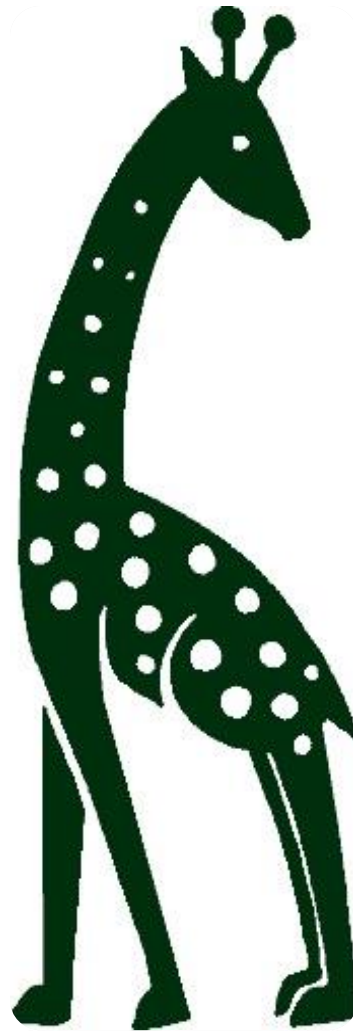# STUDENT SCANTON SERVICES

Green Giraffes

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Project Management
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EXECUTIVE SUMMARY

Student Scantron Services has been given a green light by the Green Girraffe team. We feel that we have the necessary tools available to complete the project successfully within 64 days and it will only cost you $30,000 for a phase 1 company launch. We have estimated the total cost of the project to be $27,384.80. However, after running risk analysis, we are within 95% confidence that the project cost will not exceed $30,000. This is why we have asked for an additional $2,615.20. The calculation time for completion of this project was 60 days from the start date. We will require an additional 4 days to handle unforeseen events that may deter us in our project. The WBS is as follows: Rosa is in charge of financial activities, Josh is in charge of creating and launching our website, Lance is in charge of selling our service for money, Dirk is leading the marketing rush, and Emmanuel will be managing our employees. The sales needed to clear the initial $30,000 are 1500 subscribers to our service. There are currently more than 20,000 students that attend Fresno State.

NEED FOR THE PROJECT

Student Scantron Services is the ideal project for this project management task. This company would be a service to students specifically at Fresno State. We would offer students any educational supplies when they need them, where they need them. This could be a TI-83 calculator for a DS exam, or it could be as simple as an 882e scantron and a # 2 pencil.

We are approaching this project as a group of students formulating a start-up company on campus. The use of project management would be critical in divvying up tasks and assigning certain responsibilities. This particular project was chosen because it was seen as a feasible business opportunity that could actually benefit from project management!

Project management methodology can help with the execution of our project mainly because we have five miniature projects running simultaneously. Each person in this group of 5 is heading their own department, with a plethora of projects. Microsoft project will be most helpful for our project manager in overseeing the entire business. He will be able to run risk analysis and eliminate costly decisions by running risk analysis on @Risk through Microsoft project. This will reduce wasted time and most importantly assign task to the lowest cost by comparing the results from @Risk.

PROJECT DESCRIPTION

OBJECTIVE

Student Scantron Services is a company run by students for students. We will provide school supplies to students on campus (or nearby campus) when & where they need it. As a student, you shouldn't have to worry about the small things in life; i.e. a scantron for your test in history or a blue book for your essay in political science. For a nominal fee, students can subscribe to our service and start benefiting immediately.

PROJECT SCOPE & WBS

Student Scantron Services will be split into 5 different departments to increase efficiency and jump and starts the business faster. In order to start this company in a very short time we have utilized project management to get things done on schedule. Each person has specific deliverables that they have to be accounted for. Each project is expected to be completed on time, on cost and done with quality. Very quickly, Rosa is in charge of financial activities, Josh is in charge of creating and launching our website, Lance is in charge of selling our service for money, Dirk is leading the marketing rush, and Emmanuel will be managing our employees.

1) **Rosa** will oversee all of the **financial** activities of the business. This includes any legality required to start the business, fundraising for start-up cash, disbursement of cash to employees etc... She will also be held responsible for locating accounting services or doing an in-house book. Rosa will have a direct access with our bank

account and will be in charge of any financial transactions going in or out of the company account. In essence, she will be responsible for forecasting and controlling budgets and expenses which include tracking of actual hours, reporting actual and estimated project hours by milestone.

2) **Josh** will begin development of the **website** supporting Student Scranton Services. He is also responsible for website maintenance and managing customer feedback sent to the website. The website will support online sales; this data will also be evaluated by Joshua as team.

3) **Lance** is in charge of the **sales** department, one of the more crucial aspects of the business. Sales will be responsible for turning our service into cash all around Fresno state by networking heavily. This will include networking with students, clubs, fraternities/sororities, teachers, friends etc...The sales team will also continuously evaluate its processes.

4) **Dirk** is in charge of **marketing** our business to the Fresno State campus. This will include generating leads for the sales team and generating buzz about the company on campus. Marketing will take advantage of the free internship program on campus and utilize students to help with running the business. Interns will market through print, media, word of mouth, and relationships on campus.

5) **Emmanuel** will be in charge of putting **management** principles in place to help run our business more effectively. For the beginning phase of this company, Emmanuel will be the manager of the working staff for Student Scranton Services. He will

oversee the mix of skills and efforts levels needed such as reviewing and evaluation any applications submitted during the staffing stage.

PROJECT ASSUMPTIONS

The most critical assumptions that our project makes is that we are somewhat accurately predicting the duration of many of the activities. Since none of us have ever performed a majority of the activities we're either going with what research tells us or what communications with someone with a similar experience, but there are no real guarantees.

Another assumption is that we are able to find 2 interns that are willing to work unpaid for a company that is just starting up. This may not be a realistic scenario, especially when we are paying ourselves $16 an hour. This sort of situation could lead to an increase in costs if the interns cannot be found or we have to work the hours they were supposed to ourselves.

 A third assumptions is that we will either have enough or be able to secure enough funds to get the start up costs, permits, licensing issues, etc taken care of. While we have a milestone that is submitting our business to be certified on campus, there is no guarantee that we would even be allowed to start the business up even if we do have the funds.

Finally, our last assumption is that we can actually perform a majority of these activities ourselves with very limited outside help. Any sort of unforeseen or unaccounted for part or whole task that we aren't able to directly perform could hinder our project's duration and cost in a major way.

PROJECT COST

When planning our project we wanted to keep costs to a minimum, while also paying each manager a fair wage. In an effort to keep our costs to a minimum our group decided that we (the managers) would be the resources that were responsible for most of the labor hours, while also using interns to help out. The five managers account for 1586.8 hours, while the interns account for just 256 hours. Since labor hours by the managers accounted for almost all of the entire costs for the project using more interns seems like the appropriate action to take because they are not getting paid. However, we decided that finding more interns and giving them more duties was a risk because finding more interns for a start-up company would be difficult and the cost of fixing mistakes that they would make would be more costly.

There will be many different resources that will be used for each activity of the project. These resources include managers, interns, computers, printers, phone, car, location rental, HR contractor, Adobe Photoshop, PR Company, and an artist. These resources will be paid one of three ways: start of the project, end of the project, or prorated.

Among the different activities for the project there were two that stood out as being the most expensive, which are planning a budget ($1,822) and looking for sponsors ($2,408.80). After looking over these two activities we decided that they both were justified expenses because they are both vitally important to the success of the company. After all of the resources were added up, the total cost of starting our company comes out to be $27,384.80. As a team, we feel that this was a good number and that we will not make our company go bankrupt over this project. We considered

cutting costs on labor rate since it accounts for almost the entire cost of the whole project. Since most of the labor is our own, the actual start-up costs of the company are quite low. We will be utilizing the concept of "boot-strapping" to start up this company. As with any start up, the costs incurred usually clear up within 18 months of business.

PROJECT SCHEDULE

The total estimated duration for the project is 60 days from start to finish. The project begins with our application for a business license and is our first critical activity, as we cannot move on without first having our business license. After that we will continue to obtain the necessary permits to sell on campus and the approval from the administration building to market our service on campus. This will start concurrently with the initial designing phases of our website. Our critical paths run mainly through the marketing and sales department as we need money to stay alive. Lead generation will first happen through marketing by getting interns to create marketing materials. The sales team then converts those leads into sales and eventually money. Our critical path ends with evaluation of entire current staff of employees.

The following tasks have free slack that is less than total slack; print and distribute flyers and starting inventory. By having this type of free slack means that these two tasks can be extended without interfering with the total duration of the project.

RISK ANALYSIS

Using the @RISK simulator for Microsoft Project, we were able to identify potential risks that could affect the total duration, costs, critical path, and individual activities. For the duration, as illustrated in Figure 1, barring any huge outlier, the projects overall time taken will fall somewhere between 59.71 and 62.01 days 90% of the time. If given 62 days to complete the project, it would be performed within this duration 95% of the time. Our initial total duration expectancy of 60 days, falls neatly within this range as for correlation amongst the total project duration and an individual activity, Figures 2 and 3 show that there isn't strong evidence to support a single event, however, "Posting Internships" proved to be the only activity with any slight amount of correlation, but not nearly enough to be considered strong.

For the cost, as illustrated in Figure 4, there isn't a lot of variation given the number of activities, the 90% range falls between $27,056 and $28,027 with our estimated cost of $27,384.80 sitting near the middle of that spectrum. If given $28,2027 to complete the project, it would be performed within this money allotment 95% of the time. Similarly to the duration, Figures 5 and 6 shows that the correlation between an individual activity and the total cost of the project doesn't have any strong indicators, but if one had to be identified it would be the "Sales Plan" which would hopefully result in a return on the required money in the long run. As for the critical path, the ending remains rather solid with a small 10% chance of deviation, however near the beginning, the path seems to either fall upon one path or the other at similar rates of 42.8% and 47.1% meaning that these events will need to be monitored closely and plans for each

being the critical path based on unexpected delays in one or the other must be developed.

As for the individual activities we assessed as potentially risky ones, "Looking for Sponsors", as shown in Figure 12, has essentially no meaningful impact on duration or cost, The "Sales Plan", as shown in Figure 7 and previously mentioned, affects the cost the most of all activities, though not strongly correlated, and has little to no impact on the duration. While a few others, "Post Internships", "Creation of the Database" and "Creation of the Website", Figures 8, 10 and 11 respectively, large distributions cause the rift talked about previously in the critical path. The overall risk of the project lies within the duration of certain activities and how the extension of these activities leads to a critical path that would have been unknown at first glance.

MANAGEMENT TOOLS & TECHNIQUES

Project management is a tool that not many business men have in their belt. Fortunately for you, each member of our group of five (5) is PMP certified. Since project management involves planning activities, executing tasks and managing resources such as assets and people, our goal as project managers is to complete the project objective at the initial planning phase.

In our roles as project managers, we will use variety of methodologies and tools to suit our sponsor's budget and needs. One of the methodologies to be utilized is the Gantt charts which are powerful models for us to schedule, budget, report,

communicate and present our project plans, process and progress easily and quickly. In addition to the tools and techniques to be used is the critical path analysis.

The PERT which is also a tool within critical path analysis allows our plan to be scheduled according to a timescale and help us track the financial and time totals. This means that we know how to run and manage projects <u>efficiently</u>. Business is just a bunch of different projects working simultaneously and if you are not skilled in running a project effectively, then you should not be in the position. Because of project management, we can tell you with 90% confidence how much our project is going to cost and how much we stand to benefit from it. We can run Risk analysis on our network of activities and eliminate slack time if we need to from non-critical activities! Summarily, project management is very sophisticated tool which allows us to map out our business processes digitally so that we are able to evaluate and tweak it more effectively.

RECOMMENDATIONS & FUTURE CONSIDERATIONS

Opening a new business is not a simple task, it requires time and money. After examining the time and resources needed for this new business, our group is considering on spreading out the business. Our business will start operating here on campus and possibly on other colleges in Fresno. It would not be a simple task; therefore we're establishing our business in only a single location first. Also setting a specific date to start our business is an important consideration. We wouldn't like to start out business at the middle of the semester; therefore starting our business at the

beginning of the semester would be important for our company so students would get familiar with us.

In addition, social networks are becoming popular now days among college students, and we are considering using these tools so students get to know more in depth about our business. We want to locate potential customers through sites like Twitter and/or Facebook. It would be ideal to build a social relationship with them and promote our company and services and create loyalty and trust. It will generate traffic to our website.

FIGURES APPENDIX

Figure 1

Total Project Duration - Histogram
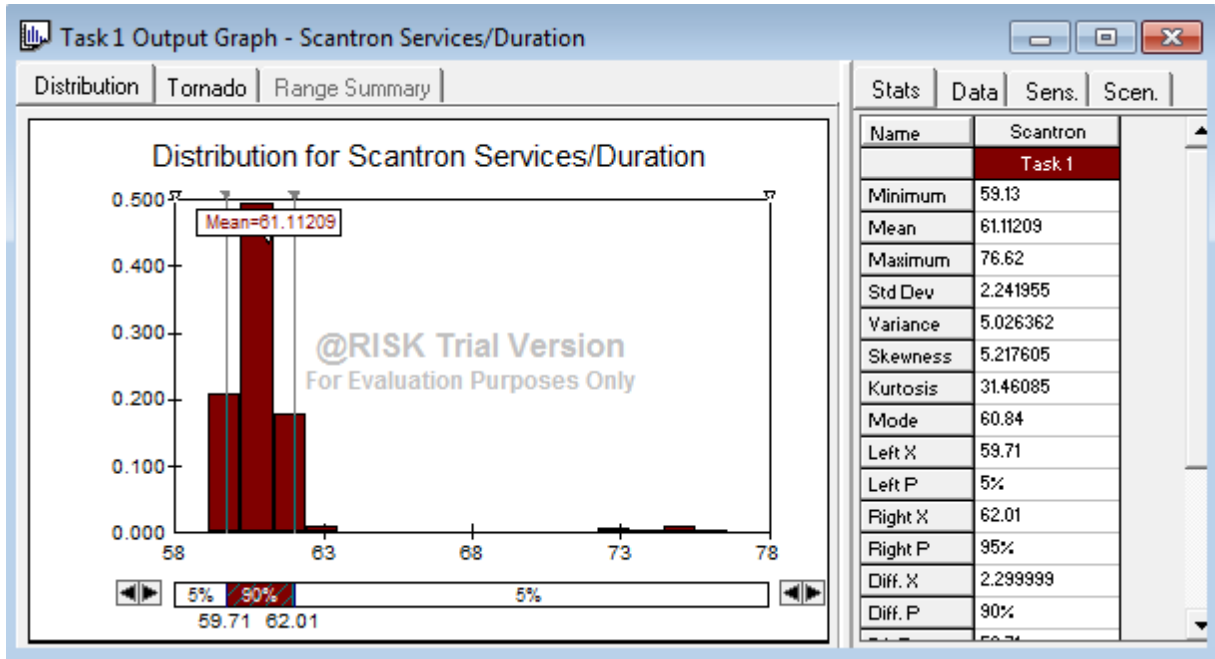
Figure 2

Total Project Duration - Tornado - Regression
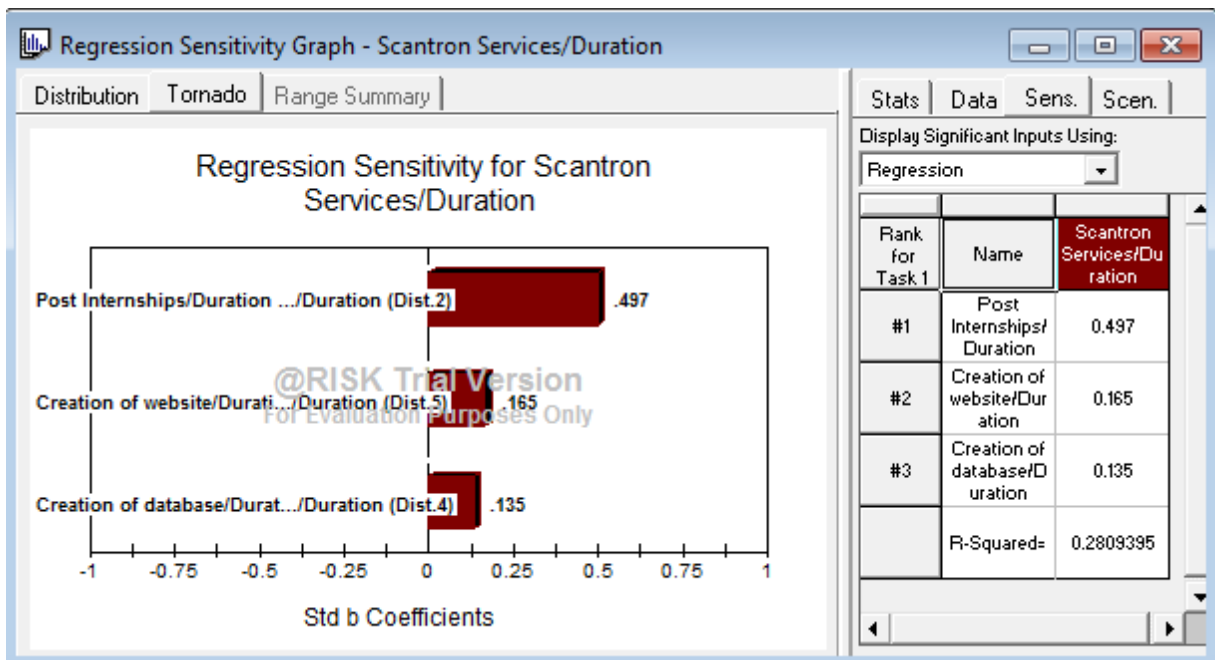
Figure 3

Total Project Duration - Tornado - Correlation
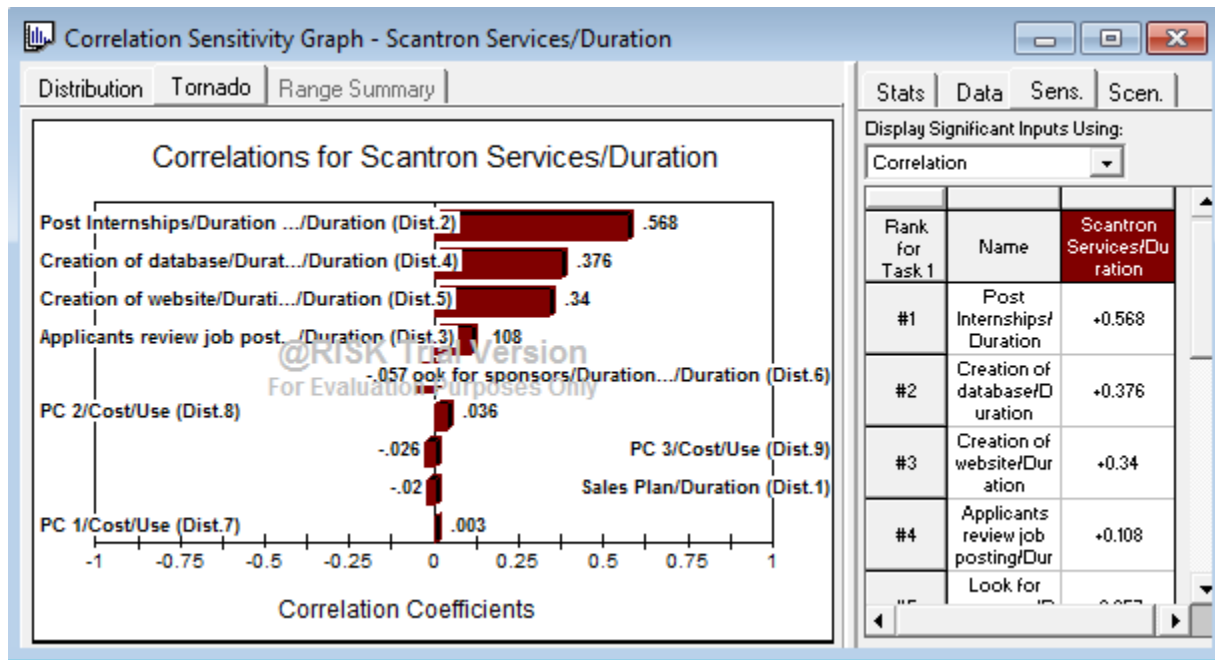
Figure 4

Total Project Cost – Histogram
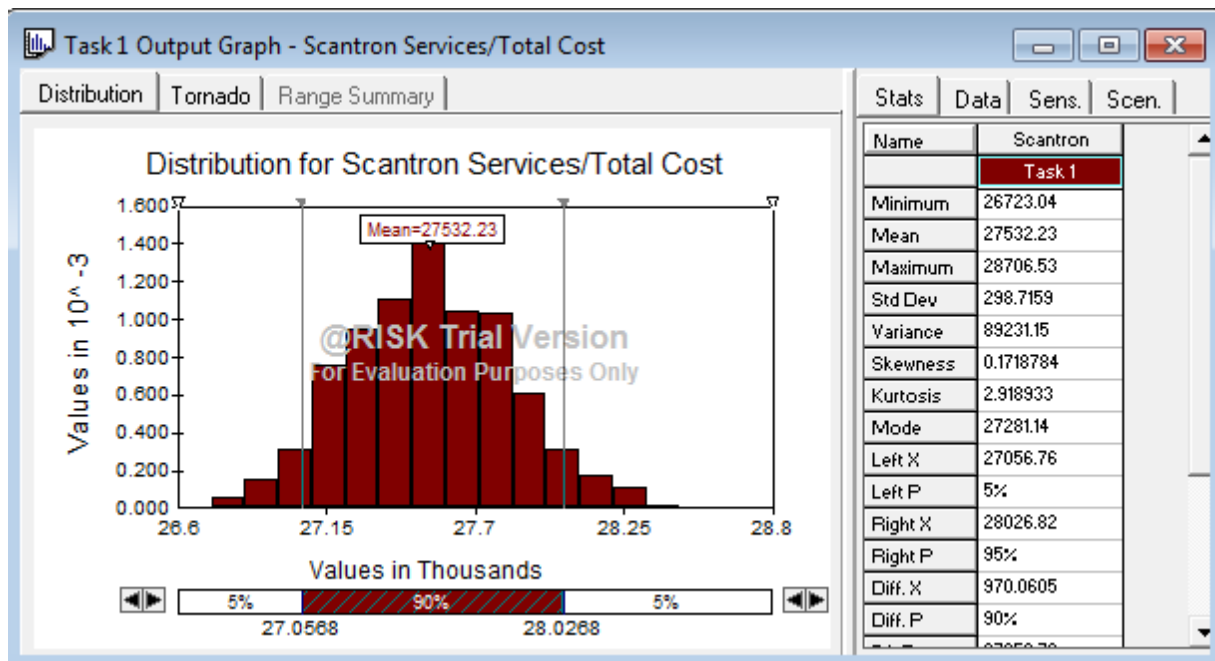
Figure 5

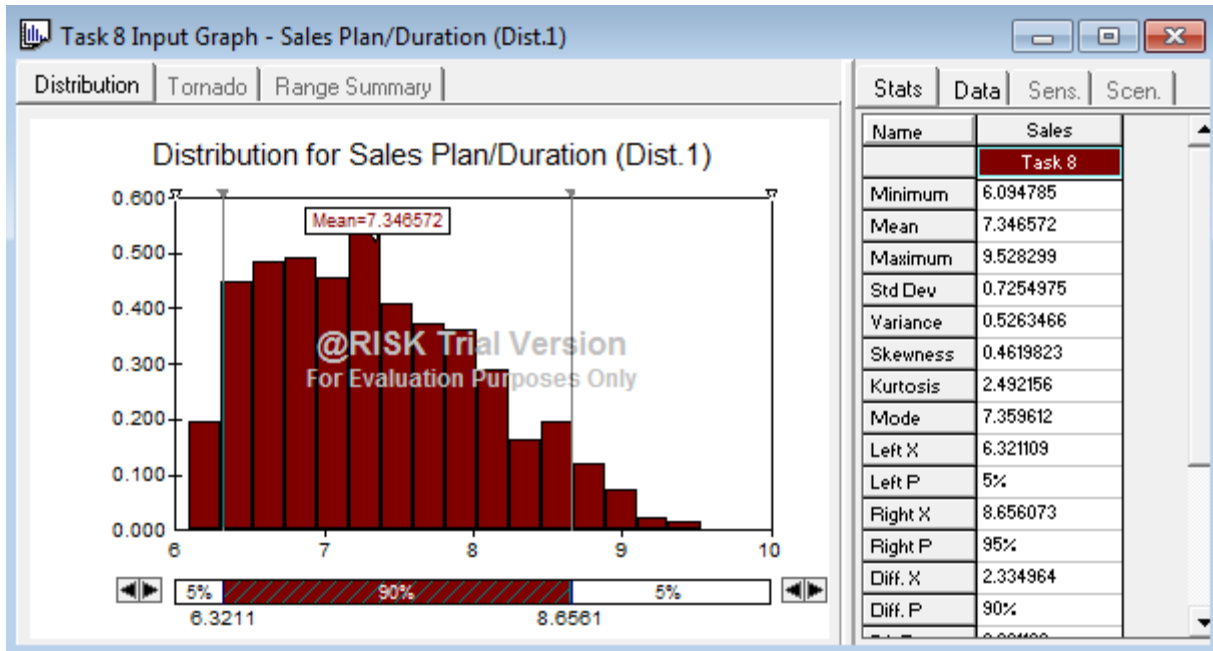Total Project Cost - Tornado - Regression
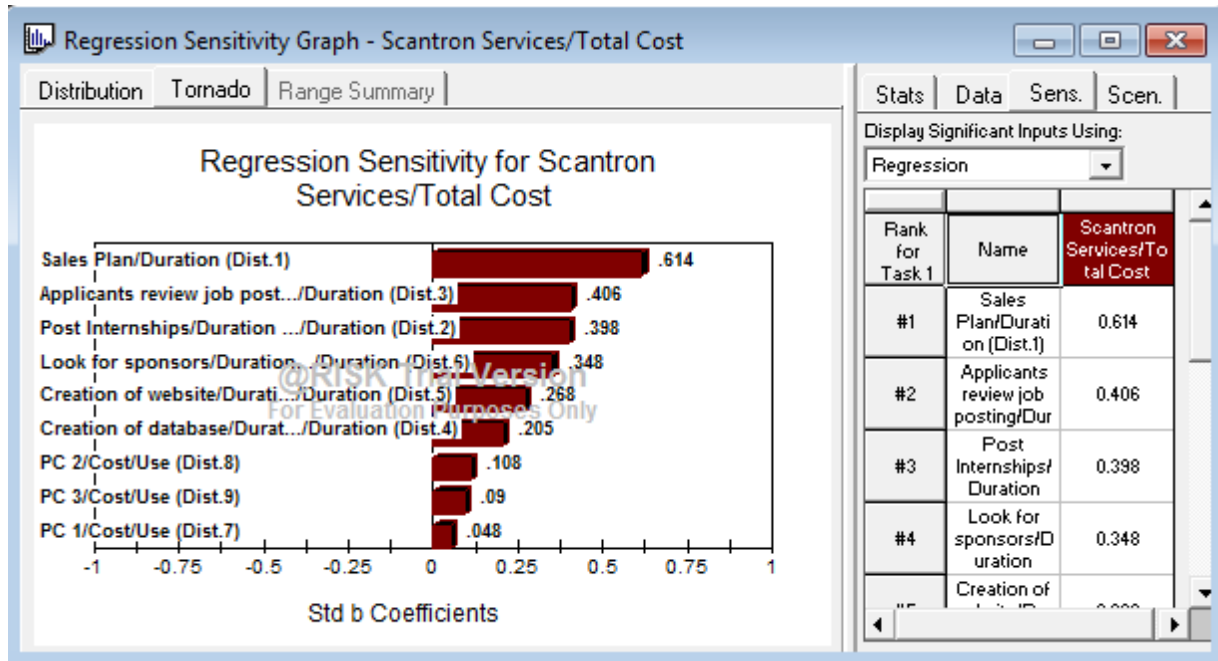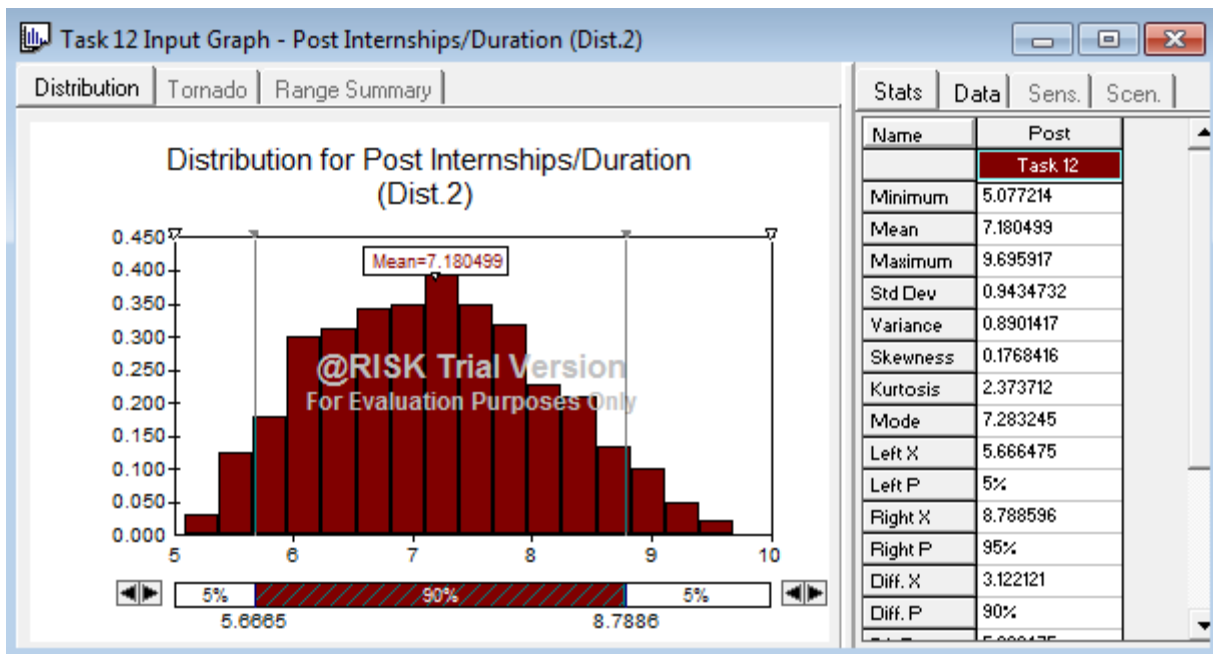

Figure 6

Total Project Cost - Tornado – Correlation
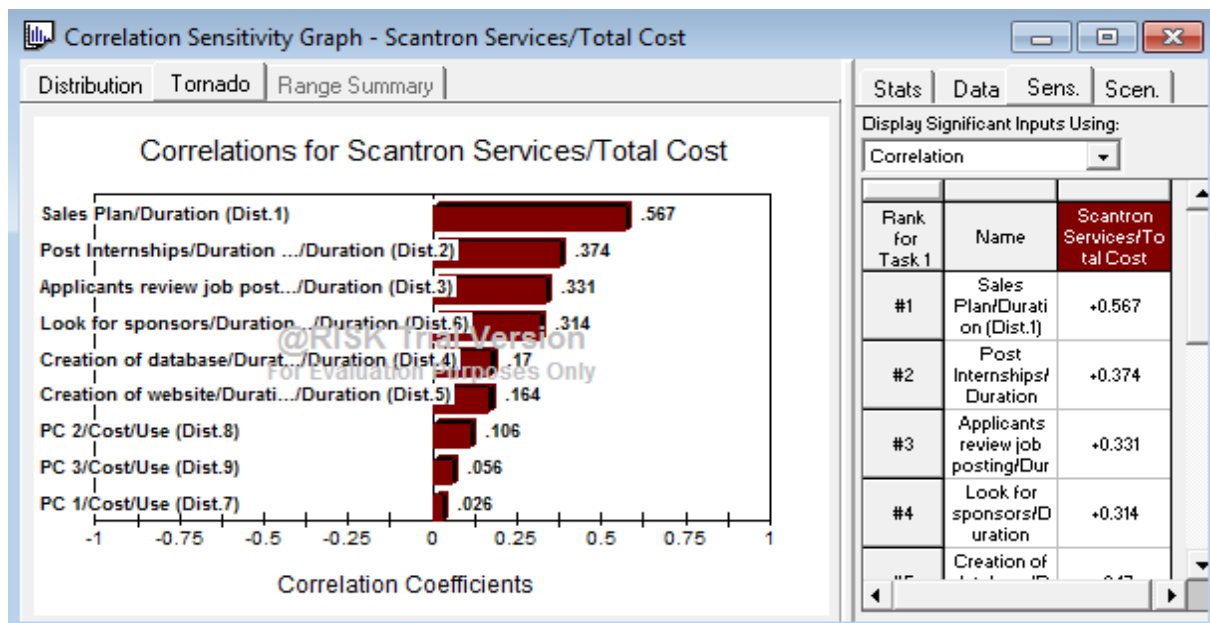
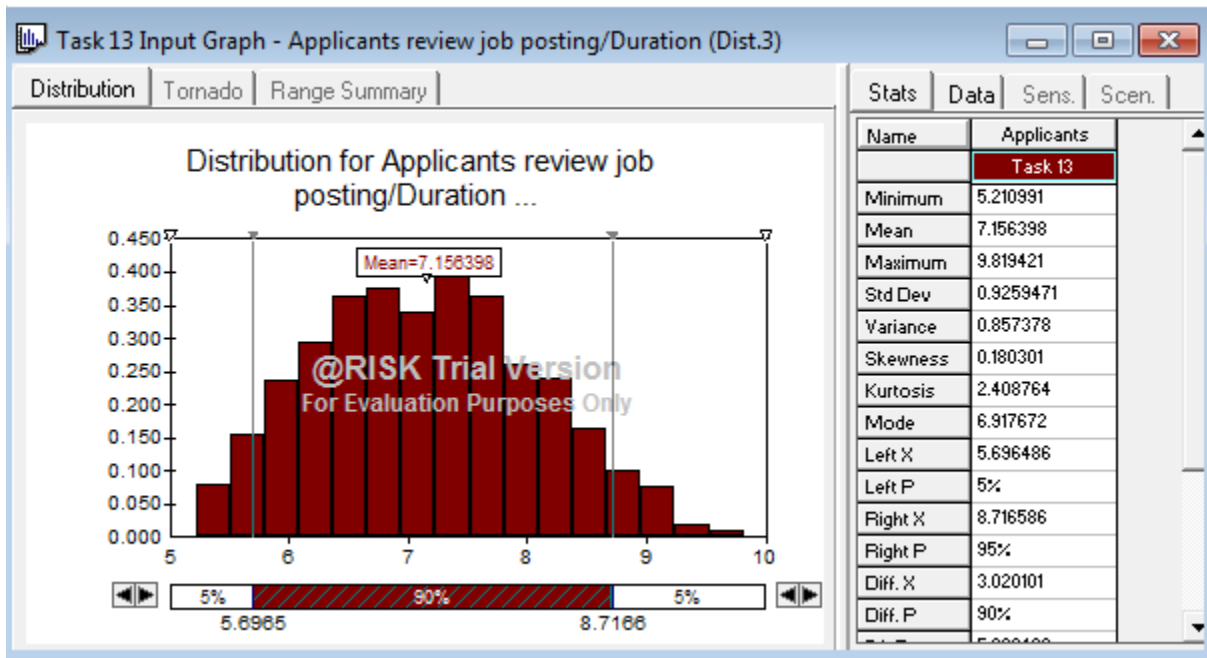**Figure 7**

Sales Plan Duration - Histogram (PERT distribution)

Figure 8
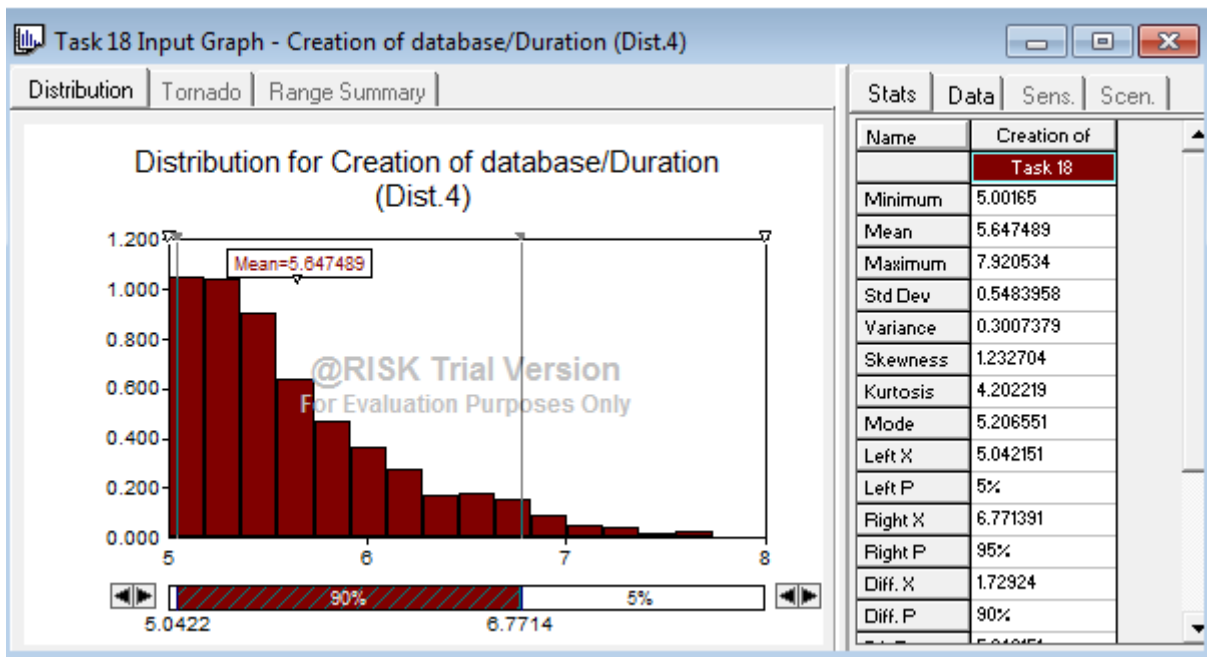
Post Internships Duration - Histogram (PERT distribution)

Figure 9

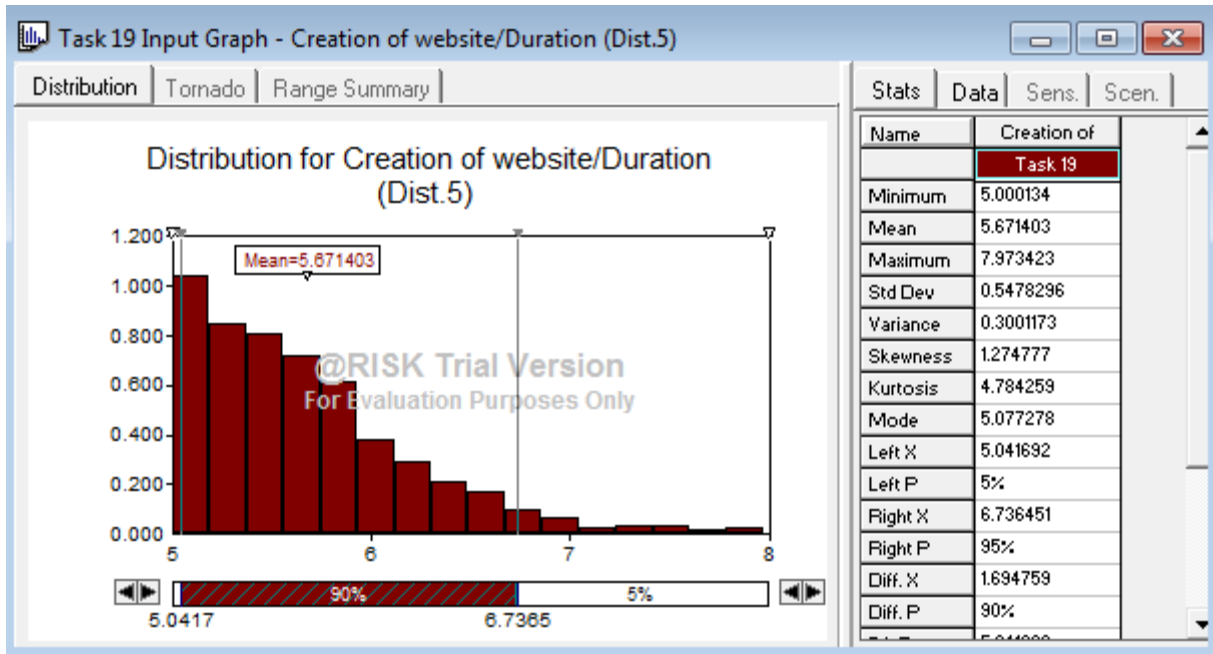Applicants Review Job Posting Duration - Histogram (PERT distribution)

Figure 10

Creation of Database Duration - Histogram (PERT distribution)
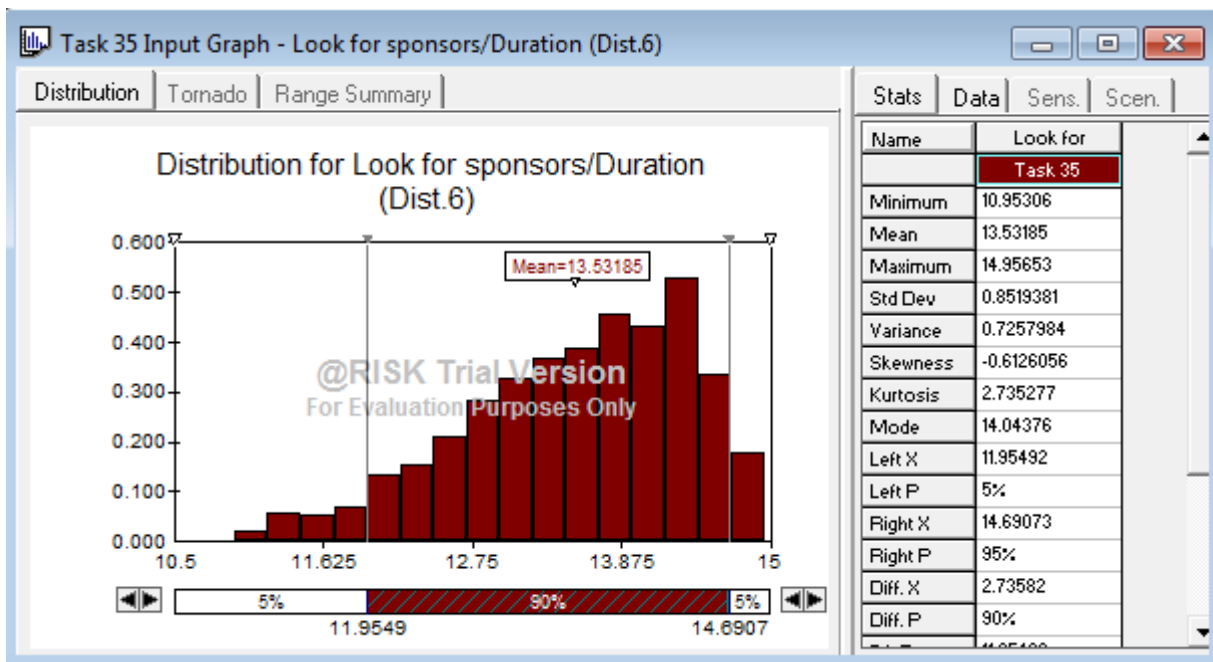
Figure 11

Creation of Website Duration - Histogram (PERT distribution)

Figure 12

Look for Sponsors Duration - Histogram (PERT distribution)

Figure 13

PC Cost - Histogram (PERT Distribution)