million** for recovery. Third-party data breaches surged **49% year-over-year from 2023 to 2024**, and **61% of organizations reported a third-party data breach or incident in the prior year**.

On the regulatory side, new regulations led to a **42% increase in compliance audits** in 2024, especially in financial and healthcare industries. Yet **only 54% of CISOs are confident** their organization is prepared to meet demands of new regulations. In hybrid and multi-cloud environments, now the norm, **54% of companies report difficulty meeting regulatory standards**, and **91% of cybersecurity and compliance professionals felt their systems were not prepared to manage zero-day attacks** or respond to newly discovered vulnerabilities.

For organizations operating under frameworks like CMMC 2.0, NIST 800-171, ITAR, or DFARS, the stakes are even higher, non-compliance can mean loss of contracts or debarment. A one-time compliance project provides a snapshot; continuous monitoring and improvement provide sustained readiness.

4. The Demand for Organizational Agility

Business priorities shift with market conditions, competitive moves, and regulatory changes. The project model's lead time, scoping, contracting, staffing, onboarding, introduces **weeks or months of delay** before work begins. In an era when responsiveness is a competitive advantage, this latency is increasingly intolerable.

Organizations need the ability to **redirect IT effort in days, not quarters**, something only an ongoing engagement with a standing team can provide.

A Better Way Forward: The Continuous Improvement Partnership Model

The fundamental answer to these structural problems is an operating model shift: from treating IT as a series of discrete projects to running, it as a continuous, governed practice with a dedicated partner. Rather than engaging vendors initiative by initiative, leading organizations are adopting structured, ongoing relationships where a dedicated team continuously works toward evolving goals and improvements.

As the 2W Technologies Continuous Improvement Program describes it: *"Imagine a single, dedicated team that already knows your systems, your people, and your goals, ready to execute on day one of every initiative. A Project Manager who owns coordination, so you do not have to chase anyone. A living roadmap that evolves with your priorities, not a static retainer that sits on a shelf. And a predictable, fixed quarterly fee that protects your budget."*

The key structural elements of this model are:

- **Dedicated, Persistent Team with Deep Context:** A stable team of engineers and consultants assigned long-term to the client, eliminating ramp-up time and knowledge loss. This team includes a **Dedicated Project Manager** who serves as the single point of accountability for all program activity "*Owns coordination, ticket triage, priorities, and follow-through*". A **Success Manager** focuses on strategic alignment and ensuring measurable value at every stage. A **Dedicated Tech Pod** provides engineering continuity, *"no ramp-up time, no re-explaining, no lost context"*. And a **Deep Bench** of certified specialists across ERP, cloud, security, and modern workplace is available on demand when specialized expertise is required.
- **Living Roadmap with Adaptive Execution:** Instead of a fixed project scope, the engagement operates against an evolving technology roadmap that is regularly reviewed and re-prioritized. When priorities shift, **work begins immediately, no paperwork, no delays**. This eliminates the weeks of SOW approval that characterize the project model.
- **Fixed, Predictable Fee with Flexible Capacity:** A **fixed quarterly fee** replaces unpredictable per-project billing. Capacity can be **reallocated across workstreams as needs shift without contract renegotiation**. This provides budget predictability for finance while preserving operational agility for IT.
- **Built-In Governance Cadence:** Structured touchpoints ensure continuous alignment without burying stakeholders in meetings:

Weekly	Monthly	Quarterly	Annually
Status syncs, ticket reviews, active work updates	Roadmap reviews, priority adjustments, KPI tracking	Quarterly Business Reviews with stakeholders — value delivered, roadmap outlook	Strategic planning session — annual roadmap refresh and partnership alignment

The following comparison illustrates the structural differences between the two approaches:

Dimension	Traditional Project-Based Model	Continuous Improvement Partnership
Onboarding & Context	Repeated ramp-up: each team starts cold, re-learning the environment. Time wasted re-explaining systems and context.	One team stays long-term, already fluent in systems and business. Every initiative starts at full speed.
Speed to Start	Weeks of delay for SOW approvals and contracting before work begins.	Priorities shift and work begins immediately, no new contract required.
Cost Model	Variable fees per project; change orders and "out-of-scope" charges create surprise costs. Average large project overrun: 45%.	Fixed quarterly fee — budget is predictable and protected. Capacity is reallocated without additional cost paperwork.
Management Burden	Client manages consultants, chases updates, bridges gaps between vendors.	Dedicated PM owns all coordination, triage, and follow-through. Client focuses on the business.
Knowledge Continuity	Context lost between projects; each engagement may repeat mistakes or revisit settled decisions.	Knowledge accumulates; past lessons inform future work. Fewer mistakes repeated.
Flexibility	Rigid scope: changes require formal change requests and new SOWs. Off scope needs to wait for "next project".	Flexible capacity shifts across workstreams as business needs evolve — no contract changes required.
Outcome Focus	Delivery-focused: success = completing the agreed scope. Little post-project follow-through.	Outcome-focused: success = achieving business objectives. QBRs measure realized value.
Technical Debt	Reactive: deferred until crisis triggers a new project. Debt compounds between engagements.	Proactive: continuous refactoring and optimization prevent debt from accumulating.

Why Continuous Improvement Is a Strategic Imperative, Not Just an Operational Preference

The shift from projects to partnerships is not merely a process improvement. It carries **strategic implications** for how organizations compete, manage risk, and allocate scarce resources:

- **Sustaining Digital Transformation Momentum:** The statistics on transformation failure are not primarily about technology, they are about execution continuity. When BCG reports that 70% of digital transformations are falling short and KPMG finds **70% of organizations experienced at least one project failure in the prior 12 months**, the common factor is not inadequate technology selection but rather broken execution models that cannot sustain effort. A continuous improvement approach converts transformation from a one-time event into an ongoing practice, dramatically improving the odds of realizing intended value. Accenture's research reinforces this: organizations that allocate **15% of IT budget to continuous debt remediation** and build strong digital infrastructure achieve **60% higher revenue growth rates and 40% higher profitability**. The 15% threshold represents an ongoing, systematic investment, not a periodic cleanup project.
- **Proactive Risk Reduction:** With third-party breaches up **49% year-over-year** and **91% of security professionals reporting their systems were unprepared for zero-day threats**, reactive security projects create dangerous gaps in coverage. A continuous engagement treats security posture as a **lifecycle practice**, with regular patching, monitoring, and compliance updates woven into the ongoing work cadence. For organizations in regulated industries facing CMMC 2.0, NIST 800-171, or similar frameworks, this approach produces **"audit readiness by design, not last-minute preparation"**.
- **Talent Access Without Headcount Growth:** Specialized IT skills, cloud architecture, cybersecurity, ERP optimization, AI/ML, data analytics, are difficult and expensive to recruit. A continuous partnership provides **"deep bench access"** to certified specialists across disciplines, available when needed without requiring full-time hires for each specialty. This effectively converts fixed talent costs into variable ones, while maintaining access to expertise that would be impractical to build in-house.
- **Tighter IT-Business Alignment:** The built-in governance cadence, from weekly syncs to annual strategic planning, forces continuous dialogue between business and technology leaders. This replaces the common pattern where IT and business only deeply engage during project kickoff and project closeout. The result is technology work that stays tightly coupled to evolving business

priorities rather than drifting toward predetermined deliverables that may no longer be relevant.

Tradeoffs to Consider

The continuous improvement model is not without tradeoffs. It requires **organizational commitment** to a long-term partnership rather than the perceived flexibility of vendor shopping on each project. It demands **executive sponsorship** and ongoing governance participation, which may feel heavier than approving a one-time SOW and stepping back. And it requires **trust in the partner's capacity and integrity**, since the fixed-fee model works only when both parties act in good faith on scope and effort allocation. For organizations with highly episodic IT needs (e.g., a single major implementation every three to five years with minimal interim work), a project-based approach may still be more appropriate. But for any organization with continuous technology demands, which today encompasses most enterprises, the partnership model's advantages are compelling.

2W Technologies' Continuous Improvement Program: A Real-World Implementation

2W Technologies provides a concrete, operational example of the continuous improvement partnership model. As the **largest global Epicor partner** and **Epicor Global Partner of the Year**, with recognition as a **Top MSP in North America by CRN for six consecutive years**, the firm holds **14 Microsoft certifications** spanning Modern Work, Azure Infrastructure, Security, Data & AI, and Azure Virtual Desktop. With **clients across 42 states and 11 countries**, 2W developed the Continuous Improvement Program specifically to replace the project-by-project cycle that its clients consistently found frustrating and ineffective.

Program Structure

The program operates through **two tailored tracks**, each built on the same foundation of dedicated resources, structured governance, and outcome-driven execution:

Capability	Epicor Continuous Improvement	Enterprise Partnership
ERP & Business Applications (Kinetic, optimization, reporting, AP automation)	✓	✓
Cloud & Infrastructure (Azure migrations, cloud ops, workload governance)	—	✓
Security & Compliance (CMMC 2.0, NIST 800-171, MFA, DLP, Purview)	—	✓
Modern Workplace (M365, Intune, Defender, Teams, SharePoint)	—	✓

Dedicated Project Manager	✓	✓
Success Manager & Quarterly Business Reviews	✓	✓
Dedicated Tech Pod	✓	✓
Living Technology Roadmap	✓	✓
Fixed Quarterly Fee	✓	✓
Flexible Capacity Reallocation	✓	✓
Built-In Governance Cadence	✓	✓

Source: 2W Technologies Continuous Improvement Program documentation

The **Epicor Continuous Improvement** track is designed for organizations whose priority is maximizing their Epicor ERP investment, covering **Kinetic transitions, ERP optimization, reporting, AP automation, ECM stabilization, and ongoing system support**. This is particularly relevant given that **Epicor's Kinetic 2026.1 release fully retires the Classic Smart Client**, organizations that have not completed the transition face lost support, stalled innovation, and growing technical debt. The migration itself requires reviewing and rebuilding Classic customizations, C# scripts, and personalization layers using Application Studio, with every screen, BAQ, dashboard, and BPM requiring validation. This is precisely the type of sustained, complex work that a continuous engagement manages far more effectively than a one-time project.

The **Enterprise Partnership** track extends coverage to **Cloud & Infrastructure** (Azure migrations, cloud operations, workload governance), **Security & Compliance** (CMMC 2.0, NIST 800-171, MFA, DLP, Microsoft Purview), and **Modern Workplace** (Microsoft 365, Intune, Defender, Teams, SharePoint). For regulated manufacturers and defense contractors operating under CMMC, NIST 800-171, ITAR, or DFARS requirements, this track provides continuous compliance advisory, gap tracking, and evidence preparation, including **GCC High tenant administration** where required.

Underlying Methodology

2W's approach follows a four-phase continuous improvement methodology: **Evaluate** (assess current processes and identify improvement areas), **Plan** (develop a prioritized roadmap with the Success Manager), **Implement** (execute with certified consultants, managed through weekly PM-led meetings), and **Review** (evaluate results and determine next steps). This cycle repeats continuously rather than concluding with a single project deliverable, embodying the principle that *"continuous improvement is the cornerstone of any business's success"* and requires *"consistent improvements over time, rather than drastic changes in the short term"*.

What the Program Promises to Resolve

2W's program materials articulate six specific commitments that directly address the problems outlined in this paper:

- **No more surprise invoices**, budget is predictable and protected with a fixed quarterly fee
- **No more lost context**, dedicated team already knows the environment, history, and goals
- **No more chasing consultants**, the Project Manager owns coordination, triage, and follow-through
- **No more static retainers**, the roadmap evolves with priorities, and capacity shifts as needs change
- **No more gaps between projects**, structured governance keeps momentum, alignment, and accountability on track
- **No more contract renegotiations**, flexible capacity reallocates as needs shift without paperwork

Making the Shift: Considerations for Executive and IT Leaders

Transitioning from a project-based paradigm to a continuous improvement model is a strategic decision that requires deliberate planning. The following considerations can guide the evaluation:

- **Start with a Mindset Shift:** Adopt a **product mindset** for IT capabilities. This means viewing technology not as a series of problems to be solved by projects, but as an evolving portfolio of services that require continuous investment and improvement. The Standish Group's research on successful projects underscores this: the top factors in successful outcomes include **user involvement, executive management support, clear statement of requirements, proper planning, and realistic expectations**. Continuous engagement embeds all five of these factors into its ongoing operating rhythm.
- **Evaluate Partner Depth and Breadth:** Assess whether a prospective partner has the technical depth to support your roadmap across multiple domains. In 2W's case, this means expertise spanning Epicor ERP, Microsoft 365, Azure infrastructure, cybersecurity (including CMMC/NIST frameworks), and modern workplace, all accessible under a single relationship. A narrow-capability partner may still force you into multiple vendor relationships, undermining the continuity benefits.
- **Establish Governance Early:** Define the cadence and mechanisms for alignment before the engagement begins. Determine who participates in weekly syncs, monthly reviews, and quarterly business reviews. Ensure executive sponsors on both sides are identified and engaged. The governance structure should keep you *"informed and in control, not buried in meetings"*.
- **Define Measurable Outcomes:** Shift success metrics from project milestones to business outcomes. Collaborate with your partner to establish KPIs, system uptime, user adoption rates, compliance audit findings, feature delivery velocity,

cost avoidance, which are reviewed regularly and used to demonstrate return on investment. This changes the accountability model from "Did we finish the project?" to "Are we achieving our objectives?"

- **Plan for Gradual Transition:** The shift need not be binary. Consider piloting a continuous engagement in one domain, for example, ongoing ERP optimization or continuous security posture management, while maintaining project-based work elsewhere. As value is demonstrated, expand the continuous model to additional workstreams. This approach manages organizational change risk while building internal confidence in the new paradigm.
- **Balance the Tradeoff Between Flexibility and Commitment:** A continuous engagement requires sustained investment and mutual commitment. Unlike a one-time project, you cannot simply "end" it without planning for transition. However, the tradeoff is clear: the flexibility to reallocate capacity within the engagement, the elimination of contracting overhead, and the compound returns of accumulated knowledge far outweigh the reduced optionality of a rolling commitment.

Conclusion: From Episodic Firefighting to Compounding Momentum

The evidence from two decades of research paints a consistent picture: **the project-by-project IT model produces unacceptable failure rates, budget overruns, and lost value.** When the Standish Group reports that only 16.2% of projects fully succeed, when McKinsey finds large IT projects delivering **56% less value than predicted**, when Bain documents **88% of transformations failing to meet their ambitions**, and when enterprises hemorrhage an average of **$370 million per year** on technical debt and legacy system maintenance, the case for structural change becomes unavoidable.

Continuous improvement partnerships address these failures not through better project management but through a **fundamentally different operating model**: one that eliminates the reset cycle, embeds governance, provides budget predictability, and aligns technology work continuously with business priorities. The model turns IT from a recurring source of friction into a **compounding engine of value**, where each quarter's work builds on the last, knowledge accumulates rather than evaporates, and the organization can respond to change with speed rather than bureaucratic delay.

2W Technologies' Continuous Improvement Program is one credible embodiment of this approach, built on 33+ years of experience, deep ERP and Microsoft platform expertise, and a governance framework designed to keep clients *"in the driver's seat"*. But the broader strategic insight transcends any single provider: **organizations that systematize improvement, that invest in ongoing partnerships rather than episodic interventions, will outperform those that do not.**

The invitation is straightforward. Stop chasing projects. **Start building momentum that lasts**.
