

Kill / Rescue / Restructure Decision Framework

An Executive Decision Tree for Failing Strategic Projects

The Three-Option Framework

Every failing strategic project has exactly three options. This framework provides the financial and strategic analysis to make the right choice for your organization.

Option 1: KILL

- Definition: Immediate project termination with controlled wind-down
- Best For: Projects with fundamental flaws that cannot be economically recovered
- Financial Impact: Crystallize sunk cost, minimize future losses
- Timeline: 2-4 weeks to wind down

Option 2: RESCUE

- Definition: Comprehensive intervention to recover project value
- Best For: Projects with fixable problems and viable business cases
- Financial Impact: Additional investment to recover greater value
- Timeline: 3-6 months intensive intervention

Option 3: RESTRUCTURE

- Definition: Strategic pivot to capture partial value through scope/timeline changes
- Best For: Projects with some viable components but changed requirements
- Financial Impact: Moderate additional investment for reduced but meaningful value
- Timeline: 4-8 weeks to redefine and restart

Decision Tree Analysis

Phase 1: Fundamental Viability Assessment

Question 1: Is the original business problem still valid and urgent?

- YES → Continue to Question 2
- NO → KILL (No point rescuing a solution to a non-problem)

Question 2: Is the technical approach fundamentally sound?

- YES → Continue to Question 3
- NO → Can technical approach be fixed within 25% budget increase?
 - YES → Continue to Question 3
 - NO → KILL (Technical bankruptcy)

Question 3: Do you have organizational capacity for recovery?

- YES → Continue to Financial Analysis
- NO → KILL (Organizational bandwidth exhausted)

Phase 2: Financial Recovery Analysis

Cost of Completion Assessment

Calculate realistic cost to finish under each scenario:

KILL Costs:

- Wind-down expenses (contracts, termination, team transition)
- Vendor penalty costs
- Sunk cost write-off
- Organizational reputation cost
- Total Kill Cost = \$_____

RESCUE Costs:

- Additional budget required (realistic estimate + 30% buffer)
- Intervention specialist costs (external expertise)
- Extended timeline costs (resource burn, delay impact)
- Risk mitigation costs
- Total Rescue Investment = \$_____

RESTRUCTURE Costs:

- Scope reduction/pivot costs
- Vendor contract modifications
- Team restructuring
- Reduced scope delivery costs

- Total Restructure Investment = \$_____

Value Recovery Assessment

- Original Expected Value: \$_____
- KILL Recovered Value: \$0 (plus opportunity cost avoidance)
- RESCUE Potential Value: \$_____ (discounted for delivery risk)
- RESTRUCTURE Potential Value: \$_____ (reduced scope but higher certainty)

Phase 3: Strategic Impact Analysis

Organizational Impact Matrix

Factor	KILL	RESCUE	RESTRUCTURE
Team Morale	Major negative impact	High if successful, devastating if fails again	Moderate positive
Stakeholder Trust	Short-term damage, long-term honesty points	High reward/high risk	Moderate confidence building
Vendor Relationships	Potential damage, clean exit	Strengthened if successful	Neutral to positive
Board Confidence	Initial disappointment, demonstrates decisive leadership	High risk/reward on executive credibility	Shows adaptive leadership
Competitive Position	Temporary setback	Major advantage if delivered	Modest improvement
Future Project Approval	May face skepticism on next project	Strong precedent for ambitious projects	Balanced risk appetite

Executive Career Risk Assessment

KILL Decision Career Impact:

- Upside: Demonstrates tough decision-making, prevents deeper losses
- Downside: May be seen as admitting failure
- Risk Level: Medium (short-term perception risk)

RESCUE Decision Career Impact:

- Upside: Hero status if successful, demonstrates persistence
- Downside: Career-ending if rescue fails spectacularly
- Risk Level: High (bet-the-career decision)

RESTRUCTURE Decision Career Impact:

- Upside: Shows strategic flexibility and value optimization
- Downside: May be seen as compromise or lack of conviction
- Risk Level: Low (balanced leadership approach)

Financial Decision Models

Model 1: Net Present Value (NPV) Comparison

Formula: $NPV = \text{Future Value} / (1 + \text{discount rate})^{\text{years}} - \text{Total Investment}$

KILL NPV:

- Investment: Sunk cost + wind-down cost
- Future Value: \$0 + opportunity cost of freed resources
- NPV = \$_____

RESCUE NPV:

- Investment: Sunk cost + rescue investment
- Future Value: Full project value × success probability
- NPV = \$_____

RESTRUCTURE NPV:

- Investment: Sunk cost + restructure investment
- Future Value: Reduced project value × higher success probability
- NPV = \$_____

Model 2: Risk-Adjusted Return on Investment

KILL RROI:

- ROI = 0% (no return)
- Risk = Low (certain outcome)
- Risk-Adjusted ROI = 0%

RESCUE RROI:

- $ROI = (Project\ Value - Total\ Investment) / Total\ Investment$
- Risk = High (30-50% failure rate for rescue projects)
- Risk-Adjusted ROI = Raw ROI \times (1 - Failure Risk)

RESTRUCTURE RROI:

- $ROI = (Reduced\ Value - Total\ Investment) / Total\ Investment$
- Risk = Medium (70-80% success rate for scope-reduced projects)
- Risk-Adjusted ROI = Raw ROI \times (1 - Failure Risk)

Model 3: Real Options Analysis

Treats each decision as buying an option on future value with different strike prices and probabilities.

- KILL = Exercising option to stop losses (certain outcome)
- RESCUE = Buying expensive option on full value (high risk/reward)
- RESTRUCTURE = Buying moderate option on partial value (balanced risk/reward)

Decision Criteria Thresholds

KILL Indicators (Choose KILL if 2+ apply)

- Project >75% over budget with no end in sight
- Original business case obsolete or no longer urgent
- Technical approach fundamentally flawed and unfixable
- Lost executive sponsorship at board level
- Team completely demoralized or key talent departing
- Vendor relationship irretrievably broken
- Regulatory/compliance issues that block delivery
- Competitive landscape changed, eliminating first-mover advantage
- Organization change-fatigued and cannot absorb more disruption

Precedent — Lidl's SAP write-off. The grocery chain spent over seven years and €500 million trying to bend SAP's standard software to its discount-focused processes before concluding the platform was fundamentally incompatible with its business model. The decisive—and correct—move was to kill the project and write it off entirely. The money was already gone; continuing would only have added to it.

RESCUE Indicators (Choose RESCUE if 4+ apply)

- Core business case remains valid and urgent
- Technical problems are specific and addressable
- Strong executive sponsorship willing to invest more
- High-quality team available for intensive effort
- Vendor relationship recoverable with proper incentives
- Market timing still favorable for solution delivery
- Organization has capacity for change management
- Success would create significant competitive advantage
- Failure costs would be manageable and contained

Precedent — Nike's supply-chain rescue. In 2000, a flawed SAP implementation cost Nike over \$100 million in lost sales and sent its stock price down roughly 20%. The system was too strategically critical to abandon. A dedicated crisis team stabilized the platform, fixed the forecasting algorithms, and ultimately turned the initiative into a core part of Nike's global operations—the textbook case for when an indisputably mission-critical project earns a rescue.

RESTRUCTURE Indicators (Choose RESTRUCTURE if 3+ apply)

- Business case partially valid but requirements shifted
- Some technical components working well, others problematic
- Executive sponsor supportive but budget-constrained
- Team effective but scope was overambitious
- Market still values solution but timing/features different
- Organizational change capacity limited but not zero
- Vendor relationship workable with modified scope
- Partial success would still deliver meaningful value

Communication Strategy by Decision

Communicating KILL Decision

To the Board: “After thorough analysis, continuing this project would destroy more value than terminating it. The disciplined decision is to cut losses now and redirect resources to higher-probability initiatives.”

Key Messages:

- Emphasize financial discipline and risk management
- Highlight opportunity cost of continuing
- Frame as strategic resource reallocation
- Acknowledge lessons learned for future projects

To the Team: “This decision reflects changed business conditions, not team performance. We’re committed to transitioning everyone to meaningful roles on higher-priority initiatives.”

Communicating RESCUE Decision

To the Board: “This project’s core value proposition remains compelling. With targeted intervention and additional investment, we can recover the full strategic value while building organizational capability for future projects.”

Key Messages:

- Emphasize unchanged business case fundamentals
- Highlight specific, addressable problems
- Present detailed recovery plan with milestones
- Show risk mitigation and success probability

To the Team: “We’re doubling down on this project because we believe in its importance and in your ability to deliver with the right support and resources.”

Communicating RESTRUCTURE Decision

To the Board: “Market conditions have evolved, requiring us to adapt our approach. The restructured scope delivers 70% of the original value at 50% of the remaining cost—an optimized investment for current conditions.”

Key Messages:

- Frame as strategic agility, not compromise
- Highlight value preservation with reduced risk
- Show alignment with changed business priorities
- Demonstrate learning and adaptive leadership

To the Team: “We’re refocusing on the highest-value components where you’ve already demonstrated strong progress. This gives us a clear path to meaningful success.”

Implementation Timeline by Decision

KILL Implementation (2-4 weeks)

- Week 1: Decision announcement, stakeholder communication, wind-down planning
- Week 2: Contract terminations, vendor negotiations, team transitions
- Week 3: Asset recovery, documentation completion, lessons learned
- Week 4: Final closure, resource reallocation, post-mortem analysis

RESCUE Implementation (12-16 weeks intensive intervention)

- Weeks 1-2: Intervention team assembly, detailed diagnosis, recovery plan
- Weeks 3-6: Critical fixes, team restructuring, vendor realignment
- Weeks 7-10: Intensive delivery sprint with external support
- Weeks 11-12: Quality assurance, testing, stakeholder validation
- Weeks 13-16: Delivery, deployment, value realization measurement

RESTRUCTURE Implementation (6-10 weeks)

- Weeks 1-2: Scope redefinition, business case revision, stakeholder alignment
- Weeks 3-4: Contract modifications, team restructuring, plan finalization
- Weeks 5-8: Focused delivery on reduced scope with quality gates
- Weeks 9-10: Deployment, measurement, success evaluation

Success Metrics by Decision Path

KILL Success Metrics

- Wind-down completed on time and budget
- Team members successfully transitioned to new roles
- Vendor relationships preserved or cleanly terminated
- Lessons learned documented and applied to future projects
- Resources redirected to higher-value initiatives within 60 days

RESCUE Success Metrics

- Original business case value delivered within recovery timeline
- Budget contained within rescue investment limits
- Team morale and capability strengthened through success
- Vendor relationships improved through collaborative problem-solving
- Organization confidence in ambitious project capability restored

RESTRUCTURE Success Metrics

- Reduced scope delivered on time and budget
- Stakeholder satisfaction with adapted solution
- Team confidence built through achievable success
- Business value delivered proportionate to reduced investment
- Organization demonstrates strategic agility and learning

Using This Framework

This framework is a tool for clarity, not an algorithm. Work through the three phases in order—viability, then financials, then strategic impact—and use the indicator checklists and decision models to structure the right conversation with your team and your board. Inertia is the most expensive decision of all. Decisive, informed action is how you protect your organization's resources and deliver on your strategic promises.

Project Crisis provides executives with the objective analysis and hands-on intervention required to turn around failing strategic projects. If you need an external partner to assess your project's viability and make the kill/rescue/restructure call with confidence, contact us at projectcrisis.com.