

Project Management

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Operational
management

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TASK 1

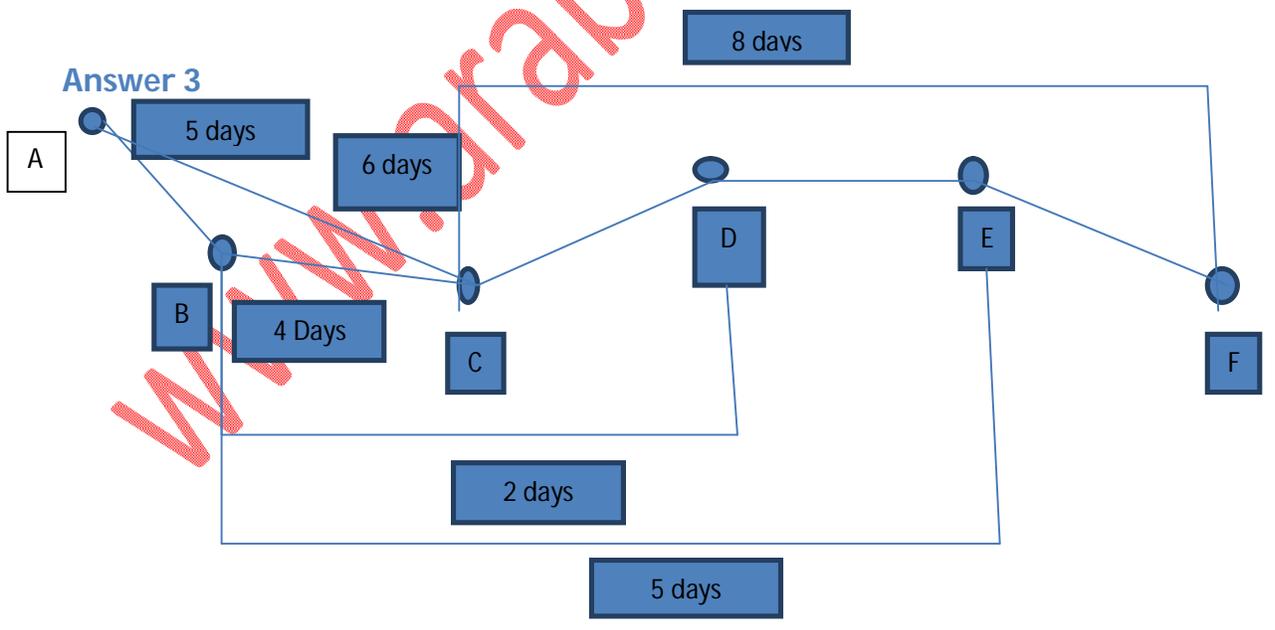
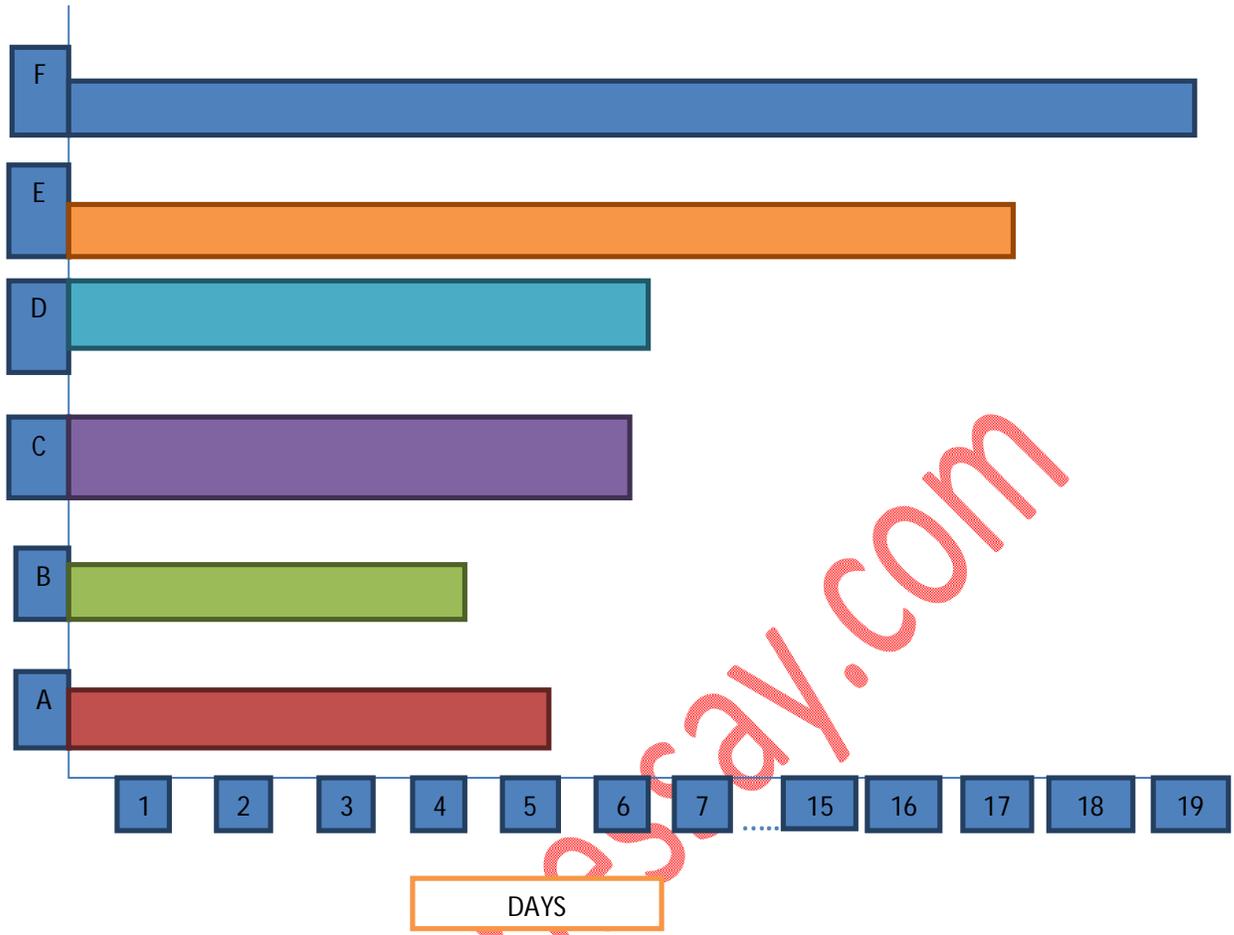
Answer 1

A project has number of characteristics depending upon the type of project. Irrespective of type of project certain principles are fundamental to the project. The first principle is the direction of the project. Running out of resources leads before the definition of the outcome leads to failure of the project. Similarly, definition of resulting outcome must not be taken on individual basis. The second fundamental principle of any project is its plan or the process through which the entire project can be studied and responsibility of each and every individual in the project can be known. It involves initiation, planning, execution steps etc. Planning step also involves the priority to be given to the different parts of the project. The third principle is getting the project done successfully within allocated time and budget. Evaluation of a project is extremely important in order to check in which direction the project is heading and the project is achieving the intended outcome or not (Kerzner, 2013).

Answer 2

The scope of the project in the case study can be defined as planning process which involves how the project of expansion should be planned, what are its goals such as ensuring regular supply to European customers, types of deliverables, cost involved for each deliverable and the most important time period within which the deliverables should reach to customers. The scope of the current project also involves team members, responsibilities, guidelines of the project expansion and changes to be done as contingency plan (Burke, 2013).

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From the above critical pathway it can be inferred the shortest time required to complete the project is A---C---F which is 19 days. The C to F pathway is the longest pathway which covers every process sequentially.

Critical pathway helps us to determine the different time period by which the project milestones can be achieved in a logical sequential way. The critical pathway identification helps in identifying pathways which majorly affects the project deadlines.

Answer 4

Internal rate of return is a method used in budgeting of capital in order to estimate the profitability of each investment. Since this process helps in knowing a tentative rate of return for a certain period of time, for an investment it is in general preferred by firms or organizations. It is in contrast with NPV where it measures the magnitude of an investment. In the current case study IRR will be a preferable choice to know the rate of return for new building expansion or expansion for same unit or building. When the internal rate of return is higher than the return estimated by companies on capital cost an investment is accepted as an efficient and good yield investment (Meredith and Mantel, 2011).

Answer 5

Risk management in any project is mandatory in order to avert hurdles which can make the project fail. Thus the first risk mitigation strategy is to have a proper planning for all types of clearances such as environmental, safety, and residential issues if any. Similarly employee's resistance is another risk which can lead to delay in project completion and ultimate failure. Post identification of issues, the next step is to assess the effect of these risks. In what terms their presence is going to affect the project in a negative way (Schwalbe, 2013).

Answer 6

Project monitoring, control and evaluation are of utmost importance in to deliver the project within the given deadline and meet the project cost, time and scope triangle. Monitoring and evaluation helps in ensuring the intended outcomes are met within the given process without violating any guidelines. Evaluation of project helps in knowing the success of a particular planning and implementation process which can guide project management steps. Similarly the evaluation technique will include external and internal audits with fish hand report. These two methods will help us to know the success rate of each planning process (Leap, 2014).

TASK 2

EXECUTIVE SUMMARY

In the world of globalisation, each and every company must aspire to go beyond regional boundaries. Companies having global ambitions must expand their business across the globe based upon customer demand. ABEK limited has a rich history of meeting the need of customers locally. Due to high quality, good customer service the demand for ABEK limited products grew which forced us to think for expansion. The board of directors decided to open a manufacturing unit at aligning to the current site. The sole purpose of new expansion unit is to meet the demands from European customers. As per the board decision, ABEK Limited has taken the ownership of built building near the old manufacturing unit. The new manufacturing unit can be run by client too in order to outsource works and save time. The success of this project demands project management planning, implementation and evaluation. The project initiation involves designing of the interior, safety designs meeting international guidelines and meet the customer demand with par excellence. The current business report provides a brief overview of the project and its anatomy in order to give basic idea of project management.

BODY

INTRODUCTION ON COMPANY

Abek Limited started trading of automotive parts in the year 2007. They started with 250 employees and one general manager in their first manufacturing unit. The success story of Abek limited encouraged the board of directors to look beyond the geographical boundary. Although, it is not physical shifting to any other country but nearby location but focusing on foreign customers. The new project was scheduled to start in a new building with same number of employees in a 25000 square foot area which will also include office area. As the new building is fully dedicated to European clients in order to continue the product supply without failure it is crucial to have project management planning for the current project.

Since, I am appointed as the new project manager it is my sole responsibility to make it fully functional and operational, keep it flexible so that clients can work through the new plant and the products can be supply within specified time and cost.

PROJECT MANAGEMENT PLANNING

For the current case, the whole project can be divided into four phases. Defining the project, designing of the project, process development and delivering the process. The evaluation and monitoring of the project will be done prior to delivery of the project. The project management is usually covered in the first two steps.

PROJECT MANAEMENT PROCESS

Defining the project: Project definition is considered to be the most important step in a project planning process. The definition gives employees a brief overview of what has to be done. In this step, the project usually broken down into a number of achievable and manageable steps.

The project definition for the current task can be further classified into number of achievable tasks (Guido and Clements, 2014).



The first task is space allocation for each and every department and to make it functional what are the requirements. For example- the office needs to be well furnished with documentation facility, call facility, internet facility and intranet too. Similarly, the security department must have cctv camera, display sections, 24*7 calling facility etc. Once each and every section gets their requirements listed, the requirements will be scored against the time and allotted capital budget. The primary requirements will be ordered first and which can be installed within allotted time will be order first. The ordering list will be forwarded to accounts and inventory department.

Post ordering of requirements to make it fully functional recruitment of staff's is an essential part in order to have project gets started. The recruitment will be limited to 250 employees as per management decision. The team can be selected by each department head in order to have flexibility in human resource management. This strategy will help in getting employee satisfaction and better work performance.

Third task is to ensure the projects and processes which are being carried out at old unit can be replicated with better scope, time and budget. This requires through study of each and individual project in team, with involvement of team members and other concerned professionals. Inputs from stakeholders will add more value to the project.

The next step is to breakdown the work structures in order to provide a greater depth of the project. The breakdown will be done in a two way process, Gantt chart and Network diagram. This will help employees as well as team in knowing their work and responsibilities (Turner, 2014).

For example- the requirements for each department or unit will be forwarded by unit head after discussing with concerned employees. But this is limited to those departments where requirements are not under capital cost. The heavy machineries are put forwarded by production unit head and quality departments. Post forwarding of each department's requirement, it will be passed to the inventory and accounts department for next step i.e. searching for right suppliers who can fulfil orders within allocated time and budget. The installations must meet the project guidelines. The number of persons involved in each task can be discussed in this section.

In reality, each and every step in project management is carried out by constant evaluation and monitoring where tasks are planned, implemented and checked for efficiency. This process is an on-going process, where each step is linked to its previous step and affects its next step. The project has to be delivered by the workers and stakeholders. Although project management doesn't involves decision making for each and every small process. For example- the team will be chosen by team leaders and responsibility allocation will be done by the team. But the time period within which the team has to deliver the product will be

controlled through project management. The time and budget allocated for production unit and individual parts will be decided through project manager (Kloppenber, 2014).

There are certain parameters which will be processed by project manager such as timing of workers and employees. In weekdays, the working hour will be 8 am- 12 pm and 1 pm-5 pm. The calculations are based upon 8 hours per day which makes 40 working hours per week. The holidays such as national holidays are applicable except that any other leave needs individual application. The project expects each worker will give 100% during those 8 hours to make the unit functional by end of four months.

There will be time flexibility depending upon the risks identified and mitigation strategy. The resource cost will be calculated and presented to the board of directors as project costing. The fixed costs such as building purchase, manufacturing equipment purchasing, furniture's purchasing, etc. will be estimated. It must be kept in mind, any changes in fixed cost will directly affect the project cost which requires coordination between management team and stakeholders and investors.

The primary objective of the above mentioned task is to make ABEK Ltd a two fully functional manufacturing plant catering to the need of European customers as well as other industries.

The project objectives can be achieved once the following tasks are done. The tasks can be classified into following types building tasks, renovation work, interior designing and safety installations, staff recruitment, establishment of manufacturing unit, electrical room establishment, automations etc. Installation of software's for each department will be handled by vendors and supplier of machineries. The overall managerial software's such as ERP (Enterprise resource planning), attendance record by electronic system, intranet facility, and project status report observation will be done by management and project manager. The tasks

must be accompanied by its resources, stake holders, task durations, milestones achieved, and time durations.

The review committee will evaluate each and every milestone against scope, cost and time in order to evaluate the project planning process. This review meeting will be held in every 15 days. The main objective is to eliminate the risk factor and incorporate new or alternative methods for achievement of tasks.

The total project was viewed on the basis of critical path method. The critical path helps in evaluating project and time required in order to achieve the goals set.

Skills of Project Manager

As the project is totally new, every project manager whosoever takes over must possess certain skills to activate the new building to operational level. Opening a production unit is a daunting task due to amount of work involved and complexity. Absence of vision can lead to chaos and segmentation of work force. As a project manager of Abek Ltd. Having a shared vision is most important. Shared vision helps project manager as well as employees to understand and visualize their distant goals and project manager can articulate works in desired fashion. A complex work can be made simple only with good and effective communication. It is not possible for employees to understand the inner intended outcome of any decision, which is understood by a project manager. The project manager can effectively communicate with fellow employees at any level. This will enhance the directness and openness during the project. Actions speak twice than words, as a project manager it is necessary to show your words in terms of actions such as good leadership, punctuality, working at all levels when necessary. With such a strategy, project manager can win the trust of his/her fellow employees and maintain the momentum of team. Enthusiasm is another skill

required for project managers, as negative leadership can bring down the morale of a team. Establishing a new production unit and taking it to market is a complex task. The chances are high the team will face some task which seems impossible. As a project manager, if enthusiasm is shown with a can do attitude it will boost the team energy and open gates for new idea generation. Empathy is another character which must be nurtured and implicated in field by a project manager. Since all employees are individual entity having a subjective life, during problems it is necessary to stand by their side and help. This strategy not only makes project manager a good human being but perceived as a people project manager. These many skills are must require by the project manager for Abek Ltd.

RISK MANAGEMENT PLAN.

No project can be successfully delivered without having a proper risk mitigation strategy. Risks cannot be eliminated fully, but through thorough analysis, risk mitigation strategy can be planned. The risk mitigation strategy to be followed in the current case will have three stages.

Risk identification

Risk identification is a critical job which needs to be done in order to safeguard the interest of the employees and the organization. As a new project manager there exists a number of tasks for safeguarding the project and its smooth flow. In order to identify the risks present in the current project a checklist will be prepared which address the potential risks. For example technical risks, Cost, Client, Schedule, Customer, Environmental, Financial, Political, etc. are some components of the checklist.

Once the above risks are identified for the new project the next step is risk analysis that is the impact of risk and consequences. The impact can be classified into low, moderate and high. For example the new building safety and electrical failure are categorised under high risk due to its high impact. It might lead to plant shutdown owing to legal issues. Similarly, client risk is low as the company marketing team must have done enough research to find out European customer demand. Similarly the risks will be analysed for the project as a whole and subsections of the project. Equipment delivery is a crucial part of the project which must be completed within time. Failure can lead to missing project deadlines and customer dissatisfaction. Thus vendor delivering the equipment's must be two to three for each equipment. This minimizes the time lag if one vendor fails to deliver the equipment.

Risk analysis and Risk prevention strategy.

Risk Mitigation

The risk mitigation plan aims at preventing or reducing the probable risks. The risk mitigation plans reduce the uncertainty, making the team self-sufficient so as to overcome any kind of negative factors. Stakeholders are given different tasks in a way that it is ensured that none of the stakeholder is overburdened at any given time and hence is able to perform the tasks given to their best of abilities. The team should always be encouraged so that they can adopt themselves to the changes happening around due to the constantly changing external demands and the subsequent changes in the task schedule. One the advantage of doing this is that team will get a long term learning through the processes they experiences.

Generally it is assumed that staffs do not want to work during weekends, but if there is any delay happening, then the weekends should also utilize to carry out extra work. This will result into two effects one there will be an increase in cost in the form of pay for overtime

and second the stakeholder will come under more pressure that might result into several errors. It is very important to closely monitor the task that might go on for a longer period of time so that the problems that might come can be foreseen and can be mended before they can actually occur. By analysing the short term future the chances of successfully completing the tasks can be ascertained along with taking measures to avoid problems. The most useful way for this is to prepare a checklist and to work accordingly (Pitchcard and PMP, 2014).

The company aims at establishing itself as a technology driven, innovative company in the automotive parts-manufacturing sector. In order to achieve this huge resource and a great deal of time is to be given. Apart from featuring the manufacturing processes and the unique designs the company will also present various success stories and the type of automotive parts that have been produced. All these will be given onto the website of the company that will also consist of online form where custom quotes to be submitted with queries (Bessner and Hobbs, 2012). The company aims at designing a website that will be an integral part of the marketing operations.

MARKETING STRATEGY

The critical importance of marketing is recognized by ABEK Ltd Manufacturing. A properly designed and executable marketing plan is required so as to ensure that market penetration and success in business. Till the date an in-house sales and a marketing team are hired the company will work with other marketing and public relations companies. The primary aim of the company is to convey the increasing turnaround, high quality, the unique customer services provided and competitive pricing to the potential customers. Apart from this the company also aims at establishing itself as the future leader in integrating innovative technology into the process of automotive parts manufacturing. A strategic marketing plan is to be adopted where in the initial step there will be a publicity campaign which will help in

introducing the company to patented virtual design centre. Furthermore a comprehensive campaign will be launched in automotive manufacturing and. To increase the efficiency of publicity campaign it will be followed by a direct-mail campaign to particular targeted customers. The marketing plan will also consist of another major component that is attending trade shows that will require booth constructions, preparation of brochures consist of marketing materials and other promotional items consisting of small items such as pens, paper pads and company logos. In order to increase awareness of the company and to create a positive perception of the public regarding the company, the company will participate in the sponsorship of charity events organized at the local level, such as medical charities, sponsoring youth sports team etc. Local high schools and colleges will also be targeted where internships will be provided for promoting careers in manufacturing (Pinto, 2014).

SALES STRATEGY

An efficient sales team will be formed by ABEK Ltd Manufacturing that will specifically focus on securing new business development for both short and long term. In order to motivate the sales team attractive commissions and bonus based upon performances will be given. As the executive management will direct outside sales staffs will also be employed along with inside sales staffs and they will be cross-trained in handling the calls for general customer services. The trade show attendance will be handled primarily by the outside sales staffs followed by relationship building, dealing relationships, developing and closing deals and securing customers.

STRATEGIC ALLIANCES

Our plan also includes strategic alliances with both local and regional automotive parts manufacturers that do not have automotive parts -making facilities. We have developed one

such strategic alliance with the Hilden Manufacturing Company located in our region and efforts are also being made for more such developments (Viljanen, 2014).

OPERATIONS

The space for the facility will be divided in accordance to the requirements which will include the development of the product, labs for engineering, the automotive parts and tool shop, testing lab, quality control, storage and administrative offices. Each of the areas will consist of well trained employees and staffs and factory floor technicians will also be cross trained. The administrative offices will consist of separate space for sales, marketing, accounting, security, human resources departments, maintenance and executives.

CONCLUSION

The project management addresses all issues concerned with the project and helps in ABEK Ltd. Grow beyond regional customers. The current report suggests, expanding to a new unit involves a complex process which needs to be managed within the time period. Looking at ABEK Limited history, although the tasks look simple , yet every project has hurdles to cross. The project defining step is crucial since it shows the vision and mission of the current project and justifies the stand of ABEK limited in its expansion. The resource allocation, human resource recruitment, project details etc. need to be analysed in real time. Implementation of software's like ERP and other manufacturing unit automation. The marketing as well as other operations must be coordinated along with project in order to market new productions within time line. A project involves substantial investment from stakeholders as well as investors. Thus, the project must be completed within the allocated budget and time in order to ensure investors get return on their investment. Excessive delay in processes at any level might lead to excessive cost and ultimate failure to meet the goals. No project is without a risk, which demands risk management strategy must be in place to avert

any perceived hurdle in a project. While hurdles can be of different types, risk management involves steps or processes carried out to mitigate the risks and provide alternative solution to meet the same objective.

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