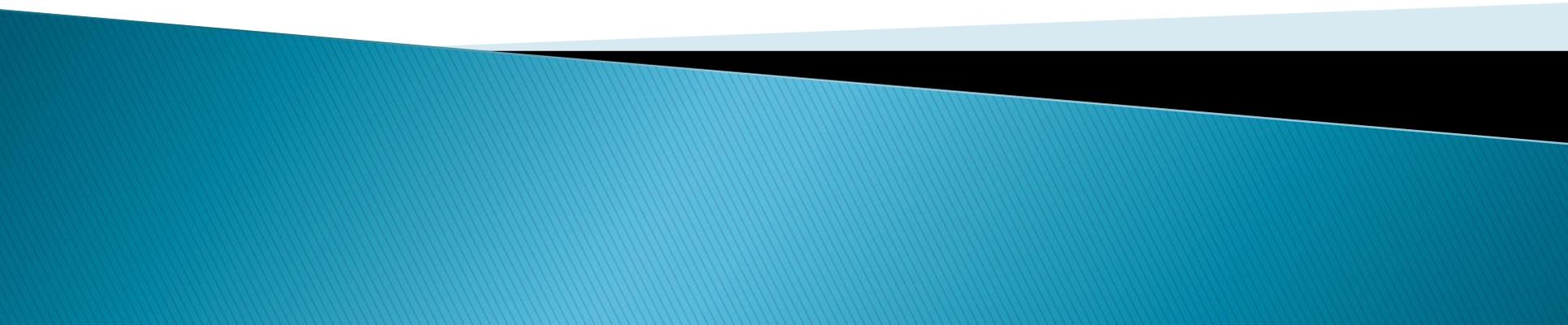


Project closeout and termination

Chapter 14

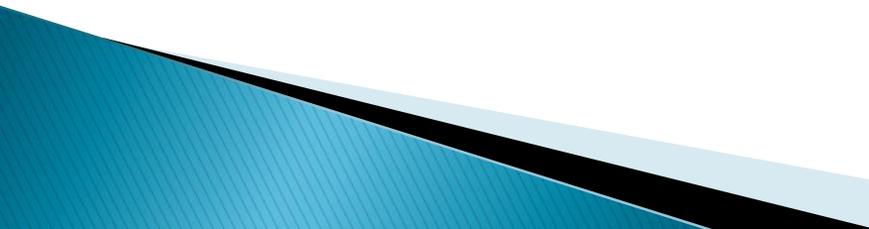


Project Termination

The four main reasons for project termination are:

- ❖ Extinction
 - ❖ Addition
 - ❖ Integration
 - ❖ Starvation
- 

Natural termination–closeout process

- ▶ Finishing the Work
 - ▶ Handing Over the Project
 - Private Finance Initiatives (PFIs)
 - Build, Operate, and Transfer (BOT)
 - Build, Own, Operate, and Transfer (BOOT)
 - ▶ Gaining Acceptance for the Project
 - ▶ Harvesting the Benefits
 - ▶ Reviewing How It All Went
- 

Post project reviews

1. Objectivity and Issues
 - a. Outside reviewers are unfamiliar.
 - b. Project team may be suspicious.
 - c. Outside evaluators may be compelled to find problems.
 - d. Outside reviewers are not competent.
 2. Internal Consistency
 3. Replicability
 4. Fairness
- 

Lessons Learned Meetings

Common Errors

- Misidentifying *systematic errors*
- *Misapplying or misinterpreting lessons* based on events
- Failure to *pass along* conclusions

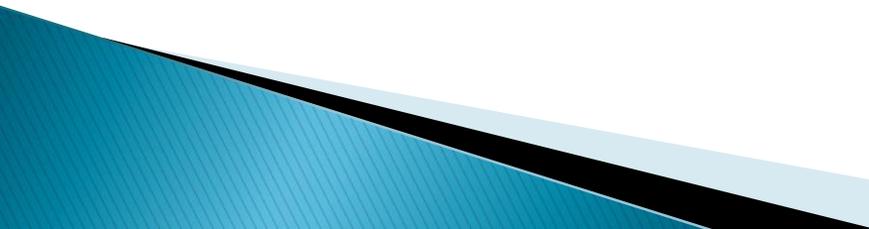
Meeting Guidelines

- ✓ Establish clear rules of *behavior*
- ✓ Describe *objectively* what occurred
- ✓ Fix the *problem*, not the blame

Closeout Paperwork

- ▶ Documentation
 - ▶ Legal
 - ▶ Cost
 - ▶ Personnel
- 

Required Reviews

- ▶ General program and project management confidence
 - ▶ Commercial confidence
 - ▶ Market and sales confidence
 - ▶ Product quality confidence
 - ▶ Manufacturing confidence
 - ▶ Supply chain logistics confidence
 - ▶ Aftermarket confidence
 - ▶ Health, safety, and environment confidence
- 

What prevents effective project closeouts?

- ✓ Project sign off discourages other closeout activities.
 - ✓ Urgency of all project pressures cause shortcuts on back-end.
 - ✓ Low priority given to closeout activities.
 - ✓ Lessons learned analysis seen as bookkeeping.
 - ✓ Unique view of projects.
- 

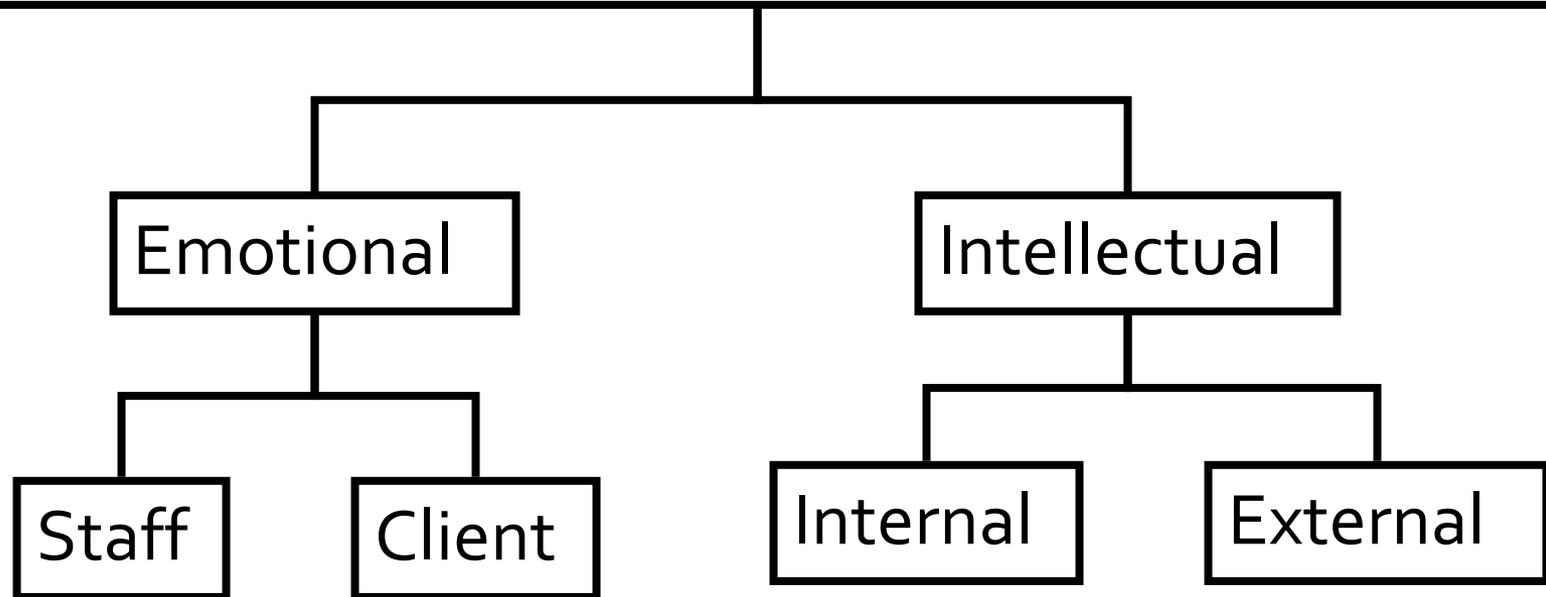
Dynamic Factors to Monitor

1. Static
 2. Task–team
 3. Sponsorship
 4. Economics
 5. Environment
 6. User
- 

Early Termination Decision Rules

1. Costs exceed business benefits.
 2. Failure to meet strategic fit criteria.
 3. Deadlines continue to be missed.
 4. Technology evolves beyond the project's scope.
- 

Project Termination Issues



Concerns when shutting down a project

- ▶ Emotional Issues of the Project Team
 - ▶ Emotional Issues of the Clients
 - ▶ Intellectual Issues–Internal
 - ▶ Intellectual Issues–External
- 

PROJECT TERMINATION ISSUES – EMOTIONAL

Emotional	
<i>Project Team</i>	<i>Client</i>
Fear of no future work	Change in attitude
Loss of interest in remaining tasks	Loss of interest in project
Loss of project-derived motivation	Change in personnel dealing with project
Loss of team identity	Unavailability of key personnel
Selection of personnel to be reassigned	
Diversion of effort	

PROJECT TERMINATION ISSUES – INTELLECTUAL

Intellectual	
<i>Internal</i>	<i>External</i>
Identification of remaining deliverables	Agreement with client on remaining deliverables
Certification needs	Agreement with suppliers on outstanding commitments
Identification of outstanding commitments	Communicating closure
Control of changes to project	Closing down facilities
Screening of partially completed tasks	Determination of requirements for audit trail data
Closure of work orders and work packages	
Disposal of unused material	

Top 10 Signs of IT Project Failure

1. Best practices and lessons learned are ignored.
 2. Project lacks people with appropriate skills.
 3. Sponsorship is lost.
 4. Users are resistant.
 5. Deadlines are unrealistic.
 6. Business needs change.
 7. Chosen technology changes.
 8. Project changes are poorly managed.
 9. Scope is ill-defined.
 10. Project managers don't understand users' needs.
- 

Claims & Disputes

Two types of claims:

- ▶ Ex-gratia claims
- ▶ Default by the project company

Resolved by:

- ▶ Arbitration
 - Binding
 - Non-binding
- ▶ Standard litigation

Protecting Against Claims

- ✓ Consider claims as part of the *project plan*.
 - ✓ *Verify stakeholders* know their risks.
 - ✓ Keep *good records* throughout the life cycle.
 - ✓ Keep *clear details* of change orders.
 - ✓ *Archive all correspondence*.
- 

Final Report Elements

- 1. Project performance*
 - 2. Administrative performance*
 - 3. Organizational structure*
 - 4. Team performance*
 - 5. Project management techniques*
 - 6. Benefits to the organization and customer*
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