A proposed model for forecasting the project termination phase from an engineering economic perspective.

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Abstract
Project termination is an inevitable part of the project life cycle. Project needs to be terminated when the project has failed or when it is no longer feasible to continue. A project failure could be due to various reasons but it often results in financial losses to the company. If the firm is aware that the project is no longer feasible in advance, then it can plan for early termination. Termination of a project will have an impact on the organization image it could be either positive or negative. A successful project termination should not negatively affect the market value of the firm. At present there is no project termination model that predicts the project termination phase and also the company management does not know whether termination of a project would have an effect on the market value of the firm or not. The aim of this thesis work was to develop and validate an engineering economic model which forecasts the project termination phase from an engineering economic perspective and also give an insight to the decision maker whether project termination would have an impact on the market value of the firm or not.

The engineering economic model developed called as Project Termination Phase Forecasting Model (PTPFM) is able to forecast the project termination phase of a project and the model has been validated by analyzing four cases, one from each of the following industries Automobile, Airline, Defense and Telecommunication. The PTPFM forecasts project termination phase of the project without affecting the market value of the firm under the assumption that the project has a significant impact on the market value of the firm.

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