

***Project Business Management*¹**

Managing and Resolving Crisis in the Project: Crisis at the Organizational Interfaces of a Cross-Corporate IT Project²

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Abstract

Crises in cross-corporate projects rarely start inside one firm. They start at the seams between organizations, where contract terms, decision rights, and information do not line up.

This essay sets out a typology of six interface-origin crisis types and traces how each one appeared on a single, well-documented Vancouver, British Columbia information technology project, TransLink's Compass fare payment system, built by the San Diego vendor Cubic Transportation Systems for the regional transit authority TransLink, the Mayors' Council, and the Province of British Columbia.

The essay draws on current project business management and project governance research to set out practices that reduce the chance of an interface crisis and practices that help a project recover once one has started.

A conceptual map positions the six crisis types by interface ambiguity and escalation potential, giving practitioners a screening tool and giving researchers a testable starting point for further study.

¹ The Project Business Management series was created by Oliver Lehmann, author of the book "[Project Business Management](#)" who usually authors these articles. This month's guest article is by Dr. Jude Joseph, who came to us courtesy of Mr. Lehmann and the Project Business Foundation. See Dr. Joseph's background summary at the end of this article.

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The essay closes on the practical and scholarly contribution of treating the organizational interface, rather than the single firm, as the unit of crisis analysis in project business management.

Keywords: *project business management, project governance, interface management, project crisis, information technology project, Vancouver public sector technology*



Introduction

A cross-corporate project brings together firms with different goals, cultures, and appetites for risk under one delivery structure. When something goes wrong on a project of this kind, the fault line is rarely inside a single organization's scope of work. It sits at the interface, the point where one firm's contract, information, and authority meet another's. A performance requirement that one party considers final and another considers a draft, a hardware standard that one party assumes matches another's system, a launch date that neither party can agree is actually ready: these are the ordinary conditions under which a project crisis grows, and they apply as much to a large public-sector information technology (IT) program as to a construction megaproject.

This essay asks two questions about that growth. What kinds of crisis develop at the interfaces of cross-corporate IT projects, and what steps reduce or resolve them? The essay answers both questions in four steps. First, it places the interface problem inside

current project business management (PBM) and project governance research. Second, it sets out a typology of six interface crisis types. Third, it traces the typology against a single, closely documented Vancouver case, TransLink's Compass fare payment system, an automated fare collection program built by the San Diego-based vendor Cubic Transportation Systems for TransLink, the Metro Vancouver regional transit authority, working alongside the Mayors' Council on Regional Transportation and the Province of British Columbia. Fourth, it sets out governance and recovery practices, closing with a conceptual model that maps the six crisis types by ambiguity and escalation potential.

Project Business Management and the Interface Problem

Project business management treats the temporary project as the site where several permanent organizations do business with one another for a fixed period. A large public IT program such as a regional fare payment system is delivered by what the literature calls a project-based organization, a coalition of firms and agencies that dissolves, or is meant to dissolve, once the system is handed over. Iftikhar et al. (2023) reviewed 171 studies of crisis in project-based organizations and proposed a five-part process: sense-making, decision-making, response, outcome, and learning. Their model treats crisis as something a project organization moves through in stages rather than something that either happens or does not. The model fits interface crises well, because the first stage, sense-making, is exactly where cross-corporate projects struggle: one firm's information about a delay, a cost, or a defect does not automatically reach the other firm's decision-makers, and the crisis often grows in that gap before anyone agrees a crisis exists.

Governance research adds a second layer. Sankaran et al. (2025), introducing a special issue on project governance, point project management researchers toward principal-principal conflict: disputes not between an owner and a single contractor, but among several organizations that each hold a stake in project decisions. This is the condition of most large public technology programs, where a public agency, a regional funding council, a provincial government, and a private vendor all hold partial authority over cost, schedule, and scope. Chen et al. (2025), studying 205 respondents across 13 Chinese infrastructure megaprojects, found that alliance management capability improves megaproject performance mainly through its effect on collaborative conflict management, with the quality of leader-member relationships strengthening that effect; while their sample is drawn from construction, the underlying mechanism, that conflict

management routines mediate the benefit of alliance capability, does not depend on the asset being built being physical rather than digital. El Tannir (2024), in a doctoral study of large inter-organizational project networks, argued that contractual and relational governance mechanisms need to be read together rather than as substitutes, because neither mechanism alone accounts for how cooperation nor coordination happen at the boundary between firms. Read together, these three streams of research point to the same conclusion for an IT program as for a construction megaproject: an interface crisis is a governance failure before it is a technical or financial one.

A Typology of Interface Crises

Building on this literature, six recurring crisis types can be identified at the interfaces of cross-corporate IT projects. Table 1 sets these out, with the interface condition that produces each type, the trigger that typically converts a latent risk into an active crisis, and a practical sign a project leader can watch for.

Crisis Type	Origin at the Interface	Typical Trigger	Illustrative Sign in Practice
Requirements/Design Interface Crisis	Ambiguous split of functional and performance requirements between the agency and the system vendor	Unclear acceptance criteria, incomplete specification of performance targets	Repeated respecification of a technical standard already in build
Contractual/Claims Interface Crisis	Disputed allocation of cost and schedule risk for scope growth across firms	Unpriced change orders, disagreement over which party's budget absorbs an overrun	Public dispute over cost responsibility; formal change-order backlog
Integration/Interoperability Interface Crisis	Gap where one firm's hardware, software, or data	Incompatible technical standards discovered after	Late rework of already-installed equipment or code

Crisis Type	Origin at the Interface	Typical Trigger	Illustrative Sign in Practice
	standard must interlock with another's	installation, mismatched components	
Testing/Go-Live Interface Crisis	Disagreement over the readiness criteria that move a system from vendor testing to public service	Error or performance rates short of an unstated threshold, unclear go/no-go authority	Repeated launch delay with no firm new date announced
Governance/Authority Interface Crisis	Unclear decision rights among the funding partners, the oversight board, and the vendor	A budget escalation or major change that no single body has clear authority to approve	Public disagreement between officials and the oversight body over cost figures
Reputational/Stakeholder Interface Crisis	Distance between project-level technical decisions and the public and political actors who bear the cost	Cost disclosure, a missed public deadline, a media investigation	Elected officials criticize the project publicly; a vendor hires a lobbyist

The six types are not mutually exclusive. An integration crisis, left unresolved, commonly hardens into a contractual claim's crisis, which in turn can surface as a reputational crisis once cost or delay becomes public. The Compass case, examined next, shows this chain clearly.

Case Illustration: TransLink's Compass Fare Payment System, Vancouver

Compass is the contactless smart-card fare payment system for Metro Vancouver's public transit network, covering the SkyTrain rapid transit lines, SeaBus, West Coast Express,

and the regional bus fleet. In 2011, TransLink selected Cubic Transportation Systems, a San Diego-based supplier of transit fare technology, to design, build, install, and for the first ten years, operate and maintain the system, at an originally announced budget of about \$100 million and a public launch planned for 2013 (Vancouver Is Awesome, 2015; Daily Hive, 2025). The project also depended on the Mayors' Council on Regional Transportation, which approves TransLink's capital spending, and on the Province of British Columbia, which contributed direct funding and, through its transportation ministry, held a further layer of oversight over the public money involved.

Table 2 traces the project's main crisis flashpoints. Each one maps to a type in the typology above.

Year	Interface Event	Organizations at the Interface	Outcome
2008	An automated fare-gate and smart-card program is first planned for Metro Vancouver transit	TransLink	Original target of 2008 is missed before construction of the system is even contracted (CBC News, n.d.)
2011	TransLink selects Cubic Transportation Systems, of San Diego, to design, build, and install the Compass fare system	TransLink; Cubic Transportation Systems	Contract proceeds on an original budget of about \$100 million and a launch target of 2013 (Vancouver Is Awesome, 2015; Daily Hive, 2025)
2013-2014	The spring 2013 public launch target is missed; testing finds a card-reader error rate above 8 percent	TransLink; Cubic Transportation Systems	System placed under review with no firm new date; 85,000 test users onboarded (Global News, 2014; CBC News, n.d.)
2014	Freedom of information documents reveal change orders, scope creep, and a	TransLink; Cubic Transportation Systems	TransLink asks Metro Vancouver mayors for an added \$5.5 million; Cubic calls the year "challenging"

Year	Interface Event	Organizations at the Interface	Outcome
	fibre-optic cable mismatch at a SkyTrain station		in its own annual report (CBC News, 2014; Business in Vancouver, 2015)
2015	Cubic hires a lobbyist to manage political and public perception ahead of a regional transit-funding plebiscite	Cubic Transportation Systems; Province of British Columbia	Rollout continues in stages; reported budget has nearly doubled to \$194 million (The Tyee, 2015; Vancouver Is Awesome, 2015)
2016	Fare gates at SkyTrain stations and the SeaBus terminal become fully operational	TransLink; Cubic Transportation Systems	Complete transition finishes in April 2016, three years after the original 2013 target (Daily Hive, 2026)
2021	TransLink, Cubic, and Interac Corp. add debit tap-to-pay to the existing Compass system	TransLink; Cubic Transportation Systems; Interac Corp.	Integration planned for completion by the end of 2022 (Business Wire, 2021)
2025	A TransLink board report discloses that a full modernization was deferred for years; the Mayors' Council approves a new investment plan and issues an RFP for a next-generation, account-based Compass system	TransLink; Mayors' Council; Province of British Columbia; prospective vendors	Preliminary cost estimate rises from about \$220 million to about \$507 million within a single year; RFP submissions due March 20, 2026 (Daily Hive, 2025)

The 2013-2014 dispute was a testing/go-live interface crisis: card readers showed an error rate above 8 percent, and TransLink held back a public launch it could not certify as ready, with no new date announced for months (Global News, 2014; CBC News, n.d.). The 2014 disclosure was an integration/interoperability crisis compounded by a contractual/claims crisis: freedom of information documents showed a fibre-optic cable

installed to the wrong specification at a SkyTrain station, alongside a backlog of change orders that TransLink and Cubic each characterized differently, with the province stating plainly that "any cost overruns are TransLink's responsibility to cover" (The Tyee, 2015). By 2015, with the reported budget nearly double its original figure and a regional transit-funding plebiscite underway, the dispute had become a reputational/stakeholder crisis: Cubic hired a former transit executive as a lobbyist specifically to manage political and public perception of the project (The Tyee, 2015). Figure 1 shows how the publicly reported budget rose across these disputes and into the project's planned successor, from about \$100 million at contract award to \$507 million for the next-generation system by late 2025.

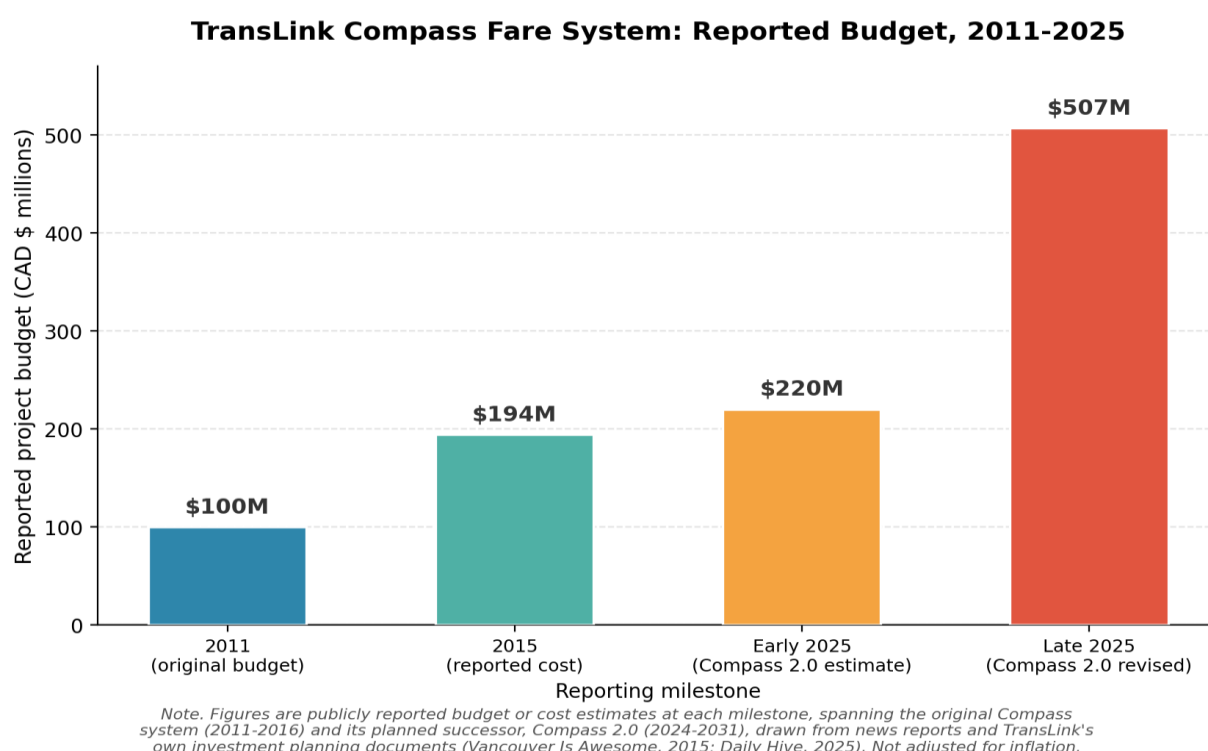


Figure 1. Reported budget of TransLink's Compass fare payment system, 2011-2025, spanning the original system and its planned successor.

The case shows a pattern PBM scholarship would predict: no single interface failure canceled the project, but the accumulation of unresolved interface disputes, each one adding delay, cost, and distrust, made the program harder to govern at every later stage. The pattern also did not end with the original system. A TransLink board report in 2025 disclosed that a full modernization of Compass had been deferred for years because of

"resource limitations and underlying complexity in the scope of the project" (Daily Hive, 2025), the same governance and requirements ambiguity that marked the original 2011-2016 rollout. Within a single year, the preliminary cost estimate for the next-generation, account-based Compass system rose from about \$220 million to about \$507 million, and TransLink issued a request for proposals in November 2025 with bid submissions due in March 2026 (Daily Hive, 2025).

Avoiding Interface Crises

Four practices, drawn from the literature reviewed above and consistent with the Compass case, reduce the likelihood that an interface produces a crisis.

Joint decision-rights mapping before contract signature. The 2014-2015 cost dispute traces back to a decision-rights gap left open at the start of the project: no single body held clear authority to approve the change orders and scope growth that followed. Chen et al. (2025) found that alliance management capability, which includes routines for coordinating decisions across organizations, mediates project performance largely through its effect on conflict management. Mapping which organization approves which category of change, and at what cost threshold, closes this gap before build starts rather than during it.

Relational contracting alongside contractual terms. El Tannir (2024) found that contractual mechanisms and relational mechanisms need to work together, not as alternatives. A pure fixed-price, transfer-of-risk contract structure gives each firm an incentive to protect its own position at the first sign of trouble, which is what the public exchange between TransLink and the Province over who covered the Compass overruns suggests happened in practice (The Tyee, 2015).

A shared interface register with a named owner for each dependency. Integration crises typically start as an unowned dependency, a hardware specification or a data standard that both parties assume the other is validating. Naming a single accountable owner for each cross-boundary technical dependency, reviewed jointly on a fixed schedule, would have caught the SkyTrain station cable mismatch before installation rather than after (Business in Vancouver, 2015).

Early, joint public communication. Cubic's decision to hire a lobbyist to manage the Compass project's public image (The Tyee, 2015) shows what happens when a public agency and a private vendor each control their own message rather than agreeing on one account of project status. A joint communication protocol, agreed at project start, reduces the reputational interface crisis that follows almost automatically from a large public IT program running late.

Resolving Interface Crises Once They Emerge

Where prevention has failed, three practices help a cross-corporate IT project recover.

Joint sense-making before dispute escalation. Iftikhar et al. (2023) place sense-making, the shared act of gathering information and agreeing what the crisis actually is, as the first stage of crisis management for project-based organizations. On the Compass project, each cost disclosure followed a period in which TransLink, Cubic, and the province offered the public different accounts of the same overrun (CBC News, 2014; The Tyee, 2015). A structured, joint fact-finding step, run before a funding request goes to the Mayors' Council or the media, gives all parties a shared basis for the next decision instead of competing narratives.

A staged escalation ladder with independent review before a public funding request. TransLink's 2014 request to the Metro Vancouver mayors for an additional \$5.5 million became public before the underlying dispute over its cause was resolved (CBC News, 2014). A contractual escalation ladder, moving from project-level negotiation to senior-executive negotiation, to independent technical review, and only then to a public funding request, gives organizations a lower-cost off-ramp at each stage and keeps a cost dispute out of the public record for longer, reducing the reputational spillover documented in the case.

Governance intervention, including a change in delivery approach where warranted. Pinto et al. (2025) study the decision to replace a project manager during a crisis, framing the decision within the Cynefin model of complexity. Their central point is that replacement fits some complexity domains and is premature in others; a governance body needs a structured way to judge which domain a given interface crisis sits in before acting. Applied to a vendor-agency IT program, this reasoning extends beyond a single project manager to the question of when a governance board, rather than the working-

level project team, needs to step in directly, as TransLink's board and the Mayors' Council eventually did in approving a new investment plan and a fully re-competed procurement for the Compass system's successor rather than a further extension of the original arrangement (Daily Hive, 2025).

A Conceptual Model for Practitioners and Researchers

Figure 2 positions the six interface crisis types from Table 1 on two dimensions: interface ambiguity, meaning how clearly the contract and governance structure define who is responsible for a given dependency, and escalation potential, meaning how quickly a crisis of that type tends to draw in senior leadership, funding bodies, or the public once it starts. The positions shown are a conceptual synthesis of the literature and case material reviewed in this essay, not a measured result, and are offered as a starting point rather than a finished model.

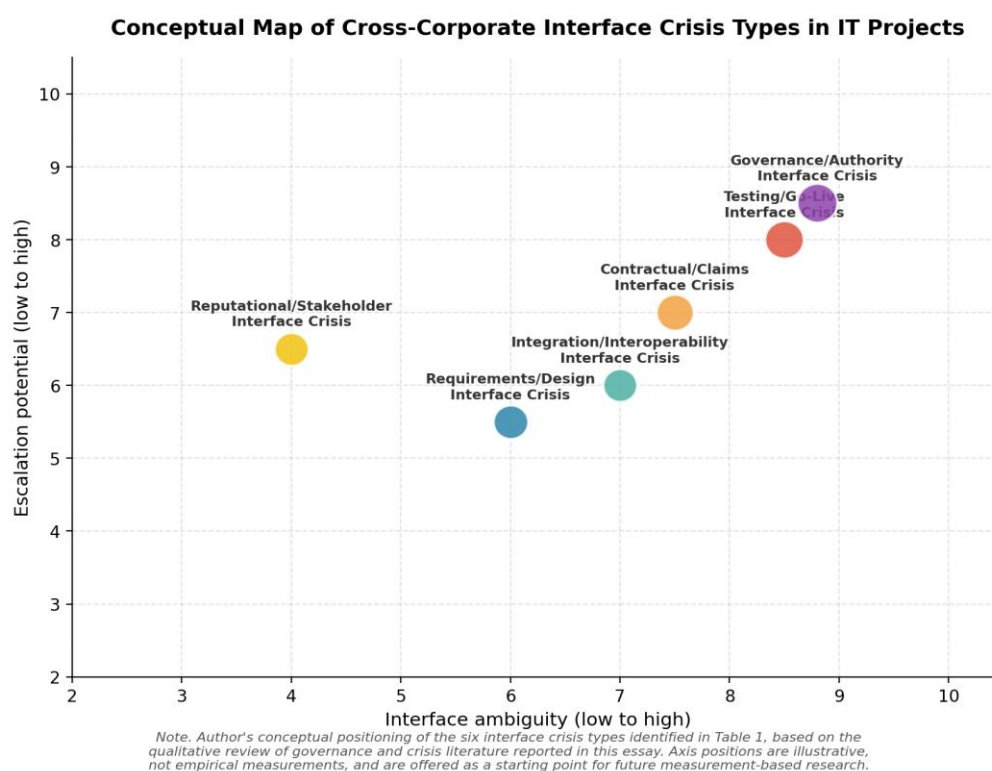


Figure 2. Conceptual map of the six interface crisis types by ambiguity and escalation potential.

For practitioners, the map works as a screening tool at project start-up: interfaces that fall in the upper-right region, high ambiguity and high escalation potential, such as

governance/authority and testing/go-live crises, deserve the earliest and heaviest investment in joint decision-rights mapping and relational contracting. For researchers, the map generates a testable proposition: that a project's position on these two dimensions, measured through contract analysis and stakeholder interviews at project start, predicts the time and cost impact of any later interface crisis. Testing this proposition across a sample of public-sector IT programs, rather than a single case, is a natural next step for project business management scholarship and would extend the crisis process model of Iftikhar et al. (2023) from a general account of crisis stages to a specific account of where, at the interface, crisis is most likely to start.

Implications for Practice and for Project Business Management Research

For practitioners, this essay's contribution is a short, usable checklist: map decision rights across firms before signature, pair contract terms with relational governance routines, name a single owner for each cross-boundary technical dependency, agree a joint communication protocol, build a staged escalation ladder, and set a governance-level trigger for direct intervention, including re-competing a vendor relationship rather than extending it indefinitely. Each item is drawn from a documented failure or partial failure on a real, still-evolving Vancouver public technology program, which gives the checklist immediate relevance to practitioners working on public-sector IT delivery in Canada and elsewhere.

For project business management as a field, the essay's contribution is narrower but a genuine one: it treats the organizational interface, rather than the individual firm or the single project, as the unit of crisis analysis, and it proposes a typology and a two-dimensional map that later work can test against other cases, including cases outside construction and infrastructure delivery. Prior crisis models in this literature, including Iftikhar et al.'s (2023) five-stage process and Pinto et al.'s (2025) governance-and-replacement framework, describe how a project-based organization moves through a crisis once one exists. This essay's typology and conceptual map add an account of where, structurally, an interface crisis tends to originate before it reaches that stage, a gap the governance research agenda set out by Sankaran et al. (2025) identifies as unresolved, and one that this essay suggests holds equally for information technology programs as for the construction megaprojects on which most of the underlying research has so far been built.

Conclusion

Cross-corporate projects fail, when they fail, mostly at their seams. TransLink's Compass fare payment system shows this pattern across more than a decade of delivery: a testing and go-live dispute in 2013-2014, an integration and cost dispute in 2014, a reputational and political crisis in 2015, and, by 2025, a modernization program repeating some of the same governance ambiguity in its own cost estimates, each one traceable to an interface where responsibility, information, or authority was not settled clearly enough in advance.

None of these disputes were unique to Vancouver or to transit fare technology; the same six crisis types recur across the megaproject, alliance governance, and IT vendor-management literature reviewed here.

What project leaders and project business management researchers can take from the case is not that interface crisis is avoidable in every instance, but that its shape is predictable enough to plan for, to watch for, and, where it appears, to resolve through joint sense-making and clear governance rather than through a public dispute over blame.

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