PPMP 20010 - Assessment 2

Project Closure and Governance Report

1   PROJECT INFORMATION

Project name: Heathrow Terminal 5

Date of report: 1 May 2008

Project ownership: British Aviation Authority (BAA),

Senior User: British Airways (BA)

Prepared by: Student name and number

Distribution list: House of Commons Transport Committee

2   BASED ON THE CASE STUDY, IDENTIFY 3 BENEFITS THAT YOU WOULD HAVE INCLUDED IN THE TERMINAL 5 PROJECT BUSINESS CASE.

Benefit 1	Provide facilities to 50 new aircraft stands including 14 for the Airbus A380.
Benefit 2	Baggage reclaim capability is increased by transporting 12,000 bags per hour.
Benefit 3	80% of passengers check in online or computer terminals.

3   STATE 2 CRITERIA (QUALITATIVE OR QUANTITATIVE) FOR EACH BENEFIT BY WHICH THE ACHIEVEMENTS OF THE BENEFITS COULD BE MEASURED

Benefit 1	Criterion 1	Passengers served per day
	Criterion 2	Space utilization.
Benefit 2	Criterion 1	No. bags transport per hour.
	Criterion 2	Customer satisfaction level regarding baggage claiming.
Benefit 3	Criterion 1	Percentage of passengers check in online per day
	Criterion 2	Average waiting time to check-in.

4   ACTUAL PERFORMANCE: STATE WHETHER THESE CRITERIA HAVE BEEN MET/NOT MET/PARTIALLY MET AND GIVE REASONS FOR YOUR ASSESSMENT (MAX 500 WORDS)

	Met/not met/partially met	Reasons
Benefit 1		
Criterion 1	Partially met	In this first phase, project targets to provide facilities to 50 new aircraft stands. Considering infrastructure, project achieve this and expects to handle 30 million passengers per year. However, expected daily operation cannot be conducted at the beginning since around 500 flights were cancelled. Therefore, expected amount of passengers per day couldn't achieved at the beginning. Main reason to cancel the flights was baggage-handling issue.
Criterion 2	Partially met	To provide facilities to 50 aircraft and 30 million passengers per year, terminal need to have space flexibility. Considering capacity of car park, road, bus line, underground rail and service infrastructure, terminal 5 has enough space utilization to handle expected no. of passengers. Car park has capacity to park 5000 vehicles and terminal building itself is 400m long and 160m wide. Terminal has automated people mover system to transport passengers between terminals easily. However, staff had not been properly trained at the opening of terminal, and they were unable to park when their park became too full in opening day. Further, 28 lifts were not working out of 275 lifts. However, these issues can be rectified in near future. On the other hand, T4 operation couldn't transfer to T5 as planned, therefore, other airlines which planned to use T4 cannot use it.
Benefit 2		

Criterion 1	Not met	It was expected to transport 12,000 bags per hour. However, due to system error, more than 23,000 bags were mismanaged during first five days after opening. Due to system, data couldn't feed from the baggage handling system to the baggage reconciliation system. Systems couldn't recognize the some of bags. Therefore, bags need to be rescreened manually and that process was highly time consuming. Due to the error, many bags couldn't recognized by the system, then it led to miss their flights and had to rebook on new flights. Due to these issues, this criteria could not achieve. However, it is possible, once the system is fixed.
Criterion 2	Not met	Customer satisfaction level can be measured based on customer feedbacks and customer complaints. Passengers' satisfaction level highly depends on average time taken to reclaim baggage. It took considerable time to sort bags manually due to system error. Passengers faced delays and cancellation due to this and it led to increase dissatisfaction. There were significant amount of complaints from passengers due to this issue.
Benefit 3		
Criterion 1	Met	Terminal 5 has integrated high technology to its operation. It is expected to achieve 80% of passengers check in online or computer terminal. There are many check in kiosks available and personal rapid transit system has been established. Due to these technological infrastructures are established, it can be considered that this criterion is met.
Criterion 2	Not Met	Even though, facilities are available for online check in, passengers had to wait considerable amount of time due to flight delays. Further, passengers faced difficulties sue to flight cancellation. Therefore, average waiting time for check in was significantly higher than expected. However, this criteria can be met once resolve the baggage handling issue.

5 DESCRIBE HOW THE PROBLEMS WITH THE BAGGAGE HANDING SYSTEM (BHS) AFFECTED MEETING THE SPECIFIED OBJECTIVES (MAX 300 WORDS)

Due to system error, baggage handling system couldn't identify many gags. Initial target was to transport 12,000 bags per hour. However, system error led to mismanage 23,000 bags within first five days after opening. Therefore, huge amount of bags needed to be sorted manually. Since it was extremely time consuming , it led to create many issues. More than 500 flights were cancelled since it struggled to clear the bags. Therefore, terminal 5 could not exercise expected air traffic and could not run on full schedule. Therefore, terminal 5 could not achieve initially planned no. of passengers served per day. Therefore, management couldn't test the space utilisation. Further, due to this issue, £ 16M of loss was recorded and expected financial target could not be achieved in first month of operation.

Another main objective of terminal 5 project is to reduce the waiting time. However, due to issue of baggage handling system, many flights were delayed or cancelled. Therefore, passengers had to wait considerable time until flight arrival or rebooking. Therefore, expected minimum waiting time couldn't achieve even though there were number of systems to increase the efficiency of passenger check in process.

Passengers had huge expectations on terminal 5 opening. However, due to issue of BHS, many passengers faced difficulties and many passengers had to wait considerable time for their flights. That situation led to increase the passengers' dissatisfaction. Therefore, this project couldn't achieve the expected customer satisfaction level from first month operation. Further, no. of complains and inquiries were increased considerably and it was also significant deviation from expected results.

6 GOVERNANCE (MAX 300 WORDS)

Chosen governance domain:	Risk	
	How were they handled	What could have been done differently to avoid/mitigate the problems encountered
Function 1:Oversight	In risk assessment, Priority has been given to stop delaying project opening rather than avoiding operation failure. Due to delays of construction, project team has reduce the scope of some areas such as system trials, employees training etc. Further, some areas of construction were not properly completed.	Risk of operation failure should have been considered as higher risk than delaying project opening. Therefore, priority should have been given to mitigate possible operational failures. Therefore, project team should have requested to authorize to use extended time to take actions to avoid possible operational failures by explaining to project sponsor about the current situation. Project manager should have provided guidance to project team to understand the risk of lack of preparation and importance of excellence of project completion rather than just achieving deadline. Employees should have been properly trained to new systems and processes. Thus, training programs should have been organized and conducted.
Function 2: Control	Possible risk could not properly identified since some reviews were not conducted. Several trials, system testing were not adequately conducted.	Proactive actions should have been taken to identify and control the possible risks. Risk should have been properly monitored, measured and reported. Adequate system trails and testing should have been properly conducted without reducing the scope. Test should have been properly monitored and test results should have been measured and reported relevant parties. Based on the test results, relevant changes should have been conducted to the systems.

7 PROJECT AUDIT (MAX 300 WORDS)

BAA as an executive was eventually accountable for the project and ultimate decision maker assisted by project user BA and senior suppliers. The main role of executive is to make sure that focus on achieving project's objectives and forecasted benefits throughout the project life (Axelos, 2017). BAA needed to make sure that the project achieves value for money and ensure complete the project within the budget. BAA held all risks and it was an executive's responsible to identify, assess and control the risks.

BA as a senior user was responsible for specifying project requirements and monitoring those requirements are met in term of quality, functionality and usability within the restraints of business case (Axelos, 2017). Ensuring availability of user resources required to the project such as trial or inspection and undertaking project assurance from the user perspective were BA's responsibilities.

It was mainly responsible of BAA to identify those possible risks of system failures and take actions to mitigate the risks. Reducing the scope of system trials and cancel testing was come under responsibility of BAA. Therefore, there was clear gap of BAA responsibilities. BAA should have guided to properly conduct all required trials and identify possible risks.

On the other hand, BA cannot blame only to BAA since BA also was responsible to ensure that required user resources are available. Therefore, BA should have been ensured that relevant quality inspections are properly conducted. According user perspective, BA should have been undertaken project assurance. Thus, BA is also accountable for issue of baggage handling system. Therefore, both executive and project user have neglected some of their responsibilities.

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