

End of Project Report

UNIVERSITY: UNIVERSITY OF WALES TRINITY SAINT DAVID

MODULE NAME: PROJECT MANAGEMENT

MODULE CODE: LCBB5005

LECTURER: DR. NANDISH PATEL

STUDENT: VILIANA STOYANOVA

STUDENT NUMBER:1814718

TABLE OF CONTENTS

Introduction	3
Project objectives and achievement	3
Reduction in transportation cost by 20 per cent	3
Reduction in labour cost by 8 per cent	4
Improvement in environmental sustainability	4
Reduction in response time to market	4
Benefits.....	4
Expected.....	4
Unexpected.....	4
Project scope	5
Timescale	5
Budgets and tolerances.....	5
Project changes and impact on the project	6
Centralised procurement	6
Labour management.....	7
Effectiveness of risk identification.....	7
Lessons learnt.....	7
What went well and personal changes?.....	7
The gaps	8
What should be done differently?	8
Conclusion.....	8
References	9

INTRODUCTION

This report aims to critically analyse and evaluate the performance of direct shipment project planned for SGL. SGL is a multinational organisation involved in the production, marketing, and sales of hand-protection equipment. In the existing situation, the company had an ineffective transportation structure to supply goods to its sub-companies. The project under consideration aimed to plan direct shipments to two of its sub-companies and a final distribution warehouse. With an initial investment of around £43,000, this project had a projected benefit of more than £250,000. The primary objective was to save on the labour as well as transportation cost. The evaluation report under consideration will critically appraise the project objectives and achievement against them. Besides, the benefits and project scope will also be critically assessed in terms of their performance against the initial plan. Subsequently, changes made during the project, the impact of these changes and the effectiveness of risk identification practices will also be discussed. Lastly, a personal reflection will be provided, which aims to understand the good practices adopted during the project, the gaps in the existing project management strategy along with the strategy and approach that should be followed in future to avoid the challenges. Based on the core arguments, the report will be concluded at the end.

PROJECT OBJECTIVES AND ACHIEVEMENT

The performance of the project against its initial objectives is one of the elements that highlight the success of a project (Frefer et al. 2018; Sebestyen , 2017). For instance, if a project remained unable to achieve its critical objectives, this cannot be termed as a successful project (McLeod, Doolin and MacDonell , 2012). In addition to performance against objectives, another factor such as budget, timescales and tolerances would also play a role in assessing the degree of success associated with a project (‘Measuring Project Success’, 2013; Albert, Balve and Spang, 2017). For the case under consideration, PRINCE2 project management methodology has been used in order to better manage the key deliverables and the outcomes of the project (Bentley, 2010). In this regard, the following sub-sections outline the objectives of the project along with performance against each:

REDUCTION IN TRANSPORTATION COST BY 20 PER CENT

By identification and removal of redundant and non-valued added activities within the process, the project aimed to reduce transportation cost by 20 per cent. For this purpose, direct shipments to BEL, PSL and warehouse had been planned with a distribution of loading and inspection staff. In actual, the project resulted in over 22 per cent reduction in the transportation cost. This is primarily due to better negotiations made with the transportation supplier. The initial estimation of savings was based on the quotations of direct shipments to BEL, PSL and warehouse. However, while assessing and negotiating with another transportation supplier, an even cheaper but reliable service has been finalised. This led towards a further reduction in the transportation cost.

REDUCTION IN LABOUR COST BY 8 PER CENT

The project aimed to reduce the labour cost by 8 per cent. This was to be achieved by cutting the expenses of loading, unloading and inspection at various sites. In actual, the project remained limited to achieve only a 2 per cent reduction in the labour cost. Initially, most of the loading, unloading and inspection labour was available at BEL. The initial plan was to shift and divide this labour at other locations based on the frequency of shipments made to those locations. However, the resources did not agree for a transfer. As a result, the company had to recruit new resources for PSL and warehouse. The cost of these resources was relatively higher than the initial estimates leading to less reduction in labour cost in comparison with the objective.

IMPROVEMENT IN ENVIRONMENTAL SUSTAINABILITY

The improvement in environmental sustainability was a by-product of the core objectives of the project. By achieving a reduction in transportation activities, the company had certainly contributed towards lesser carbon emission. The exact amount of emission is to be tested as the company does not have existing practices for the same.

REDUCTION IN RESPONSE TIME TO MARKET

As another by-product of the project, the response time of the company to market has substantially improved. By acquiring the requirement products from each factory, the distribution warehouse has aligned supply with market demand resulting in efficient operations and supply chain management.

BENEFITS

The benefits of a project are typically driven by the objectives (Davis, 2017; Kiani Mavi and Standing, 2018). Nonetheless, many of these benefits are expected and several unexpected benefits are realised after the completion of the project (Gomes and Romão, 2016). For the case under consideration, the following sections present the expected and unexpected benefits of the project:

EXPECTED

The following expected benefits have been achieved:

1. 20 per cent reduction in transportation cost.
2. 2 per cent reduction in the labour cost for loading, unloading and inspection.
3. Improvement in the response time and effective operations and supply chain management.
4. Improvement in the environmental impact of the company by the reduction in the carbon emission.

UNEXPECTED

In completion of the project, there were a few unexpected benefits were not initially planned. For the case under consideration, one of such unexpected benefits was the improvement in the controls and inventory management practices within the company. By developing the necessary change in the Enterprise resource planning (ERP) software of the company, the control has

increased as several additional checks have been added. Moreover, this has also strengthened the accountability practices within the organisation as each company now looks after its inventory separately. With this, the inventory management practices have also improved.

PROJECT SCOPE

For a project to be successful, performance against timescale and budget is one of the critical aspects as outlined by PRINCE2 methodology (Joslin and Müller, 2016; Špundak , 2014). The following sections assess if the project under consideration stays within the scope in terms of timescale, budgets and tolerances:

TIMESCALE

As per the initial plan, the project had to be completed within 24 weeks. In actual, it took 31 weeks to complete the project. Most of the delays caused in the first milestone of the project which was about the feasibility and approval. The initial plan sets a limit of 6 weeks to achieve this milestone; however, in actual, it took 10 weeks to finalise and get an approval on the project. This delay has majorly been caused by COVID-19 leading to lockdowns and limited interaction of the management team. However, later on, the meeting was arranged remotely to get approval on the project. A slight delay has also been observed in the negotiation activity with existing ERP supplier. This was an activity of 2 weeks as per initial estimates; however, it took around 3 weeks, again due to COVID-19, followed by the lockdowns. The following table presents the actual duration against each activity (Table 1):

TABLE 1: PROJECT PERFORMANCE AGAINST TIMESCALE

Activity Description	Planned Duration	Actual duration
Feasibility and approval	Milestone	Milestone
Feasibility and assessment	3	3
Preparation of proposal for management	2	3
Presentation and approval	1	4
IT Assessment	Milestone	Milestone
Review of the existing system	2	2
Negotiation with the supplier	2	3
Up-gradation	3	3
Going live	2	2
Training and development	Milestone	Milestone
IT Training	3	3
Operational training	3	3
Transportation alignments	Milestone	Milestone
Negotiation with the contractors	2	2
Finalisation of contract	2	2

BUDGETS AND TOLERANCES

Budget is one of the critical performance assessment factors for any project (Karrbom Gustavsson and Hallin, 2014). In other words, to ensure the high-level success of a project, it must remain within the initial budget estimates (Gutiérrez and Magnusson, 2014; Smith, 2016).

For the case under consideration, the initial estimate of the budget was £42,340. In actual, it had a total cost of £47,784. There was an increase of around £5,000 in the overall cost, which was primarily because of an increase in IT up-gradation expenses and the recruitment expenses. The initial estimates of IT upgradation were purely based on the rough assessment by the IT department, while in actuality, the service provider presented its quote to develop the necessary changes within the software. Moreover, a slight increase in the recruitment cost was observed due to challenges in finding training labour at BEL and distribution warehouse. Other costs remained as per budget or under the budget. The following table presents the comparison of planned and actual cost along with a delta of variation (Table 2):

TABLE 2: PROJECT PERFORMANCE AGAINST BUDGET

Particulars	Initial cost	Actual cost	Delta
Transportation cost			
Visits to PSL	£ 1,300.00	£ 1,254.00	£ 46.00
Visits to BEL	£ 1,200.00	£ 1,248.00	-£ 48.00
Visits to Warehouse	£ 1,140.00	£ 1,249.00	-£ 109.00
Total transportation cost	£ 3,640.00	£ 3,751.00	-£ 111.00
Training and development cost			
IT Training	£ 1,500.00	£ 1,500.00	£ -
Operational training	£ 4,200.00	£ 4,209.00	-£ 9.00
Total training cost	£ 5,700.00	£ 5,709.00	-£ 9.00
Other expenses			
Recruitment expenses	£ 2,000.00	£ 4,055.00	-£ 2,055.00
IT-upgradation charges	£ 24,000.00	£ 28,255.00	-£ 4,255.00
Other administrative expenses	£ 4,000.00	£ 3,966.00	£ 34.00
Misc. expenses	£ 3,000.00	£ 2,048.00	£ 952.00
Grand Total	£ 42,340.00	£ 47,784.00	-£ 5,444.00

PROJECT CHANGES AND IMPACT ON THE PROJECT

Changes within the project are inevitable (Project Management Institute, 2017; Dybå, Dingsoyr and Moe, 2014). The initial plan set for a project is primarily based on the ideal situation (Martinsuo and Hoverfält, 2018). In accordance with PRINCE2 methodology, although a risk assessment practice is carried out to align the plan with actual, this practice may have gaps and might not be able to assess the actual dynamics (Gareis, 2010). Thus, it is necessary to deal with the changes effectively to avoid any negative impact on the overall project (Lines et al. 2015; Jayatilleke and Lai, 2018). For the case under consideration, two major changes in the project have been observed and the following section describes along with the impact on the project:

CENTRALISED PROCUREMENT

Initially, it had been planned that each sub-company, e.g. BEL and PSL will place its demand to SGL. However, due to restrictions of the ERP system and also due to an increased cost of relevant human resource, it was planned to get through a centralised procurement department. This also resulted in the least impact on the internal practices of each factory. Initially, BEL used to raise its demand to PSL and PSL used to send the consolidated demand to SGL. In the changed situation, a centralised procurement department was established at the distribution warehouse by transferring existing resources from PSL. Each sub-location shares its demand to

the centralised procurement and a consolidated demand along with segregation for each factory is now shared with SGL. This does not only minimise the impact of change but also save on the cost of human resources.

LABOUR MANAGEMENT

Management of labour for loading, unloading and inspection did not go as per plan. The initial plan was to shift and transfer labour at different nodes of the supply chain, which was not implemented due to resistance by the labour. To cater to this, additional resources from the external market were recruited. This does not only increase the labour cost but also resulted in increased cost of recruitment.

EFFECTIVENESS OF RISK IDENTIFICATION

As mentioned earlier, risk assessment and identification exercise within a project management context can be limited (Moran, 2014; Kutsch and Hall, 2010). Due to this, it might not be able to identify all associated risks of a project. Ideally, the risk management practice should be able to foresee the possible changes and risks should be identified and mitigated in advance (de Bakker, Boonstra and Wortmann, 2010; Olechowski et al. 2016). Nonetheless, due to uncertain situations, internal and external practices, this exercise might not have a high level of effectiveness.

For the project under consideration, most of the major risks associated with the project had been identified using PRINCE2 methodology and a plan was available to cater to each risk. Nonetheless, for the performance against project scope, it remained unable to achieve the initially planned timeline. This has been caused by an external factor which was beyond the control of the business. Nonetheless, this could have been considered in the initial risk management and a mitigation plan such as remote management of meetings and approvals could have been planned to avoid any delays within the project. Other than this, all key risks such as budget over-runs, availability of labour and problems in ERP systems had been considered and a well-planned mitigation strategy was available.

LESSONS LEARNT

This section is based on my reflection on the outcomes associated with the project under consideration:

WHAT WENT WELL AND PERSONAL CHANGES?

Overall, the project went very well and the initially planned objectives, more or less, have been achieved. For instance, one of the key objectives was the reduction in the transportation cost that have been achieved over and above. Besides, improvements in environmental sustainability and market response time have also been observed. There were also few unplanned benefits such as improvement in inventory management and accountability practices. Throughout the project, coordination among the team members and stakeholders of the project remained excellent. Although COVID-19 was a big challenge in managing communication between project stakeholders, it had been quickly and effectively handled by the project team. In addition to this, the project control and monitoring mechanism also remained up to the mark and all

planned meetings had been arranged remotely to discuss the progress of the project. Working for the project has also helped to strengthen my project management skills, communication skills and negotiation in a professional environment. Moreover, I have also learnt to work within team along with various strategies for conflict resolution.

THE GAPS

As far as the gaps within the project management exercise are considered, it would list the risk management, labour planning and ERP assessment at the top of the list. Risk management remained unable to consider the impact of external practices that eventually affect project delivery. Initial ERP assessment in the feasibility study was planned internally without the involvement of the service provider. This did not only lead to the wrong estimation but also affect the initially planned flow of activities.

WHAT SHOULD BE DONE DIFFERENTLY?

Considering the overall evaluation of the project under consideration along with the assessment of gaps in the project management practices, the following strategies can be recommended for future implementation of projects of similar nature:

1. Risk management practices should be improved by critically considering the impact of any external factor on the delivery as well as the budgets of the project.
2. For the projects involving ERP or any other technology for which the company seeks help from the external service providers; they must be involved in the project at its feasibility stage. This will not only help to have correct estimation but will also help to better align the flow of activities and other organisational changes.

CONCLUSION

To conclude, it can be argued that the performance of the project against its initial objectives is one of the elements that highlight the success of a project. For the project under consideration performed up to the mark against key objectives; however, it has also observed deviations from the initial plan in a few areas. For instance, it has overachieved the estimated savings on transportation cost; however, the targeted decrease in labour cost has not been achieved. For the project under consideration, most of the major risks associated with the project had been identified and a plan was available to cater to each risk. Nonetheless, for the performance against project scope, it remained unable to achieve the initially planned timeline. This has been caused by an external factor which was beyond the control of the business. This limitation in the risk management exercise led to the delays in the delivery of the project. For future, risk management practice can be improved and ERP or other external service providers can be included at the initial feasibility stage to achieve the desired objectives, timeline and budgets of the project.

REFERENCES

- Albert, M., Balve, P. and Spang, K.(2017) ‘Evaluation of project success: a structured literature review’, *International Journal of Managing Projects in Business*.
- Bentley, C.(2010). *PRINCE2: a practical handbook* . 3rd edn. Butterworth-Heinemann
- de Bakker, K., Boonstra, A. and Wortmann, H.(2010) ‘Does risk management contribute to IT project success? A meta-analysis of empirical evidence’, *International Journal of Project Management*.
- Davis, K.(2017) ‘An empirical investigation into different stakeholder groups perception of project success’, *International Journal of Project Management*.
- Dybå, T., Dingsoyr, T.and Moe, N.B.(2014) ‘Agile project management’, in *Software Project Management in a Changing World*.
- Freder A.A. et al (2018) ‘Overview Success Criteria and Critical Success Factors in Project Management’, *Industrial Engineering & Management*. 7: 244. doi:10.4172/2169-0316.1000244
- Gareis, R.(2010) ‘Changes of organizations by projects’, *International Journal of Project Management*.
- Gomes, J.and Romão, M.(2016) ‘Improving Project Success: A Case Study Using Benefits and Project Management’, in *Procedia Computer Science*.
- Gutiérrez, E.and Magnusson, M.(2014) ‘Dealing with legitimacy: A key challenge for Project Portfolio Management decision makers’, *International Journal of Project Management*.
- Jayatilake, S.and Lai, R. (2018) ‘A systematic review of requirements change management’, *Information and Software Technology*.
- Joslin, R.and Müller, R.(2016) ‘The relationship between project governance and project success’, *International Journal of Project Management*.
- Karrbom Gustavsson, T.and Hallin, A.(2014) ‘Rethinking dichotomization: A critical perspective on the use of “hard” and “soft” in project management research’, *International Journal of Project Management*.
- Kiani Mavi, R.and Standing, C.(2018) ‘Critical success factors of sustainable project management in construction: A fuzzy DEMATEL-ANP approach’, *Journal of Cleaner Production*.
- Kutsch, E.and Hall, M.(2010) ‘Deliberate ignorance in project risk management’, *International Journal of Project Management*.
- Lines, B.C.et al.(2015) ‘Overcoming resistance to change in engineering and construction: Change management factors for owner organizations’, *International Journal of Project Management*, vol. 33, no. 5, pp. 1170–1179.
- Martinsuo, M.and Hoverfält, P.(2018) ‘Change program management: Toward a capability for managing value-oriented, integrated multi-project change in its context’, *International Journal of Project Management*.
- McLeod, L., Doolin, .and MacDonell, S.G. (2012) ‘A perspective-based understanding of

project success', *Project Management Journal*.

'Measuring Project Success' 2013, in *Information Systems Project Management*.

Moran, A.(2014) 'Project risk management', in *SpringerBriefs in Computer Science*.

Olechowski, A.et al. (2016) 'The professionalization of risk management: What role can the ISO 31000 risk management principles play?', *International Journal of Project Management*.

Project Management Institute (2017) *Success Rates Rise 2017 9th Global Project Management Survey*,.

Sebestyen, Z . (2017) 'Further Considerations in Project Success', in *Procedia Engineering*.

Smith, P. (2016) 'Project Cost Management with 5D BIM', *Procedia - Social and Behavioral Sciences*.

Špundak, M.(2014) 'Mixed Agile/Traditional Project Management Methodology – Reality or Illusion?', *Procedia - Social and Behavioral Sciences*.