

Reasons for Terminating ATP Projects

At the end of an ATP competition, projects are selected for award and the winners are announced. Most of these projects proceed through their multi-year research plans to completion. Some are not carried through to completion for a variety of reasons. These projects are collectively called “terminated projects.”

Between 1990 and September 2004, there were 768 ATP awards issued, of which 77 projects ended before completion. Below is a percentage distribution by category of the reasons for termination.

Of the 77 terminated projects:

Change in goals

- 56 percent ended because of changes in the strategic goals of the companies, changes in the business climate or markets, changes in company ownership, or other business-related facts.

Lack of technical progress

- 14 percent ended because of lack of technical progress, which sometimes occurs at go/no-go decision points recommended by the participant(s).

Project no longer meets ATP criteria

- 12 percent ended because changes in scope, membership, performance, or other factors meant that the project no longer met ATP’s technical and/or economic criteria.

Lack of agreement among joint venture members

- 3 percent ended because the joint venture members could not reach an agreement on some issues.

Financial distress

- 10 percent ended due to the financial distress of a key participant.

Early success

- 5 percent ended due to early success of the project!

Although projects may end early, it is not necessarily an indication of total failure. Projects that ended early produced important knowledge gains; involved integrated planning for research, development, and business activities that may have some benefit to participating companies; and entailed substantive cross-disciplinary contact among scientists and other researchers, cross-talk among technical and business staff, and negotiations among executives at different companies.

These characteristics still benefit the economy by stretching the thinking and horizons of participants in the process. Companies may learn about new opportunities and apply integrated planning of research and business activities to other projects. In summary, terminated projects may have some positive impact even though they incur costs.