Project closure and beyond

Mayer, Mraz, Schorr

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The project closure report

- Baseline documentation
- Background
- Project summary
- Matters outstanding
- Post-project governance
- Other closure criteria
- Recommendations
- Proposed action
Baseline documentation

Table 11.1  **Project closure report**

<table>
<thead>
<tr>
<th>Baseline documentation</th>
<th>The documents against which successful completion is being measured.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Background</td>
<td>An outline of the project’s history so that any anomalies are fully understood.</td>
</tr>
<tr>
<td>Project summary</td>
<td>A detailed review of planned versus actual measurements to determine whether the variances would prevent a decision to close the project.</td>
</tr>
<tr>
<td>Matters outstanding</td>
<td>Any matters that remain unsettled.</td>
</tr>
<tr>
<td>Post-project governance</td>
<td>What management environment is needed for the post-project period leading towards the final measurement of realised benefits?</td>
</tr>
<tr>
<td>Other closure criteria</td>
<td>What additional closure criteria must be satisfied, if any, for the project steering group to make their decision?</td>
</tr>
<tr>
<td>Recommendations</td>
<td>What options are there for closing the project?</td>
</tr>
<tr>
<td>Proposed action</td>
<td>What outcome does the project manager propose? How will post-project governance be implemented?</td>
</tr>
</tbody>
</table>
- Project summary
  - Project success criteria

### Table 11.2 Project success criteria

<table>
<thead>
<tr>
<th>Baseline project success criteria</th>
<th>Actual project success</th>
<th>Variance</th>
<th>Reason</th>
</tr>
</thead>
<tbody>
<tr>
<td>Does the new computer system process twice as many trades per day as the previous one?</td>
<td>Original system processed 950 trades per day. New system has been shown to process 1,900 trades per day successfully.</td>
<td>0</td>
<td>GREEN</td>
</tr>
<tr>
<td>Does the new office provide each of the 350 staff with at least 36 sq ft of desk space?</td>
<td>Office provides 400 people with at least 36 sq ft of desk space.</td>
<td>+50 people</td>
<td>AMBER</td>
</tr>
</tbody>
</table>
## Project summary

- **Budget**

### Table 11.3  **Budget**

<table>
<thead>
<tr>
<th>Resource item</th>
<th>Original baseline</th>
<th>Last authorised baseline</th>
<th>Invoiced at completion</th>
<th>Forecast total</th>
<th>Variance with original baseline</th>
<th>Variance with last authorised baseline</th>
</tr>
</thead>
<tbody>
<tr>
<td>Human resources</td>
<td>$32,000</td>
<td>$42,000</td>
<td>$42,000</td>
<td>$42,000</td>
<td>–$10,000</td>
<td>$0</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>RED</td>
<td>GREEN</td>
</tr>
<tr>
<td>Non-human resources</td>
<td>$29,500</td>
<td>$29,500</td>
<td>$25,500</td>
<td>$29,000</td>
<td>$500</td>
<td>$500</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>AMBER</td>
<td>AMBER</td>
</tr>
<tr>
<td>Capital costs</td>
<td>$4,000</td>
<td>$4,000</td>
<td>$4,000</td>
<td>$4,000</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>GREEN</td>
<td>GREEN</td>
</tr>
<tr>
<td>Total</td>
<td>$65,500</td>
<td>$75,500</td>
<td>$71,500</td>
<td>$75,000</td>
<td>–$9,500</td>
<td>$500</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>RED</td>
<td>AMBER</td>
</tr>
</tbody>
</table>
- Project summary
  - Timescales

Table 11.4 **Timescales**

<table>
<thead>
<tr>
<th>Product/milestone</th>
<th>Original baseline</th>
<th>Last authorised baseline</th>
<th>Actual end date</th>
<th>Variance with original baseline</th>
<th>Variance with last authorised baseline</th>
</tr>
</thead>
<tbody>
<tr>
<td>Initiation</td>
<td>10/04/05</td>
<td>01/05/05</td>
<td>01/05/05</td>
<td>–20 days RED</td>
<td>0 days GREEN</td>
</tr>
<tr>
<td>Delivery Stage 1</td>
<td>30/07/05</td>
<td>28/08/05</td>
<td>28/08/05</td>
<td>–29 days RED</td>
<td>0 days GREEN</td>
</tr>
<tr>
<td>Delivery Stage 2</td>
<td>28/09/05</td>
<td>30/10/05</td>
<td>30/10/05</td>
<td>–32 days RED</td>
<td>0 days GREEN</td>
</tr>
<tr>
<td>Closure</td>
<td>30/10/05</td>
<td>30/11/05</td>
<td>30/11/05</td>
<td>–31 days RED</td>
<td>0 days GREEN</td>
</tr>
</tbody>
</table>
Project closure process

- Project closure: Steering groups view
- Project closure: Project managements view
Lessons learned report - Overview

- Result of lessons learned review
- Review the lessons learned from the past
- Generate greater future management efficient
- The report is often less valuable than the review
Structure

- Project background
- Objective
- Scope
- Observations
- Lessons learned
- Action plan
Observations

- Should be a straight forward statement

- Positive Example:
  - The project forecast report was used for the first time and helped to identify variances.

- Negative Example:
  - Too many preventable issues arose because the monthly risk identification session was too infrequent.
Lessons learned

- The lessons to be learned from the observations.

- Example from a positive Observation:
  - All projects should be encouraged to use project forecast reports.

- Example from a negative Observation:
  - Risk identification sessions should be more frequent for all similarly sized/scoped projects.
### Action plan

<table>
<thead>
<tr>
<th>Number</th>
<th>Lesson</th>
<th>Action(s)</th>
<th>Success criteria</th>
<th>Who? Due date</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>All projects should be encouraged to use project forecast reports (and, at the very least, make sure that variances are clearly identified)</td>
<td>Introduce project forecast report to Project Ace, Project King and Project Queen.</td>
<td>Projects Ace, King and Queen adopt the project forecast report and use it fully without supervision.</td>
<td>DK dd/mm/yy</td>
</tr>
<tr>
<td>2</td>
<td>Risk identification sessions should be more frequent for all similarly sized/scoped projects</td>
<td>Increase frequency of risk identification sessions for Project Jack.</td>
<td>Project Jack conducts two-weekly risk identification sessions.</td>
<td>PT dd/mm/yy</td>
</tr>
</tbody>
</table>
Lessons learned review

- It usually takes place a week or two after project closing.
- The invited come from all levels of the project’s management...
  - team members
  - team leaders
  - project steering group
  - customers
- ... or, if the project was of sufficient, critical or risky size, members of the portfolio management team too.
The lessons learned review agenda

- Introduction
- Ground rules
- Observations
- Break
- Lessons learned
- Action plan
Ground rules

- Park issues
- Work within the agenda
- Respect the facilitator
- Prepare in advance
- Criticise the governance, not individuals
- Speak one at a time
- Make your point once, clearly and politely
Observations 1/2

- Tailored group topics
  - Specific set of topics
  - A Set of starter questions may help the group
  - For example: How effective was the project in mitigating risks?

- Common group topics

- The result is a flipchart sheet
Observations 2/2

Positive

- The project forecast report was used for the first time and found to be helpful in identifying variances

Negative

- Too many preventable issues arose because risk identification sessions were held only once a month
- Insufficient induction training was provided for people joining the project midway through
- Plans were not updated frequently enough to allow reliable reporting
- There was a lack of clarity regarding the priority of the project's success criteria
- The project steering group took too long to approve documents
Consider the significant observations

Their objective must be clearly stated:
  - Identify improvements

They should identify a practical way of overcoming the issues

At the end a short presentation about the lessons
### Lessons learned (2/2)

**Positive**

- The project forecast report was used for the first time and found to be helpful in identifying variances
- *LESSON LEARNED:* All projects should be encouraged to use project forecast reports and, at the very least, to ensure that variances are clearly identified.

**Negative**

- Too many preventable issues arose because risk identification sessions were held only once a month
- *LESSON LEARNED:* Risk identification sessions should be more frequent for all similarly sized/scoped projects
- Plans were not updated frequently enough to allow reliable reporting
- *LESSON LEARNED:* Project plans must be updated at a frequency no less than every two weeks
Make sure that the benefits outweigh the investment!

- Who has responsibilities during the stage?
- How will the mounting costs and benefits be monitored, measured and controlled?
- When can the stage come to an end?
- How will the organisation reward success or failure?
- Can the benefits be shown to have contributed to planned business objectives?
Roles and Responsibilities

- The portfolio management team has ultimate responsibility.
- The sponsor is responsible for monitoring, measuring and controlling the mounting costs and benefits.
- The sponsor can draw upon the skills of a project specialist.
The monitoring and measurement mechanisms have been expressed clearly enough in the business case.

Changes to the intended benefits, costs or monitoring and measurement mechanisms have been accommodated in the business case during the project.
### Monitoring, measurement and control (2/4)

Table 11.7  **Quantifying benefits ($)**

<table>
<thead>
<tr>
<th></th>
<th>Year 0</th>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
<th>Year 4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increased revenues</td>
<td>-</td>
<td>5,000</td>
<td>60,000</td>
<td>60,000</td>
<td>70,000</td>
</tr>
<tr>
<td>Increased customer</td>
<td>-</td>
<td>5,000</td>
<td>10,000</td>
<td>10,000</td>
<td>10,000</td>
</tr>
<tr>
<td>satisfaction</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Competitor removal</td>
<td>-</td>
<td>-</td>
<td>20,000</td>
<td>20,000</td>
<td>20,000</td>
</tr>
<tr>
<td>Customers from new</td>
<td>-</td>
<td>-</td>
<td>30,000</td>
<td>30,000</td>
<td>40,000</td>
</tr>
<tr>
<td>market</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cost savings</td>
<td>-</td>
<td>8,000</td>
<td>10,000</td>
<td>11,000</td>
<td>11,000</td>
</tr>
<tr>
<td>Headcount savings</td>
<td>-</td>
<td>5,000</td>
<td>5,000</td>
<td>5,000</td>
<td>5,000</td>
</tr>
<tr>
<td>Removal of redundant</td>
<td>-</td>
<td>3,000</td>
<td>5,000</td>
<td>6,000</td>
<td>6,000</td>
</tr>
<tr>
<td>IT kit</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>-</td>
<td>13,000</td>
<td>70,000</td>
<td>71,000</td>
<td>81,000</td>
</tr>
<tr>
<td>Cumulative total</td>
<td>-</td>
<td>13,000</td>
<td>83,000</td>
<td>154,000</td>
<td>235,000</td>
</tr>
</tbody>
</table>
The \textbf{benefits realisation plan} must allow for the following to be measured or recorded in a consistent way:

- Customer satisfaction before the project begins and at least every year thereafter
- The number of customer service staff before the project begins and at least every year thereafter
- The operational costs of the implemented solution
### Table 11.8 Costs over time ($)

<table>
<thead>
<tr>
<th></th>
<th>Year 0</th>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
<th>Year 4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Resources</td>
<td>1,300</td>
<td>12,250</td>
<td>16,820</td>
<td>12,600</td>
<td>19,850</td>
</tr>
<tr>
<td>Consumables</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1,000</td>
</tr>
<tr>
<td>Hardware</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>28,000</td>
</tr>
<tr>
<td>Software</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>17,000</td>
</tr>
<tr>
<td>Environmental</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>11,000</td>
</tr>
<tr>
<td>Accommodation</td>
<td>500</td>
<td>1,200</td>
<td>1,200</td>
<td>1,200</td>
<td>1,200</td>
</tr>
<tr>
<td>Expenses</td>
<td>700</td>
<td>2,400</td>
<td>1,600</td>
<td>1,600</td>
<td>3,200</td>
</tr>
<tr>
<td>Total</td>
<td>2,500</td>
<td>15,850</td>
<td>64,620</td>
<td>27,400</td>
<td>24,250</td>
</tr>
<tr>
<td>Cumulative total</td>
<td>2,500</td>
<td>18,350</td>
<td>82,970</td>
<td>110,370</td>
<td>134,620</td>
</tr>
</tbody>
</table>
Achieving strategic change

The benefits dependency network

Project
Software self-installation project

Enabler
Self-service software installation

Business changes
Users install their own software

Business benefits
Faster installation of software

Investment objectives
Improved productivity of users

Strategic drivers
Improved customer service

Improved productivity of service desk

Reduction in calls to service desk

Improved productivity
The benefits realisation report (1/2)

- Shows what progress has been made since the preceding report
- Identifies variances in intended operational costs and benefits
- Explains fully how variances arose
- Describes how variances will be addressed
- Determines who is responsible for any proposed corrective actions
### Table 11.10  **Business realisation report**

<table>
<thead>
<tr>
<th>Summary</th>
<th>A table to summarise the actual and forecast operational spend and benefits realised, identifying variances and escalation conditions.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Variances</td>
<td>An analysis of the key variances.</td>
</tr>
<tr>
<td>Corrective actions</td>
<td>A description of what will be done by whom to address the key variances.</td>
</tr>
<tr>
<td>Changes to benefits realisation stage governance</td>
<td>A narrative to determine what, if anything, must be done to change the governance of this stage to increase the likelihood of success.</td>
</tr>
<tr>
<td>Conclusion</td>
<td>To provide an opportunity for the author to summarise the outcome of the review.</td>
</tr>
<tr>
<td>Recommendations</td>
<td>To allow the author to propose how the benefits realisation stage should continue, if at all.</td>
</tr>
</tbody>
</table>
On the assumption that

- The original business case was robust and reliable
- It was maintained during the life of the project
- There was effective management of time, costs, quality, risks and change
- The “lessons learned” report identified improvement actions that have been accommodated into the systemised approach
- There has been a determination to maximise the benefits and minimise the operational expenses during the benefits realisation stage