

12 Closure

Projects can be closed because they are completed successfully, or because it is clear the proposed benefits of the project are unlikely to be attained or are unlikely to be relevant in the current organisational context. To gain formal acceptance of project outputs, and confirm the realisation of the outcomes, the closing down of a project should be planned.

This section of the *Tasmanian Government Project Management Guidelines* includes:

- Formal project closure - what happens if a project is not formally closed
- Project closure steps - the steps involved in formally closing a project, and a two staged approach to closing projects
- Review and closure - including descriptions of the two formal project closure events
- Closing an unsuccessful (incomplete) project

Definition

Project closure is the formal ‘ending’ or termination of a project. Usually it will occur once all of the work of the project is finished, all of the outputs have been delivered and accepted by the Business Owner(s), and the Target Outcomes have been generated or secured. The steps involved in closing a project should be planned and documented at the beginning of the project, but the process may vary from project to project.

12.1 Formal Project Closure

As previously defined, a project involves a group of inter-related activities that are planned and then executed in a certain sequence to create a unique product or service, within a specific timeframe, in order for outcomes/benefits to be realised. It means that all projects have an ‘end’ date by which time all of the inter-related activities are completed.

Projects that are not formally closed often ‘drift on’. Usually it is a sign that there has been a loss of control of the project, and symptoms, such as continually changing scope, a continued demand for resources and an indeterminate final delivery date, are displayed. It results in, among other things, lack of ownership by the Business Owner(s), a failure to embed the outputs into the normal business operations of the organisation, continued use of resources and changed and/or enhanced outputs. In addition, project documentation is often not finalised and filed according to relevant Records and Information Management Guidelines.

(Refer to *Section 9: Quality Management*)

The Steering Committee, or Project Sponsor in the case of a small project, is responsible for formally closing a project. The Project Sponsor, in consultation with the Project Manager, may propose the decision as to the timing for closing the project.

It is important to ensure that all project activities are satisfactorily completed. As the end of the project approaches, it may help to produce ongoing checklists of outstanding work. Other means to ensure outstanding work is not forgotten include controlling work at a greater level of detail, holding more frequent Project Team meetings and/or creating a special taskforce for completing outstanding work.

The *Project Business Plan* will provide the basis for the Steering Committee and/or Project Sponsor to determine when the project will be closed, but there can be a problem when the realisation of the outcomes/benefits is spread over a period of time, eg a year or more. The Project Team usually disbands once the outputs have been delivered and accepted, and there is often no project budget once the Team has disbanded. In this case, a decision will need to be made as to whom and how the residual tasks are performed, eg arranging and managing the post-project review/evaluation.

12.2 Project Closure Steps

The final stages of a broadly successful project can be most rewarding. It is at this stage that people can finally see the realisation of plans and objectives. At the same time though, the ‘tying up of loose ends’ can be tedious and people can be more motivated to work on new projects. However, it is important that a project is satisfactorily closed, based on the following general approach:

- **Acceptance of project outputs/deliverables by the Business Owner(s)**

Be it a technical system, a building or a set of policies, the outputs of the project should be successfully transferred to the project’s Business Owner(s). It should be planned well in advance, and preferably, in the initial project plans. It is important to ensure the Business Owner(s) will accept the handover date when they are given formal responsibility for the outputs/deliverables. Additionally, the Project Team should ensure that the design of the product is adequately recorded.

- **Disbanding the Project Team and ‘tying up loose ends’**

It is important to ensure that all project activities are satisfactorily completed or responsibility for any outstanding activities (loose ends) has been re-assigned. You may need to consider:

- **Project Staff** - what steps are being taken to manage the movement of project staff from the project to other roles, including the timing of their move and the capture of their project knowledge. There should be plans for releasing resources before the project is to be finalised, and Project Teams should be gradually wound down. It should be done compassionately, as people often have put a great deal of effort into the project and it will create bad feelings for both this project and the next one if they feel they are treated unfairly at this stage.
- **Issues Management** - identify any outstanding issues, and who will continue to progress the issues.
- **Risk Management** - identify any risks that will transfer to an operational area, and who will take on responsibility for monitoring them.

- **Financial Management** - outline the final financial position, and what will happen to any excess funds or how any deficit will be funded.
 - **Asset Management** - describe any assets that were required by the project, and who will manage them on completion of the project.
 - **Records Management** - identify what arrangements have been put in place for the storage, security and backup of hard copy and soft (electronic) copy records and project documents.
 - **Post-project Responsibilities** - list any matters that are outstanding, what actions are required to address them and who is responsible. It should include such things as outcomes yet to be achieved, outputs not yet delivered, maintenance of the outputs and other operational matters, such as meeting future training requirements, that are outstanding or have not been formally agreed prior to this stage.
- **Post-project reviews**

A post-project review is a useful way of identifying issues and concerns that may be relevant to other projects. Often projects that have radically gone wrong are audited, but many useful lessons can be gained from reviewing any project. Ideally, an independent body conducts this type of review and the cost for the review should be included in the project budget.

(Refer to *Section 11: Evaluation* for additional detail of the different types of project reviews that might be undertaken)

- **Formal closure by Project Sponsor/Steering Committee and disbanding the Steering Committee**

The Steering Committee should continue until such time as they are satisfied that all of the project closure activities have been addressed to their collective satisfaction, and formally agree that the project is closed.

- **Project completion celebration**

Whether a formal product launch or an informal gathering for those involved in the project, a project completion celebration is a good way to mark the end of what may have been a significant period for those project participants involved.

12.3 A Two Stage Approach to Closure

As described in *Section 11: Evaluation*, a project is not complete once the project outputs have been delivered, but when the project outcomes/benefits have been realised. For example, the development of a technical system may have been justified in terms of the greater efficiency that would result through the utilisation of the new technology. In this case, the project is not completed fully when the technology is implemented in the organisation, but only when these efficiency goals have been attained. These realised benefits should be measurable and documented.

As discussed in *Section 12.1: Formal Project Closure*, there can be a problem when the realisation of the outcomes/benefits is spread over a period of time, eg a year or more. One approach to solving the problem of the delivery of outputs, acceptance by the

Business Owner(s) and delivery of the outcomes/benefits being spread over a period of time is to look at a project having two closure points:

- *Closure Stage 1* - when the Project Team disbands after the project outputs have been delivered to, and accepted by, the Business Owner(s)
- *Closure Stage 2* - when the targeted project outcomes/benefits have been secured

Closure Stage 1: The Steering Committee will need to be satisfied that the following matters have been satisfactorily addressed:

- A final Project Manager's *Status Report* or *Project Closure Report* has been endorsed by the Steering Committee
- All of the outputs have been produced, as per the *Project Business Plan*
- Project outputs have been handed over and accepted by the Business Owner(s) - requires a written statement of acceptance by the Steering Committee or Project Sponsor, or may form part of a formal handover and acceptance process adopted by the project
- The Project Sponsor and the Business Owner(s) have approved the *Outcome/Benefits Realisation Plan*
- Achievement of the project outcomes/benefits has been assessed at this point in the project life cycle
- The 'lessons learnt' have been captured from the Project Manager, the Project Team members and any other Key Stakeholders
- A post-project review, as detailed in the *Project Business Plan*, has been completed and accepted
(Refer to *Section 11: Evaluation*)
- The Project Team has been disbanded
- Physical resources and assets have been disposed of, or re-assigned appropriately, such as office equipment, computers and software licences
- Financial resources have been fully accounted for, all costs have been paid and any surplus distributed appropriately
- Documentation, including electronic and hard copies, have been filed in accordance with the Records Management Plan outlined in the *Project Business Plan* and Agency Records Management Guidelines

It is at this stage in the project that the project completion celebrations usually take place.

Closure Stage 2: In the case of large and/or complex projects, the Steering Committee will need to be satisfied that, in addition to the points above having been satisfactorily addressed, the following have been addressed also:

- The target dates for realisation of the longer-term project outcomes/benefits have been reached, and an assessment of their achievement has been made
- A post-project review, as detailed in the *Project Business Plan*, has been completed and accepted - the *Project Business Plan* should detail the type of review, when it should take place, who is responsible for arranging and

managing the review, who will undertake the review and who is responsible for accepting the report - this review may have already been completed at the end of the previous closure stage

- The 'lessons learnt' have been captured from the Steering Committee, the Business Owner(s) and any other Key Stakeholders not covered in the previous closure stage
- A final report by the Business Owner(s) on progress against the *Outcome/Benefits Realisation Plan* has been endorsed

In some cases the points listed for Stage 2 are satisfactorily addressed at the same time as Stage 1, or accountabilities in Stage 2 are formally delegated to Senior Executive groups, in which case the project will have one closure point.

At both stages of closure, the decisions should be recorded and added to the formal records for the project. For example, the Steering Committee decisions should be minuted and any decisions made by a Project Sponsor should be noted.

(Refer to the *Project Management Fact Sheet: Closing a Project* and the *Project Management Template: Project Closure Report*)

12.4 What's the Difference - Review and Closure?

There are a number of different processes, referred to in this section, relating to formally closing a project. There are basically two different events:

- **Reviewing or evaluating a project or a project phase**

The *Project Business Plan* for the project should detail the type of review(s), when it should take place, who is responsible for arranging and managing the review(s), who will undertake the review(s) and who is responsible for accepting the results of the review(s). There may be more than one review, each one examining different aspects of the project.

(Refer to *Section 11: Evaluation*)

- **Completing the closure activities**

Tying up the loose ends to ensure that when the Project Team disbands, the new or modified processes, services and/or outputs will be maintained and used in a transactional way.

There are a number of templates available to assist with conducting project reviews, conducting a review of a phase of a project and closing both small and large projects.

(Refer *Section 13: Documentation*)

The guides to these templates explain why, who and when to review a project, and which template may be most suitable.

12.5 Closing an Unsuccessful Project

It is important to recognise that projects can be closed at any point during their project life cycle.

Closing a successfully completed project can be challenging at the best of times, but closing (or stopping) a project that will probably not achieve its objectives can be seriously difficult, especially if considerable resources have already been expended on

it. Many unsuccessful projects have not been completed at the appropriate time and left to 'drag on'.

The Project Sponsor/Steering Committee is ultimately responsible for closing down a project, whether it is successful (complete) or unsuccessful (incomplete). Signs of an unsuccessful project that may need to be closed before being completed include:

- The impetus for the project has disappeared or is greatly reduced
- The Project Team is unable consistently to meet major project milestones
- The activities involved with the project do not match with the stated objectives of the project
- It is clear the clients will not accept the outputs from the project
- Major project risks are realised and are unmanageable
- Key Project Team members leave the project

It is important to remember the Project Manager often will not be able to indicate if their project is in need of closure. Not only could it be viewed as a severe loss of face, but also they may simply be too engrossed to provide adequate advice.

Essentially, the steps a Steering Committee should take for closing an incomplete project include:

- If there are serious problems with the project, informally discuss the pros and cons of closing it with members of the Steering Committee
- Facilitate an independent project review - that is, obtain another opinion from someone without any stake in the project
- Discuss the ramifications for closing the project with those who will be affected by the decision - ensure that any decision to close the project will not be untenable for any major players, especially executive management
- Formally discuss the closure of the project in a Steering Committee meeting - any decision to close or continue with the project should be justified formally, and the reasons for it documented
- Facilitate activities involved with wrapping up project activities and removing resources
- Facilitate a formal external project review so that lessons can be learnt for future situations

For the Project Manager and Team responsible, the decision to close an incomplete project can be distressing and demoralising. They should remember that the reasons for project failure can be complex and varied, and that responsibility rarely rests entirely with one or two individuals. In this situation, it is important to ensure that project resources are appropriately redeployed.

There should also be debriefing sessions for all those people involved with the project and the group as a whole. In some cases, it may be useful to replace the Project Manager and/or other members of the Project Team with new people who can close down the project as quickly as possible.

Please Note: The Project Management Fact Sheet: Closing a Project is available.