

Case study on denver international airport

[Business](#), [Management](#)



Introduction

The project management issue that occurred during the construction opening of DIA or Denver International Airport is one of the classic examples of project mismanagement. The objective of this paper is to investigate on the critical events that happened during the construction of an airport that was supposed to benefit the people of Denver by providing an indefinite amount of boost to the business and tourism sectors.

Did Denver Really Need a New Airport?

Before we investigate on the events that happened at a time when construction have already started, it will only be logical to answer the question “ did Denver really need a new airport?” first. According to the service characteristics from the United and Continental Airlines from the month of December 1993 to April 1994, out of the 2, 051, 344 available numbers of seats in all planes, only 1, 296, 392 were occupied, which gives us an occupation or boarding load factor of 63 percent. At some point, we could say that the airport, with all of its planes only uses 63 percent of its capacity which is actually more than acceptable. There was no question that insufficient airport capacity would cause Denver to lose valuable businesses being 500 miles from other major cities. However, that does not mean it should waste resources in constructing a new airport even though there is no real need for one, at least based on the statistics of the total airport utility level.

Denver International Airport Construction and Schedule Control

The main culprit was the management's mishandling of the schedule. Firstly, no contingency plan was implemented. The reason behind the lack of contingency plan implementation could be due to the slowness of the team to react or because the team did not prepare a contingency plan at all. It took the project management team months to announce to the public their plan regarding the problematic operational baggage handling system, which for some reason, the airport cannot operate without. Secondly, the project management team did not seem to know that the longer the duration of the project, the larger the miscellaneous cost could be because they were still bound to pay the bills and the services of every man whose time and effort are involved in the project. In a nutshell, this is the main reason behind the gigantic increase in project estimate which was over 5 billion USD. Lastly, poor overall planning almost killed the DIA project. The proposal was not properly studied because if it was, they would have known that the site where the DIA was supposed to stand at was previously a Native American burial ground.

Conclusion

All in all, what happened at the Denver International Airport project management fiasco was a combination of a series of events and failures. The absence of a contingency plan, the slowness of the team's reaction time, the mishandling of the schedules, and the poor overall planning all led to the ballooning of the total cost for the project.

References

Kerzner, H. " Project Management Case Studies." John Wiley and Sons Inc (2006).