**Adesina Adebara**

**UD74197BPR83362**

COURSE NAME:

**(Project Termination)**

Assignment Title:

**(AIU-Exam Project Termination)**

ATLANTIC INTERNATIONAL UNIVERSITY

**August/2022**

Table of Contents

[Introduction 3](#_Toc112879168)

[1 PROJECT TERMINATION WAYS 3](#_Toc112879169)

[Question 1 3](#_Toc112879170)

[2 EFFECT OF LACK OF A FOLLOW-ON PROJECT ON A PROJECT MANAGER 4](#_Toc112879171)

[Question 2 4](#_Toc112879172)

[3 PRYMARY DUTIES OF A TERMINATION MANAGER 4](#_Toc112879173)

[Question 3 5](#_Toc112879174)

[4 DESTINY OF PROJECT information AT TERMINATION 6](#_Toc112879175)

[Question 4 6](#_Toc112879176)

[5 BUDGET DECREMENT 6](#_Toc112879177)

[Question 5 6](#_Toc112879178)

[6 REASONS FOR PROJECT TERMINATION 7](#_Toc112879179)

[Question 6 7](#_Toc112879180)

[7 PROJECT FINAL REPORT 8](#_Toc112879181)

[Question 7 8](#_Toc112879182)

[8 FACTORS FOR TERMINATION DECISION MAKING 10](#_Toc112879183)

[Question 8 10](#_Toc112879184)

[9 TERMINATION-BY-INTEGRATION METHOD 11](#_Toc112879185)

[Question 9 11](#_Toc112879186)

[Conclusion 12](#_Toc112879187)

[Bibliography 13](#_Toc112879188)

# Introduction

The assignment covers the major project termination areas, such as varieties of project termination methods and procedures, effects of project termination on stakeholders, especially the project manager of to-be-terminated project, the key responsibilities of a termination manager and much more as may be required for a smooth project termination process as discussed in (Meredith & Samuel J. Mantel, 2009) and other relevant text.

# PROJECT TERMINATION WAYS

## Question 1

List and briefly describe the ways projects may be terminated.

There four different project termination procedures and ways discussed (Meredith & Samuel J. Mantel, 2009)

* **Termination by extinction**: This can also be termed “termination by murder”, where a project comes to an end due to different conspicuous reasons ranging from successfulness, failure to fulfill goals, technological advancement overtaking the intention of the project, and management political interjections rendering a project being terminated among others.
* **Termination by addition**: This happens to be considered a positive project termination engagement where the project in question is deemed successful and thereafter becomes added and operational entity to the performing organization’s portfolio, project resources are systematically transited with a scaled down overhead to afford a steady growth of such until it can be strong enough financially and become profitable competitively in the organization
* **Termination by integration**: This is referred to as the commonest type of project termination procedure where a project has being certified successful and thus merited being an operational entity in the organization but limited by the eight different risk associated transition on project functions distribution of; personnel, manufacturing, accounting/finance, engineering, information systems/software, marketing, purchasing/distribution/legal, and risk identification and management, for the purpose of successful itch free transition.
* **Termination by starvation**: This is associated with project considered failed but for legal reasons and protection of the personnel especially the project manager, as a technical process the project receives budgetary reductions called decrement based on different magnitudes but with minima resources to keep the project on paper such as the project secretary.

# EFFECT OF LACK OF A FOLLOW-ON PROJECT ON A PROJECT MANAGER

## Question 2

What problems may occur if the project manager does not have a follow-on project when the current project nears termination?

There are challenges practically associated with project termination when the project manager has no follow-on project to step into after the termination, hence, the possibility of the termination process suffering delay is very high where outstanding tasks may be deliberately extended while dealing with the fear of being seconded to the face of a functional division.

In some other cases the project manager may outrightly abandon the termination process and hands off for any other project team member to handle, who may also be influenced by the same negative emotional feeling (Shepherd, Patzelt, Williams, & Warnecke, 2013), this was further reinforced by the termination of the project as a result of failure of the project to meet the organizational goals in an R&D project where motivation was lost as transitioning to other project came with no incentives or allowances and possibly other job satisfaction enabled benefits.

# PRYMARY DUTIES OF A TERMINATION MANAGER

## Question 3

What are the primary duties of a termination manager?

In (George, 2020), Project termination process is described to be a complex and challenging phase of a project, especially if it is found to be a failing project, therefore the importance of the engagement of a termination manager who is saddled with various activities and responsibilities as enumerated herein.

The principal responsibilities of the termination manager are covered in the following nine

universal tasks:

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

2. Report to the client of project contractual completion and ensure that delivery is fulfilled while the acceptance of the project deliverables is duly acknowledged by the client.

3. Project documentation completion, including a terminal assessment of the project deliverables

and preparation of the project’s Final Report, such as the as-built documentations.

4. Clarity for final billings and oversee preparation of the final invoices for client’s acknowledgement and processing.

5. Reallocation of personnel, materials, equipment, and any other resources to the suitable

places.

6. The establishment of fine project entrenched in legal counsel, filing for patents where required, the activities of record preservation and archiving project documents with data protection elements of “non-disclosure”

7. The expert jurisdiction of determining the categories of records (manuals, reports, and other paperwork) to preserve and the assurance of the corresponding processes and preservation.

8. The processes of ensuring any product support requirements (e.g., spares, service), and decision of how such support required to be delivered and the corresponding assignment of responsibilities and mobilization of adequate resources as at when due.

9. Generally, the summary of the duties of a termination manager is to oversee the closing of the project’s records and books, such as the As-built documentations, financial records, lesson learned and so on and so forth to mention a few.

# DESTINY OF PROJECT information AT TERMINATION

## Question 4

On termination of a project, what happens to the information gathered throughout the course of the project?

A comprehensive report called a Project History, is developed that document all the processes, procedures, and outcomes on the project without the omission of the lesson learned for the improvement on the organizational asset base for future and prospective projects.

Another great valuable resource at the disposal of a Project Manager (PM) of a terminated project is what is referred to as PM’s diary, notwithstanding the unofficial status of such document, it contains a huge magnitude of reliable project information that has the potential to optimize future project’s time, cost, and quality in no little way.

# BUDGET DECREMENT

## Question 5

What is a budget decrement?

A budget decrement is synonymous to budget cut or cutback budgeting as described in (Behn, 1985), this is a common process engaged when terminating a project by starvation which encourages the political and legal entity of the project to allow for continuous progress being made on the project until reassignment of project team members on other thriving and or upcoming projects.

The budget decrement/cut is a common phenomenon associated with projects in economic recession periods.

# REASONS FOR PROJECT TERMINATION

## Question 6

Identify the four reasons for project termination.

**Termination by Extinction**

This termination is engendered by a successful achievement of the project goals or because the of unsuccessful delivery of set goals or goals being outdated.

A close example of this termination cause is found with the astronomical cost of project execution in technology and material in connection with the automotive stoppage.

**Termination by Addition**

A project could be terminated when it goes through the process of institutionalization as formal entity of the parent organization at its successful completion, a prominent example of this termination process is the case of NCR Corporation where a project was transformed into a division of the firm and later became an independent subsidiary.

**Termination by Integration**

This method of terminating a project is the most common way of dealing with successful

projects, and the most complex. 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

**Termination by Starvation**

There is a fourth type of project termination, although strictly speaking, it is not a “termination”

at all. It is “slow starvation by budget decrement.” Almost anyone who has been involved

with projects over a sufficient period to have covered a business recession has had to

cope with budget cuts. Budget cuts, or decrements, are not rare. Because they are common,

they are sometimes used to mask a project termination.

There may be several reasons why senior management does not wish to terminate

an unsuccessful or obsolete project. In some fi rms, for example, it is politically dangerous to

admit that one has championed a failure and terminating a project that has not accomplished its goals is an admission of failure. In such a case, the project budget might receive a deep cut or a series of small cuts large enough to prevent further progress on the project and to force the reassignment of many project team members. In effect, the project is terminated, but the project still exists as a legal entity.

# PROJECT FINAL REPORT

## Question 7

What does the Project Final Report include?

The quality of the content contained in a final report of a terminated project is the main importance which may be arranged based on the suitable criteria as preferred from one organization to the other.

About six major categories of content according to (Meredith & Samuel J. Mantel, 2009) Were identified to constitute a standard final report of a terminated project as follows.

**Project Performance**

 A crucial component of the report is a contrast of what the project accomplished (the terminal evaluation) with what the project attempted or planned to achieve (the project proposal).

This in an extensive approach and with the inclusion of all remarkable deviations of actual from plan considering the best judgment as to reasons substantiating successes and failures recorded on the project and contained in addition with corresponding recommendations for prospective project engagement with similar attributes.

**Administrative Performance**

The substantive side of the project usually gets a great deal of attention, while the administrative side is often ignored until administrative problems occur. There is also a strong tendency on the part of almost everyone to treat the “pencil pushers” with grudging tolerance, at best. The administration of a project cannot solve technical problems, but it can enable good technology to be implemented (or prevent it).

**Administrative practices**

A concerted effort of identification and proper documentation of all administrative practices that worked well and the non-value added on the project are vital content required in this historical record. It is of importance too to include the details why some specific practice was effective or ineffective. This is particularly required for future selection and/or avoidance of procedures/practices depending on success or failure in the past project for constructive recommendations.

**Organizational Structure**

The organizational forms deployed on projects come with exclusive categories of advantages and disadvantages. The final report is required to contain information on the ways the adopted organization structure impact the progress of the project either positively or negatively.

All these details as per the dynamics of the structures during the project execution and management should be included with adequate recommendations.

**Project and Administrative Teams On occasion**

A detailed documentation of the team performance on individual bases on various areas of project interest, such as competency ratings, interpersonal skill ratings, soft skills.

A confidential section of the final report may be directed to a senior personnel officer of the parent organization, with recommendations as regarding appropriate engagement or non-engagement-based personnel performance rating on the previous project.

**Techniques of Project Management**

The success or failure of the project is directly reliant on the dexterity with which the forecasting, planning, budgeting, scheduling, resource allocation, risk management, and control are managed, the detailed documentations of the pros and cons relating to the successes and fall-out experienced and constructive recommendations form a value-added content in the final report.

# FACTORS FOR TERMINATION DECISION MAKING

## Question 8

What factors are considered most important in the decision to terminate a project?

A project termination decision is based on several different factors with peculiarities linked to different organizations depending on interests and value generations.

**Technical Factor**

Whenever the probability of meeting the organizational set technical objective(s) for a project and possibly the commercializing outcomes in collaborations with demanding greater priority of other competing projects within the organization, a decision to terminate the potentially technically failed project could become obvious.

**Economic Factor**

The analysis and considerations based on profitability and or the returns on capital and resources investment on a project, while the market-ability strength with the competitiveness rating factors inherent in the project’s deliverables with the fast-changing market environment and conditions are major contributors for termination decisions.

**Others Category**

This includes other factors not categorized in the classes above; technical and economic, that covers unexpected too lengthy period for delivery and achievement of expected commercial goals which may potentially strain the organization’s relationship with her financial partners because of failure to meet financial contractual obligations, with a ripple adverse impact on other projects and goals in the organization’s portfolio

# TERMINATION-BY-INTEGRATION METHOD

##  Question 9

What issues should be considered when using the termination-by-integration method?

In (Wilson, 2021) ‘the project that is being aborted is either integrated into other larger projects that are underway or becomes part of the ongoing operation of the organization’ therefor various aspect and categories of project being considered for termination must be thoroughly examined for the organizational benefit holistically with the following key areas at the fore front among others.

1. Personnel transitioning from the to-be-terminated project to other project becomes a critical question and concern that must be considered to avoid losing valuable project team members who wealth by reason of the gathered experiences and other reasons for the advancement of the organizational goals.

2. Manufacturing sector project termination requires the completion of all procedural processes and staff training required to manage the facility and other follow-on approaches for smooth running must be considered and certified functional before termination.

3. Accounting/Finance requires completion of the project accounts reconciliations and adequate auditing processes completed, and most importantly an adequate transference of resources in terms of equipment in accordance with the contractual agreements and obligations.

4. Engineering documentations of a-built drawings, operation manuals well spelt-out procedures, training programs, maintenance manual and schedules and adequate inventory of required spare parts, all fully documented and delivered with sign-off by the accredited officers are required issues of concern for adequate consideration.

5. Information Systems/Software installation pre-commissioning and commissioning of the new system with properly documentations well integrated into current organizational system, this becomes critical in the consideration of the termination decision.

# Conclusion

The concept of project termination either by natural termination (Wilson, 2021) as in the case of successful projects that had fulfilled their goals and objectives of execution or the unnatural project termination which is a direct opposite of the characteristics of the natural project termination, both notwithstanding the prevailing conditions have been found to come with some management processes and procedures requiring expat hands and skills (Meredith & Samuel J. Mantel, 2009).

The historical record keeping and storage of all the lesson learned and procedural wealth from both successful and failed projects with detailed circumstantial factors with recommendations well documented are critical instruments to a future success to be experienced by a project engaged organization.

# Bibliography

Behn, R. D. (1985). *JSTOR; Journal of Policy Analysis and Management*. Retrieved from jstor.org: https://www.jstor.org/stable/3324622

George, C. (2020, March). Understanding the Concept of Project Termination in the Management of Projects. p. 107.

Meredith, J. R., & Samuel J. Mantel, J. (2009). *Project management: a managerial approach.* Hoboken, NJ: John Wiley & Sons.

Shepherd, D. A., Patzelt, H., Williams, T. A., & Warnecke, D. (2013). How Does Project Termination Impact Project Team Members? Rapid Termination, “Creeping Death,” and Learning From Failure. *Journal of Management Studies*, 515.

Wilson, F. (2021, January 4). *Project Termination Guide for Successful Failure & Minimum Blowbacks.* Retrieved from NTaskmanager.com: https://www.ntaskmanager.com/blog/project-termination-guide-for-successful-failure-minimum-blowbacks/