

# How to Closeout a Project

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*Practical “How To” Ways for Managing Today’s  
Challenging Projects*



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# HOW TO CLOSE OUT A PROJECT

This article discloses important aspects of closing out a project by describing the following aspects:

- Scope Verification
- Contract Closeout
- Administrative Closeout
- Lessons Learned
- Historical Records
- Final Report
- Celebrating Success

## SCOPE VERIFICATION

Before the project can be formally closed out, an audit must be conducted to verify that all required scope (work) has been satisfactorily completed. When a new product is completed, and it is a commercial product to be mass produced, the scope verification effort may take place with a production manager. When the new product is sold to an individual customer, the scope verification may take place with the customer present. In any case, this event will include the following steps:

*Verify tested products meet all specifications.* Sometimes called a functional audit, a review of all test data against the approved specification must be conducted. Any discrepancies are to be identified and resolved.

*Validate all support documents.* Any product manuals (whether they be “hard” copies or “soft” copies), and any product drawings must be validated by comparing them to the finished product. Nothing can frustrate a customer more than operating a user’s manual that doesn’t match the product. To prevent such anomalies the manuals and drawings must be compared to the *finished* product.

*Verify all deliverables are available (product count).* When the project product consists of physical items it will be necessary to conduct an audit to verify that all are present. This is sometimes called a “physical configuration audit.”

*Assess customer satisfaction.* A project would not be completed unless its original strategy to satisfy a customer's needs completely has been verified. This might be accomplished by using a questionnaire based on the customer's needs and expectations, or simply conducting a face-to-face meeting. When a questionnaire is used, the project manager would be wise to establish it at the beginning of the project rather than at the completion. This will prevent new "enlightenments" when it is too late.

## **CONTRACT CLOSEOUT**

In addition to scope verification, efforts to closeout a contract between the buyer and the seller will take place. These are typically formal reviews which will culminate the business arrangement.

### **The Seller's Role**

During this review the seller (subcontractor) will ensure that all open issues and discrepancies are identified and resolved with the buyer (customer). Any proprietary documents loaned to the seller must be returned or destroyed at the buyer's direction. For proprietary information to fall into the hands of a buyer's competitor would not only be disastrous but could lead to litigations.

The primary objective of the contract closeout is to obtain the buyer's full acceptance of the subcontracted product, and to end in such a way that pleases the customer so that they will feel strongly inclined to work with the seller again in the future. Remember, under promise and over deliver! When this has been completed all final fees can be obtained.

### **The Buyer's Role**

It will be the buyer's responsibility to conduct an audit of all completed contract scope usually at the seller's facility. In some cases the buyer may wish to conduct an audit of all subcontractor costs to ensure that all are allowed. Any proprietary information loaned by the seller to the buyer must be returned or destroyed at the seller's direction. The seriousness of handling and controlling proprietary information is the same as described above for the seller.

When the buyer is fully satisfied with the completion of all contract scope, any final payments to the seller will be made.

## ADMINISTRATIVE CLOSEOUT

At this point all personnel loaned to the project will return to their respective functional groups. If personnel performances have not been evaluated prior to this point, then this is the logical place to complete them. Functional managers will be given an appraisal by the project manager of their loaned skilled individuals so they can administer a formal review of their project support.

Intellectual property (IP) must also be addressed no later than this stage of the project. Protection of IP should begin as early as possible on the project and completed during the project closeout.

## CONDUCTING A LESSONS-LEARNED REVIEW

The primary purpose of a lessons learned review is to assess the overall success of a project and to learn from your mistakes. Often it is best to conduct a survey before holding the lessons-learned meeting.

*Survey.* A lessons-learned survey can be sent to team members during or after a project, to solicit their feedback on how the project was conducted. It applies to any project; and questions can easily be added to focus on additional areas for your project. This survey can address the following aspects:

- General Project Issues and Communication
- Schedule Estimation Issues
- Design, Implementation, Test Processes
- Perceived Process Issues
- Closing

*Purpose.* The purpose of the survey is to capture lessons learned from the project while they're fresh in people's mind. The results can be summarized and recommendations passed on to future teams.

*How.* Send a survey through email or on paper to members of the project team. Let them know that results can be kept anonymous (to encourage people to be frank in their assessments). Send out this survey before any group "lessons learned" meetings. The feedback you receive from the survey can help point to particular areas that should get special exploration in the group lessons learned meeting.

*What.* The survey can address any pertinent items including the effectiveness of project communications, an evaluation of project processes such as problem solving, change control management, decision making, project tracking, stakeholder management, customer satisfaction, etc.

## PROJECT HISTORY FILE

Without gathering data from previous projects the project manager is at a serious loss when it comes to planning and organizing the next project. Having past actuals (activity durations, labor hours, costs, etc.) from previous projects, even though they were not identical to the new project, will aid the project manager in making sound analogous estimates in the new project. Building a project history file can be accomplished easily by dedicating an external, portable hard drive for this purpose. Accessing historical data can be accomplished quickly using “desktop search engines” such as Google’s. It is assumed that any intellectual property rights would be safe-guarded when using this practice.

Following is a list of items that can be considered for a project history file:

*Planned and actual schedule durations.* This includes past similar projects of any kind that have been completed.

*Planned and actual labor hours (costs).* Data may be in either dollars or in direct labor hours.

*Copies of all approved changes to the Project Management Plan.* Most project management plans will change over the course of the project lifecycle. Having a record of these changes, especially those which benefitted the customer and the organization, can be invaluable.

*All meeting minutes.* Since it is a common practice to keep minutes of most project meetings, gathering copies can be very convenient. Many project managers will find themselves referring back to them more often than they might have imagined.

*Problem logs.* Future problems can often be avoided if past problems are documented and understood. This too can be invaluable when developing risk management plans.

*Subcontractor performance records.* Many project managers find themselves going back to previous subcontractors that performed well, and these performances are often fed into an organization’s “approved supplier” database. Because these more formal databases lack detailed information it is best to keep records in the personal project history file.

*Customer satisfaction records.* Tracking past customer satisfaction records can also be invaluable when dealing with the same customer. By reviewing past data project managers can often anticipate what is important to a given customer and what is not important. A secondary benefit is gleaned when considering proposed changes to a new product’s features by knowing how the customer might view the value of a proposed change.

*Post project reviews (lessons learned).* The results of a lessons-learned review will often be forgotten after several weeks. Remembering what needs to be done to avoid past deficiencies can only be accomplished by having immediate access to them at any time.

## THE FINAL PROJECT REPORT

The purpose of the final project report is to document the history of the project in such a way that others can benefit from knowing its strengths and weaknesses.

Robert Wysocki<sup>1</sup> offers several key aspects that should be included in this report:

*Overall success of the project:* If a success model or success criteria were used, how successful was this project? This judgment can be very subjective unless a quantifiable model was established. An example of such a model can be found at [www.projectmgt.com](http://www.projectmgt.com).

*Organization of the project.* How effective was the organization of the project, and was it altered as the project progressed? What recommended changes might be offered for other similar projects?

*Techniques used to get results.* What techniques and processes were used to get results? This information can be gleaned from a comprehensive lessons-learned review and may be summarized here.

*Project strengths and weaknesses.* Every project has its own strengths and weaknesses. Documenting them clearly is the *sine qua non* of the final report. This would be much like a father telling a son how to live life successfully based on the father's vast experience.

*Project team recommendations.* Throughout the life of a project, a prudent project team will document ideas and suggestions for future project improvements. Summarizing them here will complete the "strengths and weaknesses" portion of the final report.

## CELEBRATING SUCCESS

Celebrating success brings healthy closure to the project and should involve everyone who participated on the project. When participants are located far from the central project team, accommodations should be made for them as well.

Some suggestions for celebrating project success are as follows:

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<sup>1</sup> Robert K. Wysocki, *Effective Project Management*, Fifth Edition (Indianapolis, Wiley Publishing, 2009), 291.

*Gather outside of work environment.* This lends to an informal, relaxed atmosphere, away from phone calls, e-mail, and general interruptions. Invite family members also.

*Recognize outstanding performers.* Both the project manager and the key stakeholders can recognize those individuals who made special, significant contributions to the success of the project. Recognitions should be very specific.

*Express your appreciation to all project participants.* Finally, the project manager should applaud all participants since project success comes from project members, and support personnel.

