Project Management Fact Sheet:

Closing a Project

Version: 1.3, November 2008

Department of Premier and Cabinet

Tasmania
Explore the possibilities

The *Tasmanian Government Project Management Guidelines* state that successful project finalisation involves the formal acceptance of project outputs by the Business Owners, an internal review of project outputs and outcomes against *the Project Business Plan*, disbanding of the Project Team and 'tying up' of loose ends.

This Fact Sheet explains the process for closing a project, using the following scenarios:

Scenario 1 –A project that has delivered all of its outputs, had them accepted by the Business Owner(s) and realised its target outcomes prior to the Project Team disbanding.

Scenario 2 - A project for which the target outcomes have been secured but will not be realised until 6 months after the handover and acceptance of the outputs by the Business Owner(s) and the Project Team has disbanded.

Scenario 3 - A project for which the target outcomes will not be fully realised until 5 years after the handover and acceptance of the outputs by the Business Owner(s) with the Project Team having probably completed a number of other projects by then.

Where guidelines detailing the requirements for information management exist within an Agency, they should be read in conjunction with this Fact Sheet.

What is Project Closure?

Project Closure is the formal 'ending' or termination of a project. With a successfully completed project, this 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 or are being realised.

Why is it important to Formally close a project?

As defined in the *Tasmanian Government Project Management Guidelines*, 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 time frame in order to achieve planned outcomes. This means that all projects have an 'end' date by which time all of the inter-related activities are complete.

Projects that are not formally closed often 'drift on'. Usually this 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. This results in, amongst other things, lack of ownership by the Business Owners, a failure to embed the outputs into the normal business operations of the organisation, continued use of resources, changed and/or enhanced outputs. In addition, project documentation is often not finalised and filed according to relevant Records and Information Management Guidelines. This may be avoided by adopting a project management approach and, for larger projects, the establishment of an effective Steering Committee.

Who is responsible for project closure?

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

When can a Project be closed?

A project should be closed when all the work of the project is finished, all of the outputs have been delivered and accepted (or arrangements are in place for this to occur) by the Business Owner(s) and the target outcomes have been or are being generated.

Page 2

Tasmanian Government Project Management Framework
Project Management Fact Sheet: Closing a Project, Version: 1.3, November 2008

The Project Business Plan will provide the basis for the Steering Committee to determine when this has occurred. But there can be a problem when the delivery of outputs, acceptance by the Business Owner(s) and realisation of the outcomes are spread over a period of time, e.g several years. 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 who and how the residual tasks are performed e.g. arranging and managing the post project review.

One approach to solving this problem 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 have been realised

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

- A final Project Manager's *Status Report* or *Project Review and Closure Report* has been endorsed by the Steering Committee

- All of the outputs have been produced, as per the *Project Business Plan* (this may form part of the *Project Review and Closure Report*)

- Project outputs have been handed over and accepted by the Business Owner(s) – this requires a written statement of acceptance to the Steering Committee or Project Sponsor, or may form part of a formal handover and acceptance process adopted by the project

- An *Outcome Realisation Plan* has been approved by the Project Sponsor and Business Owners

- Achievement of the project target outcomes has been assessed at this point in the project life cycle (this may form part of the *Project Review and Closure Report* or *Post Project Review Report*)

- The 'lessons learnt' have been captured from the Project Team members, the Project Manager and any other key stakeholders (this may form part of the *Project Review and Closure Report* or *Post Project Review Report*)

- In the case of larger projects, 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 *Post Project Review Report*

- 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.

Page 3

Tasmanian Government Project Management Framework
Project Management Fact Sheet: Closing a Project, Version: 1.3, November 2008

Closure Stage 2: The Steering Committee will need to be satisfied that in addition to the points above having been satisfactorily addressed, that the following have also been addressed:

- The target dates for achievement of the project outcomes have been reached and an assessment of their achievement has been made (this may form part of the *Post Project Review Report*)

- 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 *Post Project Review Report*. This may have already been completed at the end of the previous closure stage

- The 'lessons learnt' have been captured from the Steering Committee, Business Owners and any other key stakeholders not covered in the previous closure stage (this may form part of the *Post Project Review Report*)

- A final report by the Business Owner(s) on progress against the *Outcome Realisation Plan* has been endorsed (this may form part of the *Post Project Review Report*)

In some cases the points listed for *Stage 2* are satisfactorily addressed at the same time as the *Stage 1* points, 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.

What is a Project Closure Report?

A *Project Closure Report* or *Project Review and Closure Report*, in the case of smaller projects, is usually completed by the Project Manager in time for the final Steering Committee meeting. It provides confirmation that project documentation has been completed, that outputs have been delivered, and includes any outstanding issues with recommendations on how they should be resolved. Effectively it is a final Project Manager's *Status Report*.

The *Project Closure Report* can be supported by statements from the relevant Business Owners confirming that the project outputs have been formally accepted, implemented, and any required training completed.

Where Business Owners are responsible for reporting progress towards the achievement of the longer-term target outcomes, the details should include how the measurement and reporting are to be undertaken.

When should the Steering Committee cease to continue?

The Steering Committee should continue until such time as they are satisfied that the points listed under *Closure Stage 1* and/or *Stage 2* above have been addressed to their collective satisfaction and the project is closed.

Scenario 1 – For a project that has realised its target outcomes/benefits, the Steering Committee should continue to operate until all *Closure Stage 1* issues above have been satisfactorily addressed.

Scenario 2 - For a project with target outcomes which will take up to 6 months before they are anticipated to be realised, the Steering Committee should:

- complete all of the steps under *Closure Stage 1* (with the exception of the post project review)

- agree who will arrange and manage the post project review and how it will be funded

- temporarily disband

- reconvene at a future date (6 – 8 months later) to consider *the Post Project Review Report*

The Steering Committee can then close the project when all of the steps under *Closure Stage 2* have been satisfactorily addressed. Alternatively, the Business Owner(s) can formally accept responsibility for the conducting the post project review - refer to *What if the Steering Committee Choose not to Wait for the Post Project Review Report?*

Scenario 3 – For a project with target outcomes which will take up to 5 years before all of them are anticipated to be achieved, the Steering Committee should:

- complete all of the steps under *Closure Stage 1* (with the exception of the post project review)

- agree who will arrange and manage the post project review and how it will be funded

- temporarily disband

- reconvene at a future date (12 – 18 months later) to consider the *Post Project Review Report*

The Steering Committee can close the project when all of the steps under *Closure Stage 2* have been satisfactorily addressed and, either:

a) the Steering Committee may agree that the target outcomes have been secured and the targets will be achieved over time

b) arrangements are made for the Steering Committee to hand over to the Business Owner(s) the responsibility to formally report progress against the longer-term target outcomes (for the next 3.5 – 4 years) as detailed in the *Outcome Realisation Plan*. This can be done through existing Agency or Divisional processes, such as the annual reporting cycle or corporate reporting processes - refer to *What if the Steering Committee Choose not to Wait for the Post Project Review Report?* In this case it may also be determined that another independent review of achievement against the targeted outcomes will be undertaken at the end of the fifth or final year. Again, a decision will need to be made as to who will arrange and manage the review, how it will be funded and who will accept delivery of the *Outcome Review Report*

When should the post project review be conducted?

In the case of medium to large projects the Post Project Review can be conducted immediately after the handover and acceptance of the outputs by the Business Owner(s) or at a later time if the progress towards the realisation of target outcomes is to be measured. There are templates available for conducting a Project Review of both large and small projects and *a Project Phase Review template*. The guides to these templates explain why, who and when you would review a project and which template best suits your needs.

Scenario 1 – For a project which has realised its target outcomes, a Post Project Review can be undertaken soon after handover and acceptance of the outputs by the Business Owner(s).

Scenario 2 – For a project with target outcomes which will take 6 months before they are anticipated to be achieved, a Post Project Review could be undertaken 6 – 8 months after the handover and acceptance of the outputs by the Business Owner(s). At this point the Project Team may have disbanded.

Scenario 3 – For a project with target outcomes which will take up to 5 years before all of them are anticipated to be realised, a Post Project Review could be undertaken 12 – 18 months after the handover and acceptance of the outputs by the Business Owner(s). At this point the Project Team will have disbanded.

What if the Steering Committee choose not to wait for the Post Project Review Report?

For a project where the target outcomes will take some time before they are anticipated to be realised, the Steering Committee may choose not to wait for the Post Project Review to be undertaken. In this case, before closing the project, the Committee will need to determine who will accept the report on their behalf. Depending on the project, some alternatives to consider might include the:

- relevant Head of Agency or Deputy Secretary
- Inter Agency Steering Committee
- Agency's Executive Management Group or Corporate Management Group
- relevant Divisional/Branch Manager

What if the target outcomes have not been fully realised?

The Steering Committee can close the project even though the target outcomes have not been fully realised. In this case it is vital that arrangements be made for the Business Owner(s) to formally report progress against the longer-term target outcomes through existing Agency or Divisional processes, such as the annual reporting cycle or corporate reporting processes. These arrangements should be documented in the *Outcome Realisation Plan*. This would normally be the case when it will take a number of years before the target outcomes will be fully achieved.

What if the outputs have not all been delivered?

The Steering Committee can close the project even though all of the outputs have not been delivered. In this case it is important to establish what will happen to those outputs not delivered, for example:

- they will not be produced at all
- another body or project will take over their development

What about 'tying up the loose ends'?

It is important to ensure that all project activities are satisfactorily completed. 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.

When should the Project Team be disbanded?

The decision to disband the Project Team will be made by the Steering Committee, as proposed by the Project Sponsor, in consultation with the Project Manager. Ideally, the Project Team have been provided with an opportunity to contribute their 'lessons learnt' throughout the project.

There should be plans for releasing resources before the project is to be finalised, and Project Teams should be gradually wound down. This should be done compassionately, as people have put a great deal of effort into the project, and it will create bad feelings if they feel they are treated unfairly at this stage.

In the case of larger projects, a core project team may be kept together to oversight the project into the outcome realisation phase.

When should the project completion celebrations take place?

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 involved. The best time for this may be after all of the outputs have been delivered and accepted, prior to disbanding the Project Team.

How to put it together

There are templates available for small projects - *Project Review and Closure Report,* and for larger, more complex projects there is *a Project Evaluation and Review* template and a template for a *Project Closure Report.* The guides to these templates explain why, who and when you would review a project and which template best suits your needs.

Where to get additional help

- Refer to the Tasmanian Government Project Management Guidelines.

- Further information and resources are available from www.egovernment.tas.gov.au

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Acknowledgements

This Fact Sheet contains elements of the *Tasmanian Government Project Management Guidelines* prepared by the Department of Premier and Cabinet.

Page 7

Tasmanian Government Project Management Framework
Project Management Fact Sheet: Closing a Project, Version: 1.3, November 2008