Project Management

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Lecture 35 - When to close a project ?

Dear students, the previous class I have discussed about project audit. And some other essentials for a project audit. In this lecture, we are going to discuss about when to close a project. In the previous lecture, you can remember that I have talked about essential of an audit on evaluation. So, this lecture I am going to discuss about when to close a project. So, the agenda for this lecture is we can discuss about when we can close a project and what are the method for closing a project.

Agenda

- Project Closure
- The Varieties of Project Closure
    - extinction, addition, integration, and starvation
- Critical Success Factors for Project Implementation
- Fundamental Reasons why some Projects fail
- Other Reasons why Projects fail
- Nontechnical reasons why projects are closed
- Closing Agile Projects
- The Closure Process
- Role of Project Manager in Project Closure

So, some methods are extension, addition, integration and starvation. Then we will discuss about critical success factors for project implementation. Then we will study about fundamental reasons why some project fail. Then we will study some more reasons why project fail.

Then some of the non-technical reasons because of that the projects are closed. We will study about what are the non-technical reasons. Then we will discuss about how to close an agile project. Then we will study about closing the closure process of your project. And finally, we will discuss about role of project manager in project closure.

Project Closure

- A project can be said to be closed

    - when work on the substance of the project has ceased or slowed to the point that further progress on the project is no longer possible,

    - when the project has been indefinitely delayed

    - when its resources have been deployed to other projects

    - when project personnel (especially the PM) become personae non-gratae with senior management and in the company lunchroom.

Project closure, a project can be said to be closed when work on the substance of the project has ceased or slowed to the point further progress on the project is no longer possible. The next when we can say a project is closed, when the project has been indefinitely delayed, then we can say the project is closed. Then we can say when it resources have been deployed to other projects, then we can say the project is closed. When the project personnel, especially the project manager become persona non gratae the sense is not at all required by the parent organization with the senior management and the company's lunchroom. So that also implies that the project is closed.

The Varieties of Project Closure

- There are four fundamentally different ways to close out a project:

    Extinction

    Addition

    Integration

    Starvation

Now no longer we need to have a separate position called project manager. So then we can assume that the project is closed. There are four fundamentally different ways to close out a project. One is extinction, second one is addition, third one is integration and the fourth one is starvation. Now we will discuss about project closure by extinction.

Closure by Extinction

- The project is stopped.

- It may end because it has been successful and achieved its goals:

  - The new product has been developed and handed over to the client, or the software has been installed and is running at the client's facility.

Closure by Extinction

- The project may also be stopped because it is unsuccessful or has been superseded:

  - The new drug failed efficacy tests, and alternatives are available for better, faster, cheaper, or prettier results, or it may be too expensive and take too long to achieve the desired performance.

The project is stopped, it may end because it has been successful and achieved its goals. For example, the new product has been developed and handed over to the client or the software has been installed and it is running at the client facility, then we can say the project is closed. So this type of closing a project is called closure by extinction. The project may also be stopped because it is unsuccessful or has been superseded. For example, the new drug failed efficacy test and alternatives are available for better, faster, cheaper or prettier result or it may be too expensive and take too long to achieve the desired performance.

Closure by Extinction

- Changes in the external environment can kill projects as well.

- The explosion of the Challenger shuttle stopped several space shuttle projects overnight.

So these are the examples of closing a project in the name of extinction and sometime changes in the external environment can kill the project as well. For example, the explosion of challenger shuttle stopped several space shuttle projects overnight because this environment has affected the other project. So this is also example of closing a project by extinction. The next type of project closure is called by addition. Most projects are in-house that is carried out by the project team for use in the parent organization.

Closure by Addition

- Most projects are "in-house," that is, carried out by the project team for use in the parent organization.

- If a project is a major success, it may be closed by institutionalizing it as a formal part of the parent organization

Closure by Addition

- For example, most software engineering and/or information systems departments began by reorganizing an engineering or business school "subspecialty" into a full-fledged department.

If a project is a major success, it may be closed by institutionalizing it as a formal part of parent organization. So that is added to the parent organization because the project is so successful, then we can say it is called closure by addition. For example, most software engineering and information system department began by reorganizing an engineering or business school subspecialty into a full-fledged department because it is added to the your major department. So this is an example of closing a project by addition. The next method for closing the project is called by integration.

Closure by Integration

- This method of closing a project is the most common way of dealing with successful and complex projects.

- The property, equipment, material, personnel, and functions of the project are distributed among the existing elements of the parent organization.

- The output of the project becomes a standard part of the operating systems of the parent or client.

Source: Meredith, J. R., Shafer, S. M., & Mantel Jr, S. J. (2017). *Project management: a strategic managerial approach*. John Wiley & Sons.

This method of closing a project is the most common way of dealing with successful and complex projects. The property, equipment, material, personnel and functions of the project are distributed among the existing element of the parent organization. The output of the project become a standard part of operating system of then parent or client then we can say the project is integrated by the to the parent organization. There is a fourth type of project closure called by starvation. Although is strictly speaking it is not a closure at all.

Closure by Starvation

- There is a fourth type of project closure, although strictly speaking, it is not a "closure" at all.

- It is "slow starvation by budget decrement."

- Project managers involved in projects for a significant period have faced budget cuts during business recessions.

- Budget cuts, or decrements, are not rare.

- Because they are common, they are sometimes used to mask a project closure

It is slow starvation by budget decrement. Project managers involved in projects for a significant period have faced budget cuts during the business recessions. Project cuts or decrements are not rare because they are common they are sometimes used to make a project closure. There may be several reasons why senior management does not wish to close an unsuccessful or absolute project. In some firms for example, it is politically dangerous to admit that one has championed a failure and closing a project that has not accomplished   its   goals   is   an   admission   of   failure.

Closure by Starvation

- There may be several reasons why senior management does not wish to close an unsuccessful or obsolete project.

- In some firms, for example, it is politically dangerous to admit that one has championed a failure, and closing a project that has not accomplished its goals is an admission of failure.

Closure by Starvation

- The project budget may be significantly reduced, potentially halting project progress and necessitating the reassignment of numerous team members.

- The project is technically closed, but it still exists as a legal entity with sufficient staff, including an administrative assistant who annually issues a "no-progress" report.

The project budget may be significantly reduced, potentially halting project progress and necessitating the reassignment of numerous team members. The project is technically closed but it still exist as a legal entity with a sufficient staff including an administrative assistant who annually issues a no progress report. Now we will discuss about critical success factors for a project implementation. The first factor is called project mission. If the project has clearly defined goals and general directions so that is very important factor for   the   success   of   the   project.

Critical Success Factors for Project Implementation

- **Project Mission**

  - Clearly defined goals and general directions.

- **Top-Management Support**

  - Willingness of top management to provide the necessary resources and authority/power for project success.

The second factor is top management support that is willingness of top management to provide the necessary resources and authority or power for the project success. So, this is the second important enabler for the success of a project. The third one is project schedule or plan that is if the project has a detailed specification of individual action steps for project implementation then we can say that that project will lead to a successful project. The next factor for the successful is called client consultation that is we need to have communication, consultation and active listening to all impacted parties. The next factor for the successful of a project implementation is called personnel that is recruitment selection and training of the necessary personnel for the project team.

Critical Success Factors for Project Implementation

- **Project Schedule/Plan**

  - A detailed specification of the individual action steps for project implementation.

- **Client Consultation**

  - Communication, consultation, and active listening to all impacted parties.

Critical Success Factors for Project Implementation

- **Personnel**
  - Recruitment, selection, and training of the necessary personnel for the project team.

- **Technical Tasks**
  - Availability of the required technology and expertise to accomplish the specific technical action steps.

Source: Meredith, J. R., Shafer, S. M., & Mantel Jr, S. J. (2017). Project management: a strategic managerial approach. John Wiley & Sons.

If there are good personnel is there then the project there is a more chance the project will be successful. The next factor is technical task that is availability of required technology and expertise to accomplish the specific technical action steps. So, this will help you to successful implementation of the project. The next factor is client acceptance that is act of selling the final project to its intended users. If your project is accepted by the client then we can say that is important factor for success of the project.

Critical Success Factors for Project Implementation

- **Client Acceptance**
  - The act of "selling" the final project to its intended users.

- **Monitoring and Feedback**
  - Timely provision of comprehensive control information at each stage in the implementation process.

Critical Success Factors for Project Implementation

- **Communication**
  - The provision of an appropriate network and necessary data to all key actors in the project implementation.

- **Trouble-shooting**
  - Ability to handle unexpected crises and deviations from plan.

Then monitoring and feedback that is timely provision of comprehensive control information at each stage in the implementation process is an another important factor for successful   implementation of your project.   The next most important factor is communication. The provision of an appropriate network and necessary data to all the key actors in the project implementation is very important enabler for a success of your project. Then the troubleshooting that is ability to handle unexpected crisis and deviations from plan. So, this also an important factor for a successful implementation of your project.

Fundamental Reasons why some Projects fail

1. **A Project Organization Was Not Required**

- The use of the project form of organisation was inappropriate for this task or in this environment.

- The parent organisation must understand the conditions that require instituting a project.

Now, we have discussed about various critical success factors. Here after we will discuss some of the reasons fundamental reasons why some project fail. The first reason is the project organization was not at all required that is the use of project form of organization was inappropriate for this task or in this environment. So, the parent organization must understand that the condition that require instituting project where condition is not suitable then we should not do that activity in the form of a project. The second reason for failure of   a   project   is   insufficient   support   from   senior   management.

Fundamental Reasons why some Projects fail

2. Insufficient Support from Senior Management

- Projects invariably develop needs for resources that were not originally allocated.

- Arguments between functional departments over the command of such resources are prevalent.

- Without the direct support of a champion in senior management, the project is almost certain to lose the resource battle.

Projects invariably develop needs for resources that were not originally allocated. If there is no resources then we can say that the project cannot be implemented. So, argument between functional departments over the command of such resources are prevalent without the direct support of a champion in senior management the project is almost certain to loss resource battle. Once there is no resources obviously the project will fail. The third reason for failure of a project is naming the wrong person as a project manager.

Fundamental Reasons why some Projects fail

3. Naming the Wrong Person as Project Manager

- A common mistake is to appoint an individual with excellent technical skills but weak managerial skills or training as a PM.

There are many projects in India like the first metro Dr. Shreedharan. So, these are the very important project managers. So, the project is so successful because of the right project manager. A common mistake is to appoint an individual with excellent technical skill but weak managerial skills or training as a project manager.

Fundamental Reasons why some Projects fail

4. Poor Planning

- This is a prevalent cause of project failure.

- In the rush to get the project's substance underway, competent planning is neglected.

- Crisis management becomes a routine in such situations, leading to increased difficulties and errors, project delays, and budget overruns.

If there is no proper project manager that project will fail. Then the next reason is poor planning. This is prevalent cause of a project failure. In the rush to get the project's substance underway competent planning is neglected. So, the crisis management becomes a routine in such situations leading to increased difficulties and errors, project delays and budget   overruns.

Other Reasons why Projects fail

- No use was made of earlier project Final Reports that contained several recommendations for operating projects in the future.

- Time/cost estimates were not prepared by those responsible for the work.

- Starting late, the PM jumped into the tasks without adequate planning.

So, if there is no proper planning that will lead to project failure. Now we can see that some more reasons why project fails. No use was made of earlier project final report that contained several recommendations for operating project in the future. Because sometime the project manager will not refer the previous project reports. What was the recommendation from the previous reports? If they are not using that previous report that will   lead   to   project   failure.

Other Reasons why Projects fail

- Project personnel were moved without adjusting the schedule or reassigned during slow periods and unavailable when needed.

- Project auditors/evaluators were reluctant to conduct careful, detailed, meaningful evaluations.

- The project was allowed to continue long after it had ceased to make cost-effective progress.

Then the time cost estimate were not prepared by those responsible for the work. Anytime if it is prepared by a top managers but it is not prepared by the person who is doing that work then that project will fail. Then starting late the project manager jumped into the task without adequate planning that also will lead to project fail. Some more reasons are project personnel were removed without adjusting the schedule or reassigned during slow periods and unavailable when required. So, if the project personnel is removed without doing proper arrangement then the project will fail.

Then the project auditors, evaluators were reluctant to conduct careful detailed meaningful evaluations. If it is not properly auditor or evaluated that will lead to a project failure. Then the project was allowed to continue long after it has ceased to make cost effective progress. So, unnecessary continuation of the project also will lead to failure of the project. Now, we will study some of the non-technical reasons because of that the projects are closed.

Nontechnical reasons why projects are closed

- There are several nontechnical reasons why projects are closed, but almost always, these closures seem to be associated with conflict when the conflict is anticipated at the beginning of the project.

There are several non-technical reasons why projects are closed but almost always these closures seems to be associated with the conflict when the conflict is anticipated at the beginning of the project. The first reason is political closure. We mentioned this type of project demise when discussing termination by murder. These closures are typically the result of conflict among senior managers one of whom may be terminated along with the

project. The second reason is cross cultural closures.

Nontechnical reasons why projects are closed

Political Closures

- We mentioned this type of project demise when discussing termination by murder.

- These closures are typically the result of conflict among senior managers, one of whom may be terminated along with the project.

Cross-Cultural Closures

- Multinational projects often fail due to communication issues between cultural groups or incompatible working styles.

- Conflicts arise due to poor communication or diverse working styles, leading to competition for ascendancy or win/lose negotiations among different cultures.

Source: Meredith, J. R., Shafer, S. M., & Mantel Jr, S. J. (2017). Project management: a strategic managerial research. John Wiley & Sons.

Multinational projects often fail due to communication issues between cultural groups or incompatible working styles. Project arise due to poor communication or diverse working style leading to competition for ascendancy or win-lose negotiations among different cultures. The same cross cultural forces operate when different disciplines marketing and engineering develop precisely the same problems. The next non-technical reasons why project is failing or the project is closed is senescence closures. There are projects that die simply because senior managers, the project champion and the project manager even key project workers lost interest in the project.

Nontechnical reasons why projects are closed

Senescence Closures

- There are projects that die simply because senior managers, the project champion, the PM, and even key project workers lose interest in the project.
- The project has neither failed nor succeeded.
- It simply exists.

The project has neither failed nor succeeded it simply exist. Meanwhile other exciting new ideas are being projected. So that means that the idea become very old and the people are working on their project or not at all interested so that will lead to closure of the project. So the organization's attention and resources is being directed elsewhere. The conflict between old and the new way may not be active.

So these senescent projects give way to the new project ideas. Now we will discuss about closing agile projects. In agile approaches the project may be terminated at any time if the product owner determined the cost required to complete the remaining features in the product backlog exceeds the benefit of adding these features. So in the agile project we see cost benefit analysis. If the cost is exceeding then the benefit then we will stop doing that project.

Closing Agile Projects

- In Agile approaches the project may be terminated at any time if the product owner determines the cost required to complete the remaining features in the product backlog exceed the benefits of adding these features.

- Thus, Agile projects can be closed when sufficient functionality has been delivered and when it is determined that future investments would be less than the incremental future value.

Closing Agile Projects

- Furthermore, no stigma is associated with closing a project early in Agile.
- Rather, it is regarded as a good business practice to redeploy project team members and resources when the business value of completing the remaining backlog is less than the costs (including opportunity costs) of completing the remaining items in the product backlog.

Thus, agile project can be closed when sufficient functionality has been delivered and when it is determined that the future investment would be less than the incremental feature value. Furthermore, no stigma is associated with the closing a project early in agile rather it is regarded as a good business practices to redeploy project team members and resources when the business value of completing the remaining backlog is less than the cost of completing the remaining items in the product backlog. So in the agile project context so closing the project and early is not seen as a stigma it is good for the company because if there is no value for doing any additional features then we need not do that activity in the agile project. Now we will discuss about project closure processes. So in the decision process of closing a project so the decision aiding models for the closer decision fall into three general categories.

The Closure Process

The Decision Process

- Decision-aiding models for the closure decision fall into three generic categories.

- **First,** some models base the decision on the degree to which the project qualifies against a set of factors generally associated with successful (or failed) projects.

First some models base the decision on the degree to which the project qualifies against a set of factors generally associated with successful projects. So we compare with some factors which are successful then we compare with our current project whether we are able to get that factors or not. So if you are not able to get factors of a successful project then we will stop closing this existing project. Second some models base the decision on the degree to which the project meet its goals and objectives. So if it is not meeting the degree which we expected then we close the project.

The Closure Process

- **Second,** some models base the decision on the degree to which the project meets its goals and objectives.

- **Third,** there are projects that have fallen far enough behind their schedules and planned progress that the cost to complete them is no longer justifiable.

The Closure Process

The Implementation Process

- Once it has been decided to close a project, the process by which it will be terminated must be implemented.

- The closure can be planned and orderly or a simple hatchet job.

   And the third there are projects that have fallen far enough behind their schedules and planned progress that the cost to complete them is no longer justifiable then we have to close our projects. Now we will see the implementation process of closing a project. Once it has been decided to close your project the process by which it will be terminated must be implemented. The closure can be planned and orderly or a simple hatchet job. The former is apt to have significantly better result so we suggest that the closure process be planned budgeted and scheduled just as done for any other phase of the project life cycle.

The Closure Process

- The former is apt to have significantly better results, so we suggest that the closure process be planned, budgeted, and scheduled just as is done for any other phase of the project life cycle.

The Closure Process
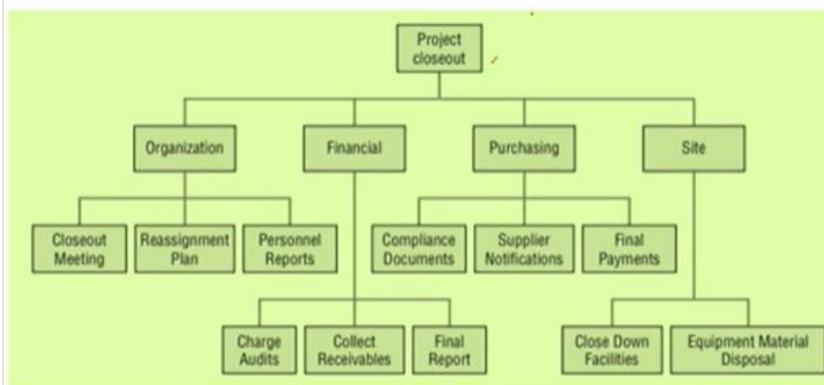
Design for project closure

Source: Meredith, J. R., Shafer, S. M., & Mantel Jr, S. J. (2017). Project management: a strategic managerial approach. John Wiley & Sons.

   This is an example of design for project closures. So the project is closed out. So what are the different role of department? For example organization close out meeting, reassignment plan, personal reports. Suppose the financial division charge audit, collect

receivables and final reports. So the purchasing department, complaints documents, supplier notification, final payments and site closed down facilities, equipment material disposal.

Role of Project Manager in Project Closure

- The processing of the project closeout is conducted under the direct supervision of the PM, but this often raises dilemmas.
- For many PMs, closure signals the end of their reign as project leaders.

Role of Project Manager in Project Closure

- If the PM has another project to lead, the issue may not be serious; but if there is no other project and the PM faces a return to a staid life in a functional division, there may be a great temptation to stretch out the shutdown process.

So this is the design for a project closure. Now we will discuss about the role of project manager in project closure. The processing of the project closeout is conducted under the direct supervision of the project manager but this often raises dilemmas. For many project managers closure signals the end of their reign as the project leaders. If the project manager has another project to lead the issue may not be serious but if there is no other project and the project manager faces a return to stayed life in a functional division there may be a great temptation to stretch out the shut down the process because the project manager is no other job so he may prolong or extend the project closing process. Special closure managers are sometimes helpful in completing the long and involved process of shutting down your project.

Role of Project Manager in Project Closure

- Special closure managers are sometimes helpful in completing the long and involved process of shutting down a project.
- In such cases, the PM is transferred to another project or reassigned to a functional "home."

Role of Project Manager in Project Closure

- The closure manager does not have to deal with substantive project tasks and, therefore, maybe a person familiar with the administrative requirements of closure and the environment within which the project will be operating (if it continues to live).

   In such case the project manager is transferred to another project or reassigned to a functional home. The closure manager does not have to deal with substantive project task and therefore may be a person familiar with the administrative requirements of closure and the environment within which the project will be operating. This is the checklist for project closure. You see that there are different item number is there task description, project office and project team organization. So what was required, required date, assigned responsibility, priority, notes reference.

Checklist for project closure

Item No.	Task Description	Required Yes	Required No	Required Date	Assigned Responsibility	Priority	Notes Reference
A.	Project Office (PO) and Project Team (PT) Organization						
1.	Conduct project closeout meeting						
2.	Establish PO and PT release and reassignment plan						
3.	Carry out necessary personnel actions						
4.	Prepare personal performance evaluation on each PO and PT member						
B.	Instructions and Procedures						
	Issues Instructions for:						
1.	Termination of PO and PT						
2.	Closeout of all work orders and contracts						
3.	Termination of reporting procedures						
4.	Preparation of final report(s)						
5.	Completion and disposition of project file						
C.	Financial						
1.	Close out financial documents and records						
2.	Audit final charges and costs						
3.	Prepare final project financial report(s)						
4.	Collect receivables						
D.	Project Definition						
1.	Document final approved project scope						
2.	Prepare final project breakdown structure and enter into project file						
E.	Plans, Budgets, and Schedules						
1.	Document actual delivery dates of all contractual deliverable and items						
2.	Document actual completion dates of all other contractual obligations						
3.	Prepare final project and task status reports						
F.	Work Authorization and Control						
1.	Close out all work orders and contracts						
G.	Project Evaluation and Control						
1.	Assure completion of all action assignments						
2.	Prepare final evaluation report(s)						
3.	Conduct final review meeting						
4.	Terminate financial, manpower, and progress reporting procedures						
H.	Management and Customer Reporting						
1.	Submit final report to customer						
2.	Submit final report to management						

Source: Meredith, J. R., Shafer, S. M., & Mantel Jr, S. J. (2017). Project management: a strategic managerial approach. John Wiley & Sons.

   Then this is the sample checklist for project closure. So we have information regarding project office, instruction and procedures issues, instructional and procedures, financial information, project definition, plans, budget and schedules, work authorization and control, project evaluation and control, management and customer reporting. Now we will discuss about the primary duties of the closure manager are compressed in the following nine general task. The first one is ensure completion of the work including task performed by subcontractors, identify the client of the project completion and ensure that delivery is accomplished. Acceptance of the project must be acknowledged by the client, complete the documentation including evaluation project deliverables and preparing the final report should be completed including lessons learned from the project administration and

management. Clear for final billings and oversee preparation of the final invoices sent to the   client.

Role of Project Manager in Project Closure

The primary duties of the closure manager are encompassed in the following nine general task:

1. Ensure completion of the work, including tasks performed by subcontractors.

2. Notify the client of project completion and ensure that delivery (and installation) is accomplished.

Acceptance of the project must be acknowledged by the client.

Role of Project Manager in Project Closure

3. Complete documentation, including evaluating project deliverables and preparing the final report, should be completed, including lessons learned from project administration and management.

4. Clear for final billings and oversee preparation of the final invoices sent to the client.

5. Redistribute personnel, materials, equipment, and any other resources to the appropriate places.

source: Meredith, J. R., Shafer, S. M., & Mantel Jr, S. J. (2017). Project management: a strategic managerial approach. John Wiley & Sons

Redistribute personal materials, equipments and any other resources to the appropriate places. Clear project with the legal counsel or consultant. File for patent if appropriate. Record and archive all non-disclosure documents. Determine what records to keep like manuals,   reports   and   other   paperwork.

Role of Project Manager in Project Closure

6. Clear project with legal counsel or consultant.

File for patents if appropriate.

Record and archive all "nondisclosure" documents.

7. Determine what records (manuals, reports, and other paperwork) to keep.

Ensure that such documents are stored in the proper places and that responsibility for document retention is turned over to the parent organization's archivist.

Role of Project Manager in Project Closure

8. Ascertain any product support requirements (e.g., spares, service), decide how such support will be delivered, and assign responsibility.

9. Oversee the closing of the project's books.

Ensure that such documents are stored in your proper places and that responsibility for document retention is turned over to the parent organizations or quest. Then ascertain any product support requirements like spare services. Decide how such support will be delivered and assign responsibility. Then oversee the closing of the project's books.

These are the responsibilities of a project manager. Dear students, in this lecture I have discussed about the project closures. After that I have explained four way of closing a project like by extension, by addition, by integration and by starvation. After that I have discussed about critical success factors for project implementation. Then I have discussed about fundamental reasons why some project fails. Also I have discussed about non-technical reasons why projects are closed.

Then I have discussed about how to close an agile project. Then I have explained about

closure process of a project. Finally, I have explained role of project manager in project closure. Thank you. Thank you.