

Project Closing

Why do projects end?

- Objective has been met;
- Objective cannot be met;
- Need no longer exists

With project closing is associated 2 main questions: when to end and how to end a project?

Evaluation about Project Closure

should be based on at least following aspects:

- Economical valuation - is projects continuance economically reasonable?
- Evaluation of projects costs and schedule - when all projects costs and performance data are known, should project be terminated or continued?
- Customers objectives - are customers' existing objectives still under projects fulfillment?
- Client relationships and reputation - when premature termination is justified, then what is its impact to organizations reputation and client relationships?
- Contractual and ethical considerations - is projects premature termination by contract possible? Is projects termination ethical?

Reasons to Kill a Project

- When the project has formally ended - all the deliverables have been accepted by client and the project formally closed
- When you have delivered 80% of the project - to deliver the other 20% often meant 80% more time and the ROI was not worth of it.
- When it is obvious that the project will not deliver against the original business case.
- When the project is so over budget that you are simply pouring money into sinking hole.
- When key stakeholders object to or clearly do not buy into the project and without them, the project will clearly not succeed.
- When the project does not fit with the overall strategy of the company - too many projects and not all fitted into the company strategy.

- When risks are so high that to continue would impact negatively on the company - financial, publicity, health and safety

Project Closure Process

In PMBOK this is the process to formally close down the project or in multi-phase projects the closure of a phase whether a project is successful or not. Pictorially is presented on the following figure:

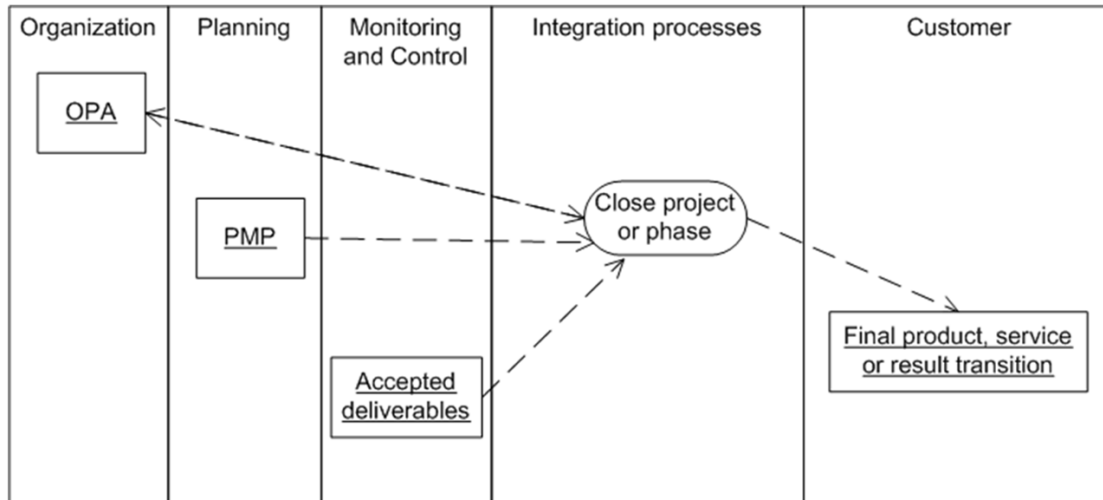


Figure 1. Close Project or Phase Process in PMBOK

Project formal closing gives insurance to customer and stakeholders for further operation. It ensures that:

- Outcomes match the stated goals of the project;
- Customers and stakeholders are happy with the results;
- Critical knowledge is captured;
- The team feels a sense of completion;
- Project resources are released for new projects;
- The customers have formally accepted all outcomes;
- Operational; procedures are in place;
- The handover to operational staff has been completed;
- Documentation and reference material is in place;
- Any further actions and recommendations are documented and disseminated;
- The results are disseminated to relevant people;
- There are no loose ends

Planning for Closure

Project closing needs to be planned temporally and financially. Projects end planning begins already on the first day of the project. The same group of people must participate in closing process that were participating in project initiating - generally project management group or steering committee. To properly plan any project, you have to envision the end-game...how and when will your project end?

Following closure issues should be addressed as you initially define and structure your project: acceptance criteria; timing of closure activities; transition needs; resources, roles and responsibilities; communication

Main Procedures in Project Closing

- Contract closure procedures:
 - verifying project scope;
 - performing formal acceptance and handover of the final product, service, or result to the customer;
 - making project final documentation and presenting project performance overview to the customer
- Administrative closure procedures
 - making sure the project is finalized across all processes;
 - gathering and disseminating lessons learned;
 - dismissing project organization and transferring responsibilities and other resources;
 - archiving project information

Scope Verification or Project Final Deliverables Audit

Before the project can be formally closed out, an audit must be conducted to verify that all required scope (work) has been satisfactorily completed. Includes following steps:

- verify tested products meet all specifications;
- validate all supported documents;
- verify all deliverables are available (product count); assess customer satisfaction

In RUP are 2 process:

- final configuration audit – functional and physical configuration audit
- final product acceptance review – according Product Acceptance Plan

Project Final Report - Documentation for Project Signoff Meeting

- Project description:
 - project background;

- Project objectives;
- Project organization;
- Project performance;
- Deliverables description (if deviations from plan then their reasons);
Overview of planned and used resources;
- Proposals for continuation of work:
 - Activities necessary to use project outcomes and are beyond project frames;
 - Regulation for making changes in outcomes; Initial plans for new project

Project Signoff Meeting

To get final signoff from project sponsor and any key stakeholder or to obtain formal project acceptance from customers and management. A formal signoff documents that the sponsor is satisfied, objectives are met, and the project is truly complete. A content of that meeting:

- Project acceptance review;
- Final metrics review;
- Acknowledgment the contributions of team members;
- Sharing the key lessons learned;
- Discussing related projects for the future

Project Acceptance Review

During the meeting the attendees review the results of the product acceptance reviews and tests that are reported in the iteration assessment and using the product acceptance criteria from the Product Acceptance Plan determine the following:

- Physical audit results - Has the customer received all the project deliverables?
- Functional audit results - Did the results of the product acceptance reviews and test demonstrate that the product satisfies its requirements? Has any required customer training been completed? If required, has on-site installation been successfully completed?

The Approval Decision

- Project Accepted - The customer representative agrees that the project deliverables have satisfied the acceptance criteria, and the customer takes possession of the delivered product and support materials
- Conditional Acceptance - The customer representative agrees to accept the results of the project, subject to the completion of specified corrective actions
- Project Not Accepted - The project fails to achieve the product acceptance criteria, and requires additional work and another project acceptance cycle to be carried out.

Project is Completed by customer decision. Addresses delivery and receiving of the final product, service, or result to the customer; extent and mode of notification about project close-out. Project manager is dismissed from responsibilities for project by management of organization

Finalizing the Project's Documents

- Collecting final time sheets, expense reports, and team status reports;
- Closing or completing remaining tasks in the project schedule;
- Collecting final cost and schedule metrics;
- Making final payments to vendors and contractors, and closing out contractors;
- Reviewing and updating the issue log, highlighting remaining issues, and deciding how these issues are to be addressed;
- Preparing a plan for handling ongoing product support;
- Documenting What You've Learned;
- Survey team members about what worked and what didn't;
- Call a meeting with your sponsor and executive stakeholders to capture their thoughts;
- Ask consultants and vendors for objective feedback, both about your organization and about the project's execution

Setting up a Library

- Storing all key documents in a project library that is accessible to future project teams –
- Project planning documents;
- Status reports;
- Design documents;
- Test cases and test results;
- Issues and resolutions;
- Risk documentation;
- Change requests;
- Presentations;
- Important communications (both those sent and those received);
- Time and expense reports;
- Contracts and invoices;

Recognize and Reward

- Evaluate - provide each team member with a performance evaluation: highlight contributions the member made;

- Identify skills the member updated;
- Recommend new roles the member might be ready for;
- Celebrate!. Team needs and deserves a celebration. A team dinner, a team outing, gift certificates, or other rewards are minor costs that generate a large return in terms of morale and job satisfaction

Project Cancellation

Project closing process occurs even if the project is canceled or otherwise terminated before fulfilling all its requirements. When a project is terminated, the project performance and deliverables are evaluated up to that point in time. The deliverables as they stand at termination are compared against where they were expected to be. It's also important to document the reasons the project was terminated as these contribute to the knowledge base for future projects.

Used Literature

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