

# FACTORS AND STEPS TO TERMINATION OF PROJECT

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**Abstract:** Many companies come up with different products and services. These all originate with a plan which is thoroughly vetted by CEOs and CFOs and when given a green signal or a go ahead, they are implemented. All planning revolves around project cycle of the product or service which is going to be launched which includes defining the project, planning, implementing and at the end terminating it. This paper goes around exploring different issues related to termination of a project. Let us understand the whole concept of termination and why it happens. Termination of a project becomes inevitable when the project has ceased or slowed down where no further progress is possible.

**Keywords:** Project termination.

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## Reasons for termination

Starting with a real life example of ATM (Automatic Teller Machine Cards) which were introduced in late 80s, it was one of the great inventions for banking industry as it took off load from tellers and cahiers and made people self reliant in obtaining cash any time without any hurdle from any place. For years the plastic card was used for withdrawal of cash only. This project was undertaken by many banks as it was a revolutionary invention and every other bank in co-operated it in its operations. A special project team was constituted for this in every bank that used to monitor ATM transactions and assist users with all sort of help associated with it. Now with the advent of technology, ATM cards have revolutionized and now they do not come with the same function of withdrawing of cash, instead they not only provide cash but also provide other facilities such as online banking, payment of utility bill, internet banking and point of sale transactions and for this they have to introduce 'Debit' cards causing a termination of the old ATM project unit.

## Types of project termination

Carrying on the above example, what are the types of terminations fits into the example described above. Termination happens by extinction, addition, integration or starvation. In extinction, a project gets failed or is superseded by a new development or it becomes so successful that it is no longer being required as all goals are achieved. In addition, if a project is a success, it might be incorporated to the main parent organization. Here personnel, property, resources and equipment are simply transferred from the dying project to the newly born project. Integration is a type of termination in which only successful projects property; equipment and resources are divided among different sections of industry.

Lastly termination by starvation happens when the senior management decides to leave the project and let it die on its own as it does not want to roll back as it would be politically dangerous for them to do so. Here in the ATM example, we see that 'extinction' would be more suitable over here as the ATM card served the purpose of providing cash to people when their bank is not available so it served the core purpose, but when new features were incorporated, then it required a new program all together as the old program is being superseded with the help of technology

### **How strategy plays its role in project termination**

Project termination does not prop up anytime, it requires a certain situation which can either be planned or unplanned for example sometimes a product or service fails, then company have to terminate the plan immediately because it does not fit with your strategically aligned goals like for ATM cards. Banks have always been proponent in cutting down workforce and the best way was to decrease operational staff so having features of online banking, paying off utility bills, internet and mobile banking options are linked with the strategy which is to decrease the workforce and make banks a paperless environment so it caused the ATM project to close and start off with a new one modified one, Debit card.

Apart from it, one should be aware of one of the grave strategic implication which is the customers and client's feedback. A company while terminating its project may overlooks customer's expectation that former would never shut down the project trampling its own credibility in front of customers which would be considered as suicide. The product which is going well in the market and is suddenly called back by company raises eyebrows which can lead to a wrong impression in customer's mind. For example Nestle introduced 'three in one' coffee sachets for espresso coffee in 1980s (Greenwald, 1986). When the sales were at the peak, it recalled the stock back and then re launched the stock with a new brand name after a year. It left a bad impression on consumers as they then started suspected what caused Nestle to take back all stock in no time even when winter season was on.

### **Strategies accounting for termination**

Before terminating a project, a decision model should be taken into account in deciding whether a project should be terminated or not. This requires profound analysis which answers different questions over whether the project fulfilled its goals or not or whether the project qualifies a set of factors held against it comparing with other successful projects. As ATM card example is concerned over here, company believes that new technology supersede the old one as it has latest features which are demanded by customers.

Also the new technology is getting increasingly adopted by various banks around the globe so it is better to shut down the current operation and start the new one. It is also pertinent to mention over here that the decision criteria, constraints, weights and environmental data are unique to each organization so care must be practiced in making those models. Also, teams should be made in current team working on the same project so they can start its termination process too. This has a strategic benefit that employees do not feel let down and they can find different jobs in mean time while working on termination project.

### **Activities after termination**

Concluding the whole discussion above, post termination activities is equivalent to an audit report which revolves around various aspects having crux of the report. The report is based on recording chronicles over life of project which includes performance comments which deals on how was the performance of the project as whole, administrative performance comments which deals in the employees performance on handling the issues, organizational structure which deals in how the things should have gone in order to make enterprise more successful and lastly any personal suggestions over the project which could have made it much better. Evaluation of income and expenses also come in this whole report which gives us analysis over what went wrong, which thing was bought on high prices or what deal was not beneficial for the company which led to the termination of project.

When project ends on a positive note, even then an audit and performance report is necessary because it clearly marks out the best practices which can be used in other projects by other teams working on it.

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