Lesson 11: Program Closure Supporting Processes

Based on *PMBOK® Guide* – Fifth Edition
and
The Standard for Program Management – Third Edition

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Agenda

✓ Program Financial Management

➢ Program Financial Closure

✓ Program Procurement Management

➢ Program Procurement Closure

✓ Program Integration Management

➢ Program Transition and Benefits Sustainment

➢ Program Closure

Program Financial Closure

✓ Program financial closure involves:
  ➢ Establishing budgets necessary for long-term sustenance of program benefits through operations or appropriate organizational entity;
  ➢ Preparing final financial performance reports; and
  ➢ Returning unused funds to the organization.

✓ Output:
  ➢ Input to final performance reports;
  ➢ Updates to the program financial management plan;
  ➢ Input to the knowledge repository;
  ➢ Documentation of new tools and techniques used in the course of the program into the knowledge management system;
  ➢ Financial closing statements; and
  ➢ Closed program budget.

Program Procurement Closure

✓ Formally close out each contract on the program after ensuring that:

➢ All deliverables have been satisfactorily delivered and accepted;

➢ All payments have been made and there are no outstanding contractual issues; and

➢ Acknowledgement of closure is received from the suppliers.

✓ Outputs:

➢ Updates to lessons learned; and

➢ Closed contracts.

Program Transition and Benefits Sustainment

✓ Involves making arrangements for transitioning the ownership of benefits to another organization or operation for long-term sustenance.

✓ It may involve transfer of knowledge and resources to ensure continued realization of benefits.

✓ Benefits sustainment may be achieved through operations, maintenance, new projects, or other efforts.

Program Closure

- ✓ Program ends either because charter is achieved or it is determined that it needs to be closed for other reasons.
- ✓ Usually the closure of all components is necessary before the overall program closes.
- ✓ Activities:
  - ➢ Preparation of final reports that summarize:
    - Financial and performance assessments;
    - Successes and failures;
    - Areas of improvement;
    - Risk management outcomes;
    - Unforeseen risks that came up;
    - Customer sign-off;
    - Reasons for program closure;
    - Technical and programmatic baseline history; and
    - Program documentation archive plan.
  - ➢ Knowledge transition: Transfer of lessons learned and knowledge gathered on the program to operation team for support activities which includes documentation and training.
  - ➢ Resource disposition: Release of resources at program and component levels so that resource utilization can be effective in the organization.
  - ➢ Program closeout: This includes formal program closure.

Summary

✓ The program manager needs to ensure that the benefits are transitioned and arrangements are made for their long-term sustenance.

✓ Remember that PMI places a strong emphasis on orderly closure of projects and programs.

✓ All the financial matters related to the program must be brought to a close by producing final financial statements and closing all the books.

✓ All the procurements and contracts entered by the program or its components must be closed before the program can close.

Quiz – 1

A program was closed a month ago and was deemed a big success. A celebration was held and the team was felicitated. However, the management feels that the benefits of the program are not yet being realized because the operations are not enabled to properly maintain some of the deliverables produced. Who should accept accountability?

a)   The program sponsor should accept accountability because ultimately he represents the interest of the organization

b)   The program manager should accept accountability because he needs to deliver the benefits

c)   Manager of the components which produced the un-maintainable deliverables because they haven't done a high-quality job

d)   The operations manager, because he should have ensured proper transition before taking over responsibility

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b) The program manager should accept accountability because he needs to deliver the benefits
c) Manager of the components which produced the un-maintainable deliverables because they haven't done a high-quality job
d) The operations manager, because he should have ensured proper transition before taking over responsibility

Answer: b. The program manager should accept accountability because he needs to deliver the benefits.
Explanation: The program manager needs to ensure delivery and long-term sustenance of the benefits. Others may be responsible but the accountability lies with the program manager.

Quiz – 2

A project manager in a program just completed the final deliverable and is urgently required to fly abroad for another important assignment. What should the program manager do about the component closure formalities?

a)   Stand in for the project manager and complete the closure himself

b)   Appoint a team member to perform closure instead of the project manager

c)   Ask the project manager to complete the closure before he leaves

d)   Find an alternative for the important assignment to ensure that the closure process is carried out properly and thoroughly

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c) Ask the project manager to complete the closure before he leaves
d) Find an alternative for the important assignment to ensure that the closure process is carried out properly and thoroughly

Answer: c. Ask the project manager to complete the closure before he leaves.
Explanation: The closure process should be carried out – it is mandatory and non-negotiable. While it may be possible for someone else to do this, the project manager should try to finish the job to the best extent possible – it should not be that time-consuming.

Thank You