

Project Management (LCBB5005)

Local Store
(EOP)

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Part I.

The main idea of the project is how to rent with the option to buy an ordinary neighborhood working store, which is located in a densely populated area in the northeastern part of the second largest city in Bulgaria, Plovdiv.

Although we rent it monthly at a higher price than necessary (which I personally consider to be a benefit, will be justified on this topic later), we have clear goals with progressive aspect, which can eventually lead to good profits. Nevertheless, there is a problem that may be in our way in the development of our idea and it comes mostly from the fact that we have no experience in this industry.

The maximum that can be done to avoid this potential problem is to build a clear and detailed plan that describes the proposed steps as a scenario to follow in order to implement our idea. The project seems completely achievable and realistic as long as we build a good if not perfect scenario with a clear mind and with strong concentration to follow it, even if it is necessary to change it in the process of work.

Part II.

As a neighborhood store manager, there is nothing unique, also the business can bring a lot of negatives. The work is big, it can lead to such a total failure, as well as to small incomes, where, although we are on plus, it still does not deserve to be managed. The most important things to consider are not even the money in service, but most likely the location, the benefits, the ideas that may be needed in the future to increase profits, and so on. All this must be well thought out and placed in a strong, detailed and clear business project, which will be as a basis for what we are building. The location is already crystal clear in the assignment 1 project, and in the work on this assignment. But let's look at what benefits there are and how we can create more with the future. The number of people living in the area is large and this is a stable benefit, but what makes it even better is that this is the only 24/7 store. It is not possible to be the only ones in such an area, but the plus is that it is still difficult to say that we have a strong competitor. It's just that the location of other similar stores is such that everyone has a piece of pie, and when night falls, the whole pie becomes ours. The other thing that can be declared a benefit is the flexibility of the contract, the monthly rent of 4000 BGN is extremely large for a store in a neighborhood outside the center and without any

landmarks, but we have future ideas in which we believe will increase our revenues. And yet, if we fail in this, then we have the opportunity to get rid of the store as it is in the clause of the contract, otherwise if our ideas develop favorably for us, and the owner decides to return its property, then it will occur after 12 months from the official requirement for this. During this period we have enough time to consider how to continue our development in the neighborhood. Another serious benefit is that all distributors we work with are located in the city and some of them are working 24/7, then we can quickly and easily work with them if necessary. In the beginning we will be careful with the orders until we get into a rhythm and in options for finishing a product, we can restore it in a short time and it will be on our shelves again. All these benefits mentioned so far are for the present time, and the first future potential benefit can develop in a relatively short period of time, and work earlier than its allotted time for three months. It is very likely that there will be a positive future that could double the revenue. It is a marketing campaign specifically targeting people living in the six large blocks opposite the store. They can lie comfortably on their sofa at home and watch TV, for example, and place an order over the phone or the newly created web-site for a minimum of 5.00 BGN and have it delivered to their home door in a relatively quick period of time. All the costs of this campaign - such as leaflets, local advertising and the creation of web-site will be one-time, all we need is this news to reach these few thousand people and then they will already use this service in the future. Another great benefit of this idea is that the web-site will be in an easy and non-committal vision with clearly defined categories - product - description – prices. This can definitely lead to the purchase of products that were not originally intended to be purchased, as most customers when they go to a shop they have a certain idea of what products they will buy and when they go inside they focus entirely on what is in their head. But now in the home comfort of the sofa and the easy

design of the web-site, as well as the fact there products will be delivered, there is a high probability that they will buy things that were not planned in advance.

Part III.

The time allotted for this project of 6 months, seems promising, so that we have enough time to get acquainted with the business and even impose a new change. In general, we need to perform three basic actions:

1. Before heading the management position

- Check everything. Is the store in the norm and there are no any debts, or how much are the debts. In fact, we need to get to know and analyze the assets and liabilities of our future business.
- Accountant is preparing for us the all necessary documents for giving us permission to operating a store of this kind.
- All documentation must be prepared between us and the owner contracts, money and so on. Basically we transfer the money in their account they are transferring us officially the shop.

2. The operation in action. The shop is under our control, we are going to split the management for the first half a year in two stages:

- Begging – At first it will be extreme. We need to get to know the surrounding environment included – products, distributors, staff, supply and demand and so on. We also definitely will try to identify all possible problems that may occur.

At this stage the business needs from us all possible time-resources

- After beginning - Even if it is assumed that a difficult start and getting to know the business should not take three months, it is still highly recommended to maintain the critical mode of operation for this period of time. When we already feel more confident in the environment around us, we can switch to slower turns and look boldly at the development stage.

3. The first progressive step - If our control and monitoring is successful, then we can start to develop the "home delivery for free, from just 5.00 levs minimum order" project. At first glance, this is a project that requires easy and fully acceptable resources as an action and sounds promising. This is a way of service that is completely real to bring serious profits.

Part IV.

Any kind of business in order to survive needs two vital things – good project and budget, without these two important elements will most likely face a painful failure. In our case we have 50.000 GBP and we turn them in Bulgarian currency which is equal to a bit more than double. In the first assignment, they were used only as expenses, with some researches, the roughly estimate profit should be somewhere between 3000 and 5500 levs per month, after expenses. Let's try to have a look to some of the most possible realistic cashflow that may happen.

Expenses in September:

Title	September
Accounting	350
Documentation	850

Rent + Products	4000 + 12000
Salaries + Tax	5500
IT	450
Utilities	2000
Total Expenses	25,150 BGN

According to the information above, we can face three realistic scenarios.

1. Worst – When we sell less than the already spent 12000 levs and throw away the products with the expire date, then we are going to be on lose in the end of the monthly profit and lost.
2. Neutral – When we sell the products and then the profit and lost statement will be on positive result for us.
3. Positive – Not only when we sell the predicted products for selling, before the end of the month, much earlier than the expectation, but also being flexible and increasing out monthly budget for distribution.

Part V.

Based on my relationship and work so far in the field of project management, it would be unrealistic to say that I am a good project manager.

I can definitely see and feel that there is still a long way to go before creating a professional project. Anyway, I can also see that at least I have a base that is even imperfect, still I would even give a positive result because I can differentiate my knowledge from before June 19 and now almost three months later. However, I will make a solid revision of my project. It

impresses me that there are no details, which can be a serious problem at this work. The structure must be described in more detail. Gantt chart looks fine when we look at the bigger picture. It looks good to follow, which gives you plenty of time to work, but still, there are no minor details. This problem probably comes from WBS and there is something like a domino effect. When we look at SMART objects and goals, we can see that there is a lack of crystal-clear understanding of things and no professional expression.

When we do a project, we have to go inside it with a rich imagination and feel it and fully understand the structure, which is only helpful in building the project.

The risk to which attention is paid in assignment 1 can be said to be good. These are strong and major dangers that can happen and it is good to keep them in mind.

Even with this self-criticism, I can say that my satisfaction of my knowledge is above 60%, because I have learn the basics of unknown before June this year a subject while living a life full with plenty of commitments from a different kind, and not only that but also going in a world with other unknown subjects that needed to be learn at the same time.

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