

## Best Practices Statement – Project Management

**Title:** Best Practices for Managing State  
Information Technology Projects

**Document Number:** BP33-001

**Effective Date:** 09/01/2003

**Published by:** Office of Information Technology

### 1.0 Purpose

- 1.1 This best practice document was created to a) assist agencies in their project management planning and, b) provide an easily transportable and user friendly project management methodology reference for agencies within the State of Arkansas.
- 1.2 The best practice guidelines are generic enough to be applied to all projects within the state. It is transferable from project to project but is not intended to be the sole source of information on Project Management.

### 2.0 Scope

- 2.1 The Project Management Best Practices support Arkansas Policy Statement PS-33, Project Management: Guidelines for Managing State Information Technology Projects: <http://www.cio.arkansas.gov/techarch/indexes/policies.htm>
- 2.2 These Project Management Best Practices tend to focus on information technology projects. However, the best practices can be applied to other types of projects (e.g., manufacturing, constructions, research and development, and marketing).
- 2.3 Policy Statement-33 is the state policy regarding project management and serves as a guideline for managing information technology projects for the State of Arkansas.
- 2.4 The Project Management Best Practices are a basis for a standard sequence of processes and associated documents that will facilitate the implementation and control of project management phases at all levels of state government.
- 2.5 The Project Management Best Practices are intended for top-level managers, experienced and non-experienced project managers, project mentors and coaches, project management instructors, project team members, technology-oriented project participants, project management offices, and any interested individual desiring to gain an overview insight into conducting project management activities and recording the necessary documentation for the project.

### 3.0 Background

- 3.1 Agencies are required to submit a summation of the project management methodology used for each qualified project as part of their biennial information technology (IT) plan. The summation will be provided in the Project Reporting and Approval Form (PRAF) which is part of the agency biennial IT plan.

- 3.2 The Project Management Best Practices are based on the Department of Information Systems, Project and Enterprise Program Management Office Methodology.

## 4.0 References

- 4.1 Policy PS-33 - Project Management : Managing State Information Technology Projects: <http://www.cio.arkansas.gov/techarch/indexes/policies.htm>

4.1.1 The purpose of the policy statement is to provide state agencies with the necessary guidelines for managing the state of Arkansas's information technology projects.

4.1.2 The guidelines are provided to help ensure that information technology projects are conducted in a disciplined, well-managed, and consistent manner that promotes the delivery of quality products and services.

## 5.0 Best Practices Recommendation

### 5.1 Background

It is important to understand the connection that exists between agency project management and the state's Portfolio Management approach to IT planning (managed by the Office of Information Technology). Business case justification of technology projects is central to the Portfolio Management approach. Having a strong project management methodology in place improves the project's business case. The project management part of the business case justification will be documented in the Project Request and Assessment Form (PRAF) required for technology projects. In addition to the PRAF, the business case justification requires an ROI assessment, a risk assessment, an impact assessment, and an identification of funding sources. Forms and tools for supporting the business case justification are available on the OIT web site.

All information technology (IT) projects require some elements of project management methodology. For example, most projects should include an understanding of project requirements, project costs, and the level of effort to complete the project. On the other hand, while projects may require an understanding of risks and testing requirements, not all require a formal Risk Management Plan or Testing Plan. Deciding the project's magnitude and the extent of the project management methodology to apply (and the level of detail in any of those elements) can be a challenging task. The two matrices below are designed to help eliminate some of that confusion. The first matrix provides guidelines for defining your project as small, medium, or large. Based on that assessment, the second matrix should assist you in determining what elements of a structured PM methodology should be applied to your project. While this tool still leaves plenty of room for your individual judgment, it should assist you in putting your project into perspective.

Because there exists a wide variety of project sizes and characteristics, this 'best practices' document was created to assist agencies of all sizes to approach the management of individual projects in a uniform way, thereby reducing that element of risk to the project and thus improving the project's business case.

### 5.2 Determining the Magnitude of the Project

Determining the size and scope of a project (i.e. costs, impact, and criticality) is an important first step; the size and scope of a project will determine to what degree project management components are implemented. The following matrix can be used as a guideline for defining your project as small, medium, or large:

Respond to each of the following questions by allocating a value of a 0 to 4 significance as the response.

0 = significance is non-existent; 1 = minimally significant; 2 = average significance; 3 = above average significance; 4 = extremely significant

1. The project will impact operations, disk storage, computer processing, network, testing environment, and customer service? 0 – 1 – 2 – 3 - 4
2. The project will impact staffing? 0 – 1 – 2 – 3 - 4
3. The project is cross-Agency, whole-of-government and/or involves more than one tier of Government? 0 – 1 – 2 – 3 - 4
4. The project will impact business operations? 0 – 1 – 2 – 3 - 4
5. The project involves security of and integrity of data and physical safety of equipment? 0 – 1 – 2 – 3 - 4
6. The project will require anticipated training? 0 – 1 – 2 – 3 - 4
7. The project's implementation elapsed time period? 0 – 1 – 2 – 3 - 4
8. The project's level of strategic importance? 0 – 1 – 2 – 3 - 4
9. The projects will impact the State's customers, clients, and citizens (the projects scope of beneficiaries)? 0 – 1 – 2 – 3 - 4
10. The project requires large development costs (start-up expenditures)? 0 – 1 – 2 – 3 - 4
11. The project's required operating costs (sum of all on-going expenditures)? 0 – 1 – 2 – 3 - 4
12. The proposed system's compatibility issues with existing technologies? 0 – 1 – 2 – 3 - 4
13. The project involves a mission critical application system? 0 – 1 – 2 – 3 - 4
14. The consequences of not doing the project? 0 – 1 – 2 – 3 - 4

Add up the score from the fifteen questions:

- If the project scored 48-60, the project's magnitude is large.
- If the project scored 36-47, the project's magnitude is medium to large.
- If the project scored 24-35, the project's magnitude is medium.
- If the project scored 12-23, the project's magnitude is small to medium.
- If the project scored 0-11, the project's magnitude is small.

How much of the Project Management components should be applied?

- After the project's scope has been determined, the amount of project management activity and documentation required can be determined by the matrix below.
- If it is a high score, the application of project management methodology to its fullest extent should seriously be considered.

## Project Management Requirements Matrix

After estimating the size of the project, review the sections of the Project Management Best Practice (PMBP) table indicated below. Sections that should be completed vary, based on a project's scope and size. Additional information may be required if the project is critical in nature or has an impact on the agency as a whole.

Sections that should be completed are indicated by "yes"

Sections that are optional depending on which end of the scale the project falls are indicated by "opt"

Source	Category	Small Project	Medium Project	Large Project	Required by OIT for Business Case
PMBP 5.3.4	Define Project Staff Roles and Responsibilities	-	opt	yes	-
PMBP 5.4.2	Project Feasibility	-	yes	yes	-
PMBP 5.4.3	Project Concept Document	-	yes	yes	-
PMBP 5.4.4	Project Charter	yes	yes	yes	-
PMBP 5.4.6	Project Kick-off Meeting	-	opt	yes	-
PMBP 5.5	Project Planning Phase	yes	yes	yes	yes
PMBP 5.5.3	Scope Statement	yes	yes	yes	yes
PMBP 5.5.3	Scope Management Plan	-	opt	yes	-
PMBP 5.5.4	Cost Analysis	-	-	yes	yes
PMBP 5.5.5	Work Breakdown Structure	opt	yes	yes	-
PMBP 5.5.6	Organizational Breakdown Structure	-	-	yes	-
PMBP 5.5.7	Resource Plan	-	opt	yes	-
PMBP 5.5.8	Project Schedule	yes	yes	yes	-
PMBP 5.5.9	Risks Identified	yes	yes	yes	yes
PMBP 5.5.9	Risk Management Plan	-	opt	yes	-
PMBP 5.5.10	Procurement Plan	opt	opt	yes	-
PMBP 5.5.11	Quality Plan	-	opt	yes	-
PMBP 5.5.12	Communication Plan	-	opt	yes	-
PMBP 5.5.13	Change Management Plan	-	opt	yes	-
PMBP 5.5.14	Budget Estimates	yes	yes	yes	yes
PMBP 5.5.14	Cost Management Plan	-	opt	yes	-
PMBP 5.8	Post Implementation Evaluation Report (PIER)	-	yes	yes	-
*Business Case Tools	Risk Analysis	-	-	-	yes
	Impact Analysis	-	-	-	yes
	Return on Investment	-	-	-	yes
	Fund Source	-	-	-	yes

\* The Business Case Tools are available from OIT for the purpose of assisting agencies in project justification.

### 5.3 Project Management Overview

- 5.3.1** Introduction: Project Management is the application of knowledge, skills, tools, and techniques to project activities to meet project requirements.
- 5.3.2** Project Management Methodology: A project management methodology provides standard project management methods and guidelines for managing projects in a disciplined, well managed, and consistent manner that promotes the delivery of quality products and services.
- 5.3.3** Project Definition: "A project is defined as a temporary endeavor undertaken to create a unique product or service," - (PMI®).

**5.3.3.1** A project is considered to be a temporary process because the project goal is to implement a specific product or create a certain process. Because of this objective the completion point of the project must be defined and agreed upon with the stakeholders.

**5.3.3.2** All projects are unique and take on different forms that present many degrees of uncertainty. Managing these projects dictate that organizations divide them into manageable pieces called project phases. Collectively these phases are known as the project life cycle. The project life cycle methodology is divided into five project phases:

- Initiation Phase
- Planning Phase
- Execution Phase
- Control Phase
- Closeout Phase

**5.3.4 Roles and Responsibilities:** It is important to have a defined formal structure for the project and for the project staff. This provides each individual with a clear understanding of the authority given and responsibility necessary for the successful accomplishment of project activities.

**5.3.4.1** Common Roles and their responsibilities for a project. These can vary depending on the size of the project.

- Project Manager – has ultimate responsibility for ensuring project success in all areas.
- Customer – person(s) or organization(s) that use the product/services of the project.
- Project Team Members – are responsible for performing the work on the project.
- Project Sponsor – leads in getting the need for the project recognized and providing financial resources.
- Configuration Management – manages the deliverable changes within the boundaries of the project.
- Quality Assurance – verifies the ability of the product/process to meet the stated requirements.

**5.3.5 IT Components for Project Overview:** Information technology (IT) projects are very similar in nature to non-information technology projects in many respects. From the aspect of a project definition, IT projects are still temporary in nature and have a clear start and end date, a defined set of deliverables, and a limited budget. The subtle difference lies in the steps taken to develop the IT product. Many times Product Lifecycle Methods are merged with traditional Project Management Processes to create a dynamic set of processes for a Project Manager to use.

## **5.4 Project Initiation Phase**

**5.4.1** Introduction: The Project Initiation Phase is the conceptual element of project management. The purpose of the Initiation Phase is to specify what the project should accomplish and to gain management support.

**5.4.1.1** It is during this phase that the customer's needs are adequately articulated. After identifying the need, it is crucial that well crafted goals and objectives be developed to keep the project focused in the right direction.

**5.4.1.2** Activities conducted during the Initiation Phase will eventually be integrated into the various planning documents and will drive the planning elements such as the project's schedule and budget.

**5.4.1.3** The basic processes for the Project Initiation Phase are:

- Development of business needs
- Development of purpose and objectives
- Creation of a Project Description Statement
- Selection of an initial due date
- Development of resource costs
- Development of Project Feasibility
- Development of a Project Concept Document
- Creation of Project Charter

#### **5.4.2 Project Feasibility**

**5.4.2.1** The purpose of this effort is to identify project constraints, alternatives, and related assumptions as they apply to the product/service to be developed. There are three basic components to Project Feasibility: a) business problem description; b) potential solutions of the problem; and c) preliminary recommendations.

#### **5.4.3 Project Concept Document**

**5.4.3.1** The Project Concept Document defines the project's reason for being. It defines a high-level approach, Critical Success Factors, Product Description Statement, and other top-level planning information.

**5.4.3.2** The Project Concept Document should define what is to be done, why it is to be done, and what business value it will provide when the project is completed.

**5.4.3.3** Product Description Statement:

This is a high-level statement contained within the Project Concept Document, which describes the characteristics of the product/process to be created. Typically, a Product Description Statement does not have a great deal of detail and will be used as a basis for building progressively more detailed descriptions within the Planning Phase.

**5.4.3.4** Strategic and Background Information:

This section focuses attention on the compatibility of the project and the strategic and technical direction of the agency. The section should identify functional areas impacted within the agency as well as outside of the agency. Technology areas should be identified as well. SQL Database, Desktop Application, Client Server Architecture, and Data Services are examples of technology to identify.

#### **5.4.4 Project Charter**

**5.4.4.1** A Project Charter is created to formally communicate the existence of the project. The Project Charter is issued at the end of the Project Initiation Phase and is looked upon as the beginning of the Planning Phase of a project. It is used as the basis to create the Project Plan.

**5.4.4.2** Inputs to developing the Project Charter are the Project Feasibility Document and the Project Concept Document. These documents identify a need and establish senior management commitment.

**5.4.4.3** The Project Charter contains the following attributes within it:

- Project Scope
- Project Authority
- Critical Success Factors

#### **5.4.5 Project Initiation Transition Checklist**

**5.4.5.1** In order to transition from the Initiation Phase to the Planning Phase of the project it is important to make sure that all of the necessary documents that are pertinent to the particular project in question have been completed.

**5.4.5.2** The Transition Checklist helps to ensure that all start-up tasks are completed prior to actually starting the project. The Transition Checklist becomes a way for the Project Manager to organize and communicate tasks that should be completed prior to starting the project.

#### **5.4.6 Project Kick-off Meeting**

**5.4.6.1** The Project Kick-off meeting is the event that formally marks the beginning of the project. It is most likely the first opportunity for the Project Manager to assemble the entire Project Team to discuss the project's vision and Project Charter.

### **5.5 Project Planning Phase**

**5.5.1** Introduction: The Project Planning Phase is considered the most important phase in project management. The purpose of this phase is to 1) establish business requirements, 2) to establish precise costs and schedule of the project (including a list of deliverables and delivery dates), 3) to establish the work organization, and 4) to obtain management approval.

**5.5.2** The Planning Process and the Project Plan: Project Planning is a process that takes time and attention. Project Planning defines the project activities that will be performed, the end products that will be produced and describes how all of these activities will be accomplished.

**5.5.2.1** Adequate planning ensures stakeholders and team members will have a complete understanding of expectations, that all activities are properly defined and resource requirements are understood.

**5.5.2.2** The Planning Process involves identifying and documenting:

- The specific work and goals that define the project
- The estimates for planning, tracking and controlling the project
- The project alternatives, assumptions, and constraints
- The baseline from which the project will be managed.

**5.5.2.3** "A Project Plan is a formal, approved document that is used to guide both project execution and project control," - PMI®. There are several steps necessary to establish a Project Plan. The Project Plan is a dynamic document that is expected to go through many changes during the life of the project.

**5.5.2.4** The Project Plan should include, at a minimum:

- A project summary
- A project scope statement
- Cost benefit analysis
- Project schedule
- Risk plan
- Quality plan
- Work breakdown structure
- Communications plan
- Project budget estimate
- Project transition checklist.

**5.5.3 Scope Plan:** “Scope Planning is a process of progressively elaborating and documenting the project work (project scope) that produces the product of the project,” - PMI®.

**5.5.3.1** Scope Planning looks at project scope from the viewpoint of the user. It describes what will be delivered to the users and be written in “user language” rather than technical language.” Project scope describes what is included in the project or project phase, and equally important, what will be excluded, such as functions that will not be automated or customers that will not be served.

**5.5.3.2** The Scope Statement should include the project description, justification, a summary of the product, the major deliverables, business functions, what organizations will be affected, technologies to be used, costs/benefits summary and risk factors.

**5.5.3.3** The Project Scope Management Plan describes how the project scope will be managed and how scope changes will be integrated.

**5.5.4 Cost Analysis:** Cost Analysis provides the information to make a balanced decision about the cost, benefits, or value, of various economic choices.

**5.5.4.1** The amount of detail and information included in a Cost Analysis will depend on the size and complexity of the project. Large and small projects should cover the same subjects, but a smaller project may be more consolidated.

**5.5.4.2** The Cost Analysis should always include a complete list of assumptions and ground rules along with supporting rationale, guidance, and references. The important criteria are that they are reasonable and based on historical data, economic forecasts, or planned changes in processes or operations.

**5.5.5 Work Breakdown Structure:** The Work Breakdown Structure (WBS) decomposes the entire project into a logical structure of tasks and activities that are tied to deliverables and to assigned responsibilities.

**5.5.5.1** The Work Breakdown Structure is simple in its intent but can be elaborate in its presentation and may be presented in various formats such as a simple bulletized list of activities, a graphical representation or a detailed spreadsheet list of tasks and subtasks.

**5.5.5.2** A Work Breakdown Structure can be described as a family tree of related deliverables and tasks that make up an entire project and the common

basis for defining all of a project's major deliverable components. A high-level WBS for an IT project might have the following structure.

Project XYZ Work Breakdown Structure

- Project Management
- Communications
- Documentation
- Hardware
- Software
- Systems Engineering
- Facilities
- Training

**5.5.6 Organizational Breakdown Structure:** An Organizational Breakdown Structure (OBS) is a specific type of organization chart that shows which organizational units are responsible for specific work tasks or packages. It is used with the WBS to ensure all elements of a project are assigned to and controlled by a responsible unit.

**5.5.7 Resource Planning:** Resource Planning is comprised of establishing a team that possesses the skills required to perform the work as well as scheduling the tools, equipment, and processes that enable the staff to complete the project.

**5.5.8 Project Schedule Development:** The project schedule provides a graphical representation of predicted tasks, milestones, dependencies, resource requirements, task duration, and deadlines.

**5.5.8.1** The master schedule inter-relates all tasks on a common time scale.

**5.5.8.2** The project schedule should be detailed enough to show each task to be performed, the name of the person responsible for completing the task, the start and end date of each task, and the expected duration of the task.

**5.5.8.3** The project schedule is used to manage the project by comparing the actual progress against the initial baseline schedule.

**5.5.9 Risk Management:** A risk is any factor that may potentially interfere with successful completion of the project. A risk is the recognition that a problem or opportunity might occur.

**5.5.9.1** The Risk Management Plan documents the procedures used to manage risk throughout the project. In addition to documenting the results of the risk identification and analysis phases, it must cover who is responsible for managing various areas of risk, how risk will be tracked throughout the project, how contingency plans will be implemented, and how project reserves will be allocated to handle risks.

**5.5.10 Procurement Planning:** Procurement Planning is the process in which the Project Manager identifies those needs of the project which can be met by purchasing products or services from outside the agency.

**5.5.10.1** Identification of the items to be purchased should be accomplished in the early stages of the project. Procurement Planning should answer the following major questions:

- What should be purchased?
- What is available in the market now or is expected to be available in the required timeframe?
- What are the appropriate requirements for the purchased item?

- What is the right timeframe and procurement strategy for this purchase?
- What is the appropriate solicitation procedure?
- Who are the most viable potential vendors and what are the key source selection criteria?
- What is the total cost, not just price, of the purchase?

**5.5.11 Quality Planning:** Quality Management includes “all activities of the overall management functions that determine the quality policy, objectives, and responsibilities and implements them by means such as quality planning, quality assurance, quality control, and quality improvement, within the quality system,” - PMBOK®.

**5.5.11.1** The purpose of using quality management is to improve products and services while achieving cost reductions throughout the project.

**5.5.11.2** “Quality Planning involves identifying which quality standards are relevant to the project and determining how to satisfy them,” - PMBOK®.

**5.5.11.3** Quality Assurance is the evaluation of overall project performance on a regular basis to provide confidence that the project will satisfy the relevant quality standards.

**5.5.11.4** Quality Control involves monitoring specific project results to determine if they comply with relevant quality standards and identifying ways to eliminate causes of unsatisfactory performance.

**5.5.12 Communications Planning:** Communications Planning involves defining the information needs of project stakeholders, as well as which people need what information, when it will be needed, and how they will get it.

**5.5.12.1** The Communications Plan should outline how information will be distributed, updated, and stored.

**5.5.12.2** Performance reporting and project status reports are some of the various types of reports that are communicated.

**5.5.13 Change Management Planning:** Change Management is the technical and administrative application of change control. Change Control is the systematic evaluation, coordination, approval or disapproval and dissemination of proposed changes and implementation of all approved changes in the configuration of any item after formal establishment of its baseline. Change Management should be carried out on all projects, especially those projects that are large or complex.

**5.5.14 Project Budgeting:** Project Budgeting is the determination of costs associated with the defined activities. The steps associated with budgeting are highly dependent upon both the estimated lengths of tasks and the resources assigned to the project.

**5.5.14.1** Initial budgetary estimates can often be based on availability of funds or may be dictated by legislation. This parameter may or may not coincide with the actual funds needed to perform the project. Appropriations and Funding for an agency are affected by project budgets and should be considered when doing project budget estimates.

**5.5.14.2** The Cost Management Plan should describe how cost variances will be managed. Variance controls may be different from project to project.

**5.5.15 Project Planning Transition Checklist:** In order to transition from the Planning Phase to the Execution Phase of the project, it is important to make sure that all of the necessary plans and documents that are pertinent to the project have been completed.

## 5.6 Project Execution Phase

**5.6.1 Introduction:** The Execution Phase is where the actual work is done to create the product of the project. The project team's and specifically the Project Manager's focus now shifts from planning the project to participating in, observing, and analyzing the work being done.

### 5.6.2 Executing the Project Plan

**5.6.2.1** The Project Plan Execution Process ensures that planned project activities are carried out in an effective and efficient way while ensuring that measurements against project plans, specifications, and the original project feasibility concept continue to be collected, analyzed and acted on throughout the project lifecycle.

**5.6.2.2** Project execution relies heavily on the plans developed in the Planning Phase. The Project Manager supports and monitors the execution of other important project plans such as the Communications Plan, the Risk Plan and Procurement Plan via daily interaction with the project team and stakeholders.

### 5.6.3 Risk Monitoring

**5.6.3.1** Part of controlling a project during the Execution Phase is to have an established risk management process. The key elements to this process are:

- Creating a central repository for risk information and associated documentation of risk items and resolution strategies.
- Summarizing information on a risk form.
- Including a risk summary in the regular status meetings.
- Providing a consistent and ongoing evaluation of risk items and development of risk strategies:
  - Identify the risk.
  - Evaluate the risk.
  - Define a resolution

**5.4.3.2** During the Execution Phase, risks are more definitive, and tangible resolution strategies emerge. This allows for the development of realistic contingency plans, including specific action plans. These actions must then be tracked. The actual format for the Risk Management Plan should reflect these activities.

### 5.6.4 Status Reporting

**5.6.4.1** Status reporting is an integral part of the project management processes. It is the means by which the project team, the stakeholders, and executive management stay informed about the progress and key activities required to successfully complete the project.

**5.6.4.2** A Status Report should be tailored to the project, but should be the same form for the full team. The Status Report should be used to report key information including:

- Current Status.
- Significant accomplishments for the period.
- Scheduled activities.
- Issues.

## **5.7 Project Control Phase**

**5.7.1** Introduction: Project Control involves the regular review of metrics and reports that will identify variances from the project baseline. The variances are determined by comparing the actual performance metrics in the Execution Phase against the baseline metrics assigned during the Planning Phase. These variances are incorporated into control processes to evaluate their meaning. If significant variances are discovered (variances that place the completion of the project in jeopardy) adjustments are made to the project plan.

### **5.7.2 Change Control Systems**

**5.7.2.1** The detail and exact procedures of a Change Control System may be created in many different forms balancing resource availability and risk. Typical Change Control Systems are described as:

- A Change Control System is a collection of formal, documented procedures that defines the steps by which official project documents may be changed. It includes the paperwork, tracking systems, and approval levels necessary for authorizing changes.
- Many Change Control Systems include a Change Control Board (CCB), or other panel, responsible for approving or rejecting change requests. The power and responsibilities of a Change Control Board should be well-defined and agreed upon by key stakeholders. On large, complex projects, there may be multiple Change Control Boards with different responsibilities.
- The Change Control System must also include procedures to handle changes, which may be approved without prior review. An example is changes that occur as the result of an emergency. These changes must still be documented and captured so that they do not cause problems later in the project.

**5.7.2.2** Change Control Systems can be at the Agency level or on a project level. A Change Control System is typically used for changes that occur in the following areas:

- Scope
- Schedule
- Risk
- Quality
- Cost
- Contract Administration

### **5.7.3 Change Control Process**

**5.7.3.1** A Change Control Process is the process where an individual is required to submit information on a change to be considered. Anyone within the project team, customer, stakeholders, or contractors can submit a change request. This is to be done in writing either on paper or in automated format.

**5.7.3.2** A Change Control format template can be used. The project team can also design its own template and add or change the information as requested.

## **5.7.4 Issues Management Process**

**5.7.4.1** Issue Management Process provides a mechanism for organizing, maintaining, and tracking the resolution of issues that cannot be resolved at the “individual” level. The approach consists of issue control mechanisms and a well-defined process that enables the project team to identify, address, and prioritize problems and issues.

## **5.8 Project Close-Out**

**5.8.1** Introduction: Project closeout is the last major phase of a project’s lifecycle. This phase is performed once all defined project objectives have been met and the customer has accepted the project’s product. Closing a project is a routine task. Common tasks are:

- Redistribution of resources, including staff, facilities, equipment and automated systems.
- Closing out any financial issues such as labor charge codes and contract closure.
- Collect, complete and archive project records.
- Document the success and issues of the project.
- Conduct a “lessons learned” session.
- Celebrate project success.

### **5.8.2 Administrative Closure**

**5.8.2.1** Administrative closure is the process of preparing closure documentation of the product or process deliverables to the customer as well as taking other administrative actions to ensure that the project and its assets are redistributed.

**5.8.2.2** The Post Implementation Evaluation Report (PIER) is produced as part of the Administrative Closure. The PIER documents the successes and failures of the project. It also provides valuable historical information of the planned and actual budget and schedule. Other selected metrics on the project may be collected using documented procedures.

**5.8.2.3** After the PIER document has been prepared, the project information is archived. Historic project data is an important source of information to help improve future projects. The information that is archived will vary from project to project.

### **5.8.3 Financial Closure**

**5.8.3.1** Financial closure is the process of completing and terminating the financial and budgetary aspects of the project being performed. Financial closure includes both (external) contract closure and (internal) project account closure.

**5.8.3.2** A Financial Audit is often a part of the financial Closure. The audit is used to determine where, in measurable terms, the actual costs on the project may have overrun or under-run and determine the cause of the variation. This evaluation provides an opportunity for project managers

and agencies to learn where they can improve financially on the implementation of similar future projects.

#### **5.8.4 Celebration of Success**

**5.8.4.1** Celebrate the success of completing a project! When success in a project is achieved, be certain to provide some recognition to the team.

**5.8.4.2** Customer acceptance is critical and important to the success of the project. Acceptance is based upon the success criteria defined in the very early concept and planning stages of the project.

#### **5.8.5 Project Close-out Checklist**

**5.8.5.1** A Close-out Checklist becomes a way for the Project Manager to organize and communicate tasks that should be completed prior to closing the project.

### **6.0 Revision History**

<b>Date</b>	<b>Description of Change</b>
08/01/2003	Original Best practices Statement Published
07/15/2005	Links updated, header updated

### **7.0 Definitions**

**7.1** Central Repository: A place where something is deposited for safekeeping.

**7.2** Project: "A project is defined as a temporary endeavor undertaken to create a unique product or service," - (PMI®).

### **8.0 Inquiries**

Direct inquiries about this best practices recommendation to:

Office of Information Technology

Shared Technical Architecture

124 W. Capitol Ave., Suite 990 Little Rock, AR 72201

Voice: 501-682-4300

FAX: 501-682-2040

Email: [SharedArchitecture@arkansas.gov](mailto:SharedArchitecture@arkansas.gov)

OIT policies can be found on the Internet at: <http://www.cio.arkansas.gov/techarch>