

# **Evaluating and Terminating Project**

- A project evaluation appraises the progress and performance relative to the project's initial or revised plan
- The evaluation also appraises the project against the goals and objectives set for it during the selection process
- Project evaluation is done at a number of crucial points during the project life cycle
- Primary purpose of a project evaluation during project is to give feedback to senior management for decision and control purposes.
- The use of post project evaluation is to help the organization improve its project management skills on future projects

# Evaluation Criteria

- Concept of 'Ancillary' goals
- Profitability
- Acquiring new competencies for the organization, or getting a foothold in a new market segment.
- Any special reasons for selection should also play a role.
- Was this project someone's sacred cow?
- Was the project a competitive necessity?

# Dimensions of Project Success

- Project's efficiency in meeting the budget and schedule.
- Customer impact/satisfaction.
- Business/direct success [for external projects, factors such as the level of commercial success and market share and for internal projects, the achievement of the project's goals such as improved yields or reduced throughput time]
- Future potential
- Project's contribution to the organization's ancillary goals and objectives
- Project's contributions to the objectives of project team members

# Project Auditing

**A very special type of evaluation is the formal audit. The project is audited in following dimension**

- Management
- Methodology and Procedures
- Records
- Properties
- Inventories
- Budgets
- Expenditures

# The Audit Process

- ❑ The timing of the audit depends on the purpose of the audit.
- ❑ it is often helpful to have an audit early in the project's life.
- ❑ Such audits are usually focused on technical issues
- ❑ Later audits tend to focus more on budget and schedule because most of the technical issues are resolved by this time

# Three Levels of audit

- ☐ General Audit
- ☐ Detailed Audit
- ☐ Technical Audit

Project State	Value
Initiation	Very useful, significant value of audit takes place early—prior to 25 percent completion of initial planning stage
Feasibility study	Very useful, particularly the technical audit
Preliminary plan/ schedule budget	Very useful, particularly for setting measurement standards to ensure conformance with standards
Master schedule	Less useful, plan frozen, flexibility of team limited
Evaluation of data by project team	Marginally useful, team defensive about findings
Implementation	More or less useful depending on importance of project methodology to successful implementation
Post-project	More or less useful depending on applicability of findings to future projects



# Typical steps in a project audit

1. Familiarize the audit team with the requirements of the project, including its basis for selection and any special charges by upper management.
2. Audit the project on-site.
3. Write up the audit report in the required format (discussed in the next subsection).
4. Distribute the report.