



International  
Business School  
Suzhou at XJTLU  
西浦国际商学院

# Fundamentals of Project Management

MSc Project Management 2018/2019

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# Lecture 12 – Project Closure

## Agenda

- Project Closure and Termination
- What is Project Success?
- CPD and Professional organisations
- Risk Management 2.0



# Lecture 12 – Project Closure

## Project Closure and Termination



# Lecture 12 – Project Closure

## ✓ Project Closure

- ✓ Job Done
- ✓ Customer Delivery
- ✓ Reassignment of Resources
- ✓ Lessons Learned

**Success?**



# Lecture 12 – Project Closure

## ❖ Project Termination

- ✓ No delivery
- ✓ Project is stopped
- ✓ Lessons learned

**Failure?**



# Lecture 12 – Project Closure

## Similarities

- Project ends
- Lessons learned (?)

## Differences

- Delivery or not
- Reasons for end
- Strategic Impact



# Lecture 12 – Project Closure

## Decisions, decisions...

Make or break?

Throw good money after bad?

Too big to fail?

Strategic change

Kill to survive



# Lecture 12 – Project Closure

## Decisions, decisions...

Money is not everything

Does not determine ‚Success‘ or ‚Failure‘ (multidimensional)





# Lecture 12 – Project Closure

- Project Management requires hard choices under difficult circumstances, often on an ad hoc basis
- „Juggling dirty dishes while riding a bicycle that is on fire with one hand.“ (me)



# Lecture 12 – Project Closure

## **Recommendation:** Learn from the Project

1. Did we do the project right?
2. Did we do the right project?
3. What can we do better next time?



# Lecture 12 – Project Closure

## Reality

- Adios, muchachos
- No time to weep
- Corporate (executive) bubbles



# Lecture 12 – Project Closure

## Consequences

Same crap, different day (project)

Business as usual (until reality calls)

**Mistakes are repeated until they become fatal**



# Lecture 12 – Project Closure

## How to conduct a „Lessons learned“ review?

The end, not the beginning.

Only after all is done we can analyse the whole.

### Consequence:

Need to „stay in touch“, continuous professional development (CPD) and professional 360° review.



# Lecture 12 – Project Closure

## End of Project 1x1 (Closure)

1. Customer acceptance and handover
2. Pay all bills and release resources
3. Review and Evaluation

Orderly disengagement and handover.

Learn from mistakes and update knowledgebase.



# Lecture 12 – Project Closure

## End of Project 1x1 (Termination)

1. Review and Evaluation (negative cost-benefit analysis ?)
2. Customer acceptance (?)
3. Pay all bills and release resources

Damage limitation.

Withdraw as orderly as possible.

Learn from mistakes (?) and update the knowledgebase.



# Lecture 12 – Project Closure

## End of Project Documentation

Hand over customer documentation, manuals etc.

Employment related paperwork.

Review and Lessons learned report.





# Lecture 12 – Project Success

## What is Project Success?



# Lecture 12 – Project Success

## What is Project Success?

Time, Cost & Quality

Customer is happy

„We did not blow it up ...“

„We learned ...“



# Lecture 12 – Project Success

## Success has many dimensions

- Time will tell/Changing perception
  - Apple i-pod/pad/mac ... (Apple vs MS), MS 150m \$ investment ...
    - Apples vs MS -> Apple + MS
  - Stakeholders: Control to Collaboration (Sloan, 2009)
  - Nuclear Power (yes, no, yes, no, maybe ... )
  - Panama Canal and its enlargement
  - Trans-Australian Railway
  - ...



# Lecture 12 – Project Success

**What makes you successful?**

**What makes a Project successful?**

**It Depends...**



# Lecture 12 – Project Success

## **Did we do the Project right?**

Focusses on whether or not PM practice standards were used

## **Did we play by the rules?**



# Lecture 12 – Project Success

## **Did we do the right Project?**

Focusses on whether or not Project selection was adequate

## **Did we play by the rules?**

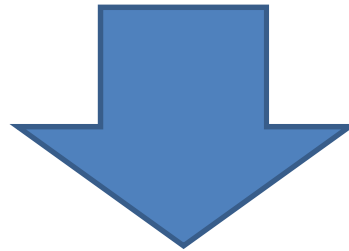


# Lecture 12 – Project Success

- Sometimes the best plan and action on the most careful selected Project still lead to failure.
- Change happens – Are our rules still current?
- How do we ensure accuracy of our framework(s)?



# Lecture 12 – Project Success



## Lessons learned review





# Lecture 12 – Lessons Learned

- Critical assessment on all levels
- Think the unthinkable
- Stop the „This is how we do it“ attitude
- Step outside the comfort zone



# Lecture 12 – Lessons Learned

## External evaluation?

- + Fresh pair of eyes
- + No groupthink
- + Neutral stance (?)
  
- Not “ours”
- No database
- Costs money

## Centralised Evaluation

- + Professional body
- + Fresh pair of eyes
- + Consistent
- + Database
  
- Groupthink (?)
- Not “ours”
- Elitism (?)
- Costs money



# Lecture 12 – Lessons Learned

- For complete and neutral feedback the evaluation should be handled **outside** the project/business
- Outside evaluator becomes a Stakeholder (!!!)
  - (Mutual) Engagement and Collaboration
- Centralised knowledgebase benefits all
  - Professional Organisations
  - Continuous learning (CPD)



# Lecture 12 – CPD and Professional Organisations

## CPD and Professional Organisations



# Lecture 12 – CPD and Professional Organisations

- PMI
- Axelos
- APM
- iPMA
- GPM
- P3.express



# Lecture 12 – CPD and Professional Organisations

## What?

- Data, Knowledge and Best Practices
- Award Body for Credentials
- Community
- Publications
- CPD



# Lecture 12 – CPD and Professional Organisations

## Why?

Times Change – Stay informed

Increasing credibility and employability

Networking



# Lecture 12 – CPD and Professional Organisations

Align your interest with the right organisation  
Get credentials





# Lecture 12 – CPD and Professional Organisations

- Project Management is about People
- Skill > knowledge
- EQ > IQ



# Lecture 12 – Risky Business

## Risk Management 2.0



# Lecture 12 – Risky Business

## What is risk?



# Lecture 12 – Risky Business

Projects are inherently risky!

Risk management focuses on managing risk events that could negatively affect the Project!

Basically we ask:

- What could go wrong?
- How bad could it be?
- What can we do?



# Lecture 12 – Risky Business

## Four (4) steps

1. Identify Risks
2. Assess Risks
3. Manage Risks
4. Monitor Risks

**This is a continuous process!**



# Lecture 12 – Risky Business

**Every event can (potentially) influence the Project.**

**We only know the truth after looking deeper!**



# Lecture 12 – Risky Business

## Risk Identification



# Lecture 12 – Risky Business

## “What could go wrong?”

- Brainstorming
  - Thinking outside the box
  - Worst Case
- 
- Create Categories
  - Be creative
  - Remember the past





# Lecture 12 – Risky Business

## Things change

- New Risks develop
- Risk disappears
  
- We need to rethink



# Lecture 12 – Risky Business

## Risk Assessment



# Lecture 12 – Risky Business

**“How bad can it be?!” (How much will it cost us)**

Quantitative Assessment

Qualitative Assessment

Likelihood x Damage = Impact

➤ Risk Canvas



# Lecture 12 – Risky Business

**To manage risk and to decide on our response, we need to 360° assess the risk.**



# Lecture 12 – Risky Business

## Risk Management



# Lecture 12 – Risky Business

## What will we do if it happens?

- Avoid
- Mitigate
- Accept



# Lecture 12 – Risky Business

## Risk avoidance

**What can we do so it does not happen?**

Redundancies

Work around the problem/Change the process



# Lecture 12 – Risky Business

## Risk Mitigation

**How can we reduce likeliness or damage of risk event(s)?**

Insurance

Change the process





# Lecture 12 – Risky Business

**Accept it**

**Shit Risk happens!**

Out of our hands

Too expensive

Not very likely

We can afford it



# Lecture 12 – Risky Business

**Develop a response**

**If X then Y**

**(Risk Response Matrix)**



# Lecture 12 – Risky Business

RISK	IMPACT	LIKELIHOOD OF OCCURRENCE (L, M, H)	DEGREE OF IMPACT (L, M, H)	ACTION ON TRIGGER	RESPONSIBILITY	RESPONSE PLAN
Rain on day of event	<ul style="list-style-type: none"> <li>•Low attendance</li> <li>•Incur financial loss</li> </ul>	M	H	Weather forecast two days before event	Laura	<ul style="list-style-type: none"> <li>•Reserve indoor space now</li> <li>•Recruit extra volunteers to work around the clock to set up indoors</li> <li>•Develop detailed plan</li> </ul>
Road construction	<ul style="list-style-type: none"> <li>•Reduced attendance</li> <li>•Reduced revenue</li> </ul>	H	H	Highway Department publishes construction schedule	Allison	<ul style="list-style-type: none"> <li>•Identify alternate routes</li> <li>•Have signs made</li> <li>•Post signs along all routes</li> <li>•Announce in news media</li> </ul>



# Lecture 12 – Risky Business

## Risk Control



# Lecture 12 – Risky Business

**Once more unto the breach.....**

*(Shakespeare, Henry V, Act III, 1598)*



# Lecture 12 – Risky Business

## Change happens

New situation requires new analysis

The project changes and goes forward (learning curve)

Everything could affect the project

For want of a nail.. (Benjamin Franklin, 1758)

- Small issues can have big consequences
- Do not overlook things or neglect them!



# Lecture 12

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Thank you  
for your attention!

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