

What is the elite book holder



Quality

The project group is set to use the best available resources to ensure that the quality of the end product is no match for the competitors. Elite Stationeries Co. Ltd has secured the most qualified team of workers to work on the project. The working team is very organized and highly supervised. Furthermore, Allan & Co Ltd is the most renowned carpentry organization in Denver. The project group uses the latest software in product design, research, and development. Tenders have been issued to companies who are reliable and deliver on time.

Interim reports will be presented monthly to assure quality further. The results of the project will be analyzed monthly by the management to determine progress. The next step is taken after the stakeholders have given their feedback, approving the results of the phase in hand. This step-by-step development ensures that the end product satisfies both the stakeholders and the customers. Allan & Co Ltd is expected to advise the project team during product development. Furthermore, Bright Stationeries Co Ltd has successfully recruited employees from competitive firms with a homogenous product to acquire knowledge on the best way to model an improved product that beats the competition. Such employees were offered a higher wage than their former firms could pay them.

The project group has also established certain norms for quality control, which include a checklist for the product quality. Any deviations from the checklist should be noted and officially reported. The monthly interim reports also help to check for quality because the team aims to present to the

management satisfactory progress. The final interim report includes a sample of the final product and a list of the complete project activities. The final product will be inspected by the Colorado Director of Quality. If approved, a market sample shall be identified to test the product.

Project Organization

The project is a collaboration between two renowned firms; Bright Stationeries Company Limited and Allan & Co Ltd. The former is the sponsor whereas the latter is the contractor in charge of the project. The project committee is made up of the project manager and the heads of departments. The various departments in this project include the production department, research, and development department, accounting and finance department, human resource department and the sales and marketing team. Each department has full details of its employees, including their names, addresses, phone numbers, and email addresses.

There is a clear chain of command for this project that runs downwards from the product manager, deputy manager, and the heads of departments to the employee supervisors. During the training process, employees from each department are made aware of their duties and responsibilities towards the achievement of the project goals. Project activities have been named and distributed throughout the project group to avoid repetition of events, wastage of time and resources and unnecessary conflict within the group. The heads of departments have been endowed with the duty of creating a time sheet for each worker, which includes the name of the employee, their

job, the number of hours worked (regular and overtime), wage rate and the period or duration after which payments shall be made.

The stakeholders of the project include the investors and the management, i. e., the CEO of the company and members of the Board of Directors. The sponsor organization has nominated two members of the contractor to the project committee to communicate ideas and suggestions as the project continues. Communication runs upward through the chain of command mentioned above so that any changes can be noted and implemented. The project committee holds weekly meetings to monitor the product and to relay information. The project manager then forwards the progress report to the CEO of the sponsor on a weekly basis. The stakeholders and the Board of Directors are updated during the monthly meeting. Emergency meetings are also accounted for through emails and telephone calls.

The sponsor organization has conducted an environmental analysis to identify the internal and external factors that may affect the project progress and results. Among the external factors, those which may have an impact on the product include technological changes, economic climate, and government regulations (Grimsley, 2014). The project group should make sure that the technology used for this project is modern. Outdated technology wastes time and resources, thus delaying the project (Grimsley, 2014). The economic climate will affect the consumers ability to purchase the product. During a recession, the consumer purchasing power reduces. However, during an economic boom, consumers have more money at hand and can purchase the product. Government regulations may include rules pertaining product quality.

Some internal environmental factors which may affect the production include competition, suppliers, and employees (Grimsley, 2014). The main aim of the project is to produce a product that is competitive in the market to gain a fair market share, especially because this is the first book holder that the company will produce. The suppliers of raw materials should be reliable and deliver their orders in time. A business should make sure that its employees are qualified and trained to carry out their specific jobs efficiently.

Employees who are unfocused deliver poor results, which brings down the quality of the product (Grimsley, 2014).

Planning and scheduling

The planning of this project lies with the management of the sponsor organization, headed by the CEO of the company. The plan is communicated to the project manager, who ensures that the employees follow instructions given by their supervisors. The project committee includes the heads of departments and two members from the contractor organization. All parties are, therefore, consulted before the next step in the plan is executed. Such planning keeps all the parties involved up to date.

To make sure that the planning is realistic, the organization has established SMART goals as earlier explained. With a realistic plan, it is easier to achieve the set objectives of a project. The project is subject to suffer from contingencies such as delayed decision making. This is because the line of authority is not direct. Rather, there is a chain of command which must be followed, weekly reports and monthly reports to be made. The next significant step cannot be done without feedback from the CEO or the

stakeholders. To account for this delay, the planning of the project established a time duration of a year and a month before launching the finished product.

The project plan follows a Gantt chart model. This is a guide that explains the project activities, the duration of each event, which activities overlap, and the beginning and end date of the project (www.qantt.com). The attached Gantt chart shows that the project is set to begin on the 1st of May 2017 and that the product should be launched on the 30th of June 2018. The project begins with identification of project goals, for which the BOD meets for three days. At the same time, the board defines the requirements of the project. This takes a week. The two events overlap. Only after identifying the project requirements does hiring and training of employees begin on 7th May 2017. This process takes three weeks and ends on 28th May 2017.

After issuing tenders, the company then places orders for raw materials on the 8th of May. The company allocates a week for the orders to be processed and raw materials to be packed. During this period, in case a supplier backs out, another one can be sought. The raw materials are then transported between the 15th and 29th of May. Once the company has chosen an available, willing contractor, the project group meets with the contractor from 15th of May to design the product. This process takes eight weeks to ensure that the final model is no doubt without fault, appealing and satisfies customer needs, unlike the old model.

Actual production begins on 16th July 2017 after agreeing upon the best product design. The company has allocated 11 months for the production of the first group. Employees are expected to take their time in designing a product that is unique and an improvement of the previous project. This also gives time for various production methods and techniques to be tested before the most effective is employed. Finally, on the 30th of June 2018, the product is officially presented to the stakeholders and investors. If satisfactory, sales, promotion and distribution will be carried out within Colorado to test the product. This process begins on 3rd August and is expected to take eight weeks, after which the company will approve its overseas branches to begin production of the same.

The milestones such as searching for tenders, identifying and requesting tenders, identifying the available contractors and choosing a contractor are not included in the Gantt chart because such cannot be allocated a time duration (ganttt. com). Activities of designing the product and the actual production take the most time because they require the most amount of consultation and feedback.

Costs and benefit overview

The cost and benefits overview for this chapter took into account the different costs expected to be incurred during the production and distribution of the book holder. Costs include buying raw materials, transportation costs, payments made to the contractor, the cost of hiring and training labor, wages paid to employees, promotion and advertising costs and sales and

distribution costs. These values were put into account when determining the price of the book holder.

The price per unit has to reflect the cost of producing one unit of a book holder, inclusive of a reasonable profit margin. 70% of the benefits gained are used to pay dividends to the shareholders/stakeholders, and the remaining 30% are redirected into the business. It is important to make sure that during the cost-benefit analysis, contingencies are covered. If the management works with only a fixed budget, the production is likely to be delayed when some event occur, for example the damage of raw materials.

The cost of production per unit of a book holder is approximately USD 4. 65. Bright Stationeries Company Limited, being the top producer and distributor of stationeries globally, has the advantage of being a price leader. However, in this case, other companies have produced and marketed homogenous products for a while. The company has to ensure that they set a competitive price so as not to discourage customers. Once they have secured a market share, they can increase their prices based on the heterogeneity of the product and the additional benefits derived by the consumer. Based on the cost and benefits overview, the book holder is expected to sell at a price of USD 12. 50 per unit.

The company has several assumptions while setting the price according to the cost-benefit analysis. The first assumption is that there are no time delays. The company assumes that the time allocated for each activity as per the Gantt chart is sufficient to cover any time delays. The project will continue for a year and one month to complete. The second assumption is

that there are no price fluctuations in the market. The cost of capital and the price of labor are expected to remain fixed during the period of the project. The allocated budget of USD 100, 000 is supposed to cover for contingencies, including price fluctuations. The last assumption is that the final product is an improved version of the previous book holder. Therefore, it will satisfy the consumer needs. Otherwise, it is pointless.

Risk analysis

Risk refers to the possibility that an event will occur, and the adverse impacts of the occurrence (Andrew 2017). Risk analysis enables an organization to prevent such possible events and to manage their impact if they occur. Failure to carry out a risk analysis may cost a team a lot of money, waste precious time and damage their reputation if the project is a failure. For Bright Stationeries Company Limited, the risk analysis for this project involves determining threats that the process is likely to face and assessing the impact of these risks. Hence, putting in measures to either prevent these risks or manage their impact.

The following are risks that the company is likely to face and the measures that they have put in place to manage them.

Strategic risk (Andrew 2017). This is the danger that an organizations business plan may fail and therefore, the company may not be able to achieve its objectives. Strategic risk is brought about by many factors, including fluctuations in prices of raw materials, intense competition and change in demand for products. If a company fails to cater for strategic risk, it may become bankrupt and be forced to shut down. The sponsor has

managed strategic risk by allocating a budget that is more than enough to overcome price fluctuations. As a reputable price leader, the company is also likely to overcome market competition for this product.

Compliance risk (Andrew 2017). This is risk incurred due to failure to observe government by-laws and regulations. Being a multinational corporation, Bright Stationeries Company Limited is subject to different government regulations in the countries it operates. Such regulations include laws on repatriation of profits, outsourcing of employees and social responsibility. Failure to comply with these requirements may lead to forced dissolution of the business by a court of law in that particular state. The company should analyze the environment of any new state that it wishes to venture into to ensure that it is investor-friendly to manage compliance risks.

Financial risk (Andrew 2017). This is the danger that the company may incur additional costs or make losses. This project faces financial risk just by being the first book holder that the company will produce and market. Although the budget allocated is sufficient to cover overheads, the company is speculative about sales in the market. If the company cannot beat the competition, then the product will go unsold, leading to massive financial losses. The best way to manage financial risk is to undertake an insurance policy that shields the business against the impact of such unforeseen losses.

Operational risk (Andrew 2017). This is risk that occurs if the day-to-day activities of the firm fail. Operational risk can be caused by a variety of factors such as technological errors, workers or the processes. The company

has made use of modern technology and has brought in a contractor to do the carpentry work. To prevent operational risk, each department of the project group needs to be aware of the project plan and their particular activities. When each department has an in-depth knowledge of their various duties and responsibilities, no procedures will be omitted or duplicated. The sponsor should allocate enough time and resources in training of workers. Proper training enables the employees to carry out their duties efficiently, thus minimizing operational risk.

Reputational risk (Andrew 2017). This is the chance that an organizations reputation is damaged. Reputational risk has dire consequences because it leads to loss of customers, loss of revenue, investor withdrawal, shareholder mistrust and eventually, laying off of workers if the company does not recover. Being a multinational firm and a price leader in stationery, Bright Stationeries Company Limited enjoys global reputation. This project had failed before, thus the company undertook the re-introduction of the product in the market. The success of this project is vital to the companys reputation. It is, therefore, of no doubt why the company has set aside a period of one year and a month to ensure the product is a success.

Conclusion

The Elite book holder is a sequel to the 2013 Bright book holder project. Management has made sure that planning of the project activities is very detailed and precise. The project group consists of qualified and highly trained employees. The contractor, Allan & Company Limited, is the most reputable carpentry firm in Colorado. A proper risk analysis has been

conducted, and risk prevention techniques have been put in place to ensure that the project is a success. The success of this project is vital in achieving the objectives of the company, which include satisfying customer needs, increasing the market share, increasing the value of shares and increasing shareholders return per share.

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