

Report

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Submission date: 01-Aug-2023 06:12PM (UTC+0100)

Submission ID: 210981824

File name: 36196_Ecaterina_Jelamschi_Report_504308_1028751774.docx (53.21K)

Word count: 2767

Character count: 14555

Programme: BA Business Management

Module: Project Management

Module code: LCBB5005

Assignment Title: Assignment 2 (Essay)

Module Leader: Sammuell Ofori

Submission deadlines: 26/07/2023

Internal Verifier: Khaza Ahmed

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INTRODUCTION

Aligning with the strategic planning of the business becomes possible if the objectives are being set up for the business using information about their own capabilities and the identification of the existing opportunities. A business might have different types of projects to consider pursuing their aim to meet their long-term goals in the business, so, assessing the risks and making the perfect decision that is required for the business is very much important to ensure a sustainable growth for the business. Allocating resources in this case is very important as with the limited number of resources in the competitive business industry, an advantage can be enjoyed by the business operating inside it if the business can grab the benefitting position in the industry through efficient allocation of their resources (Ardalan, 2020). Moreover, time efficiency is also important in this case as lagging in taking improvement initiatives can slow down the progress of the business. However, in this report, three projects that are being considered by Beazley Plc has been analyzed to see according to the resources needs for those projects if the projects have sufficient potential to be completed. Being an insurance business in the market, Beazley Plc needs to monitor the customer feedbacks, keep the relevant information of their business in clouds so that everything can be easily accessed and develop a financial management system that can support them in handling the cash flows and other issues.

MISSION AND VISION

As there are three projects that have been chosen to get a better idea about the potential of those projects, the mission and vision of these three projects are different but paralleled to the development of the business. The missions and visions are discussed below:

Cloud Storage Project

Mission

To develop a better cloud solution for the business so that it can ensure a seamless data transaction and security for the assets of Beazley Plc. The accessibility of the required data needs to be increased so that the industrywide best practices can be ensured by the business in this case. The operation efficiency needs to be boosted through this project aiming to increase the capability on a reliable basis.

Vision

Beazley Plc aims for a future where the business will be able to store their information effortlessly and access that data anywhere, they want. The quick decision-making activities need to be done through the sorted data in the cloud storage and a better customers service will be offered by the business in the market. The standard of the data stored should provide solutions to the existing issues if needed.

Customer Survey Portal Project

Mission

Beazley Plc wants to establish an interactive customer survey portal so that valuable feedback from the customers can be collected and engage the customers with the policymakers in the process. A better insight can be gained from the insights of the customers in this case and the offerings from the business thus can be refined continuously to get a better outcome from the business market. The customer experiences are aimed to be developed over time so that the expansion in the size of the customer base can be ensured.

Vision

Being a customer-oriented business, Beazley Plc needs to become a customer-friendly one where the customers will be served better according to their needs and the capabilities of the business. Experience a better insurance service for the customers and creating a better bond with the customers can be easily ensured through this customer survey project.

Financial App Development Project

Mission

A user-friendly mobile application will be created so that Bealey Plc's client portfolio can be easily managed, and financial transactions can be made effectively. Every time while paying the premiums of the insurance, the customers feel it complicated which will be made easier through the app payment gateway.

Vision

A user friendly and secure application platform is aimed to be created so that the real time updates on the client portfolio can be provided to the respective customers and the account premium balance for the customers can be known. Personalized insights will also be provided through this application so that the innovative features in the financial transaction can be effectively monitored.

FINANCIAL CALCULATIONS

For the evaluation of the project which has been considered to be executed, the financials from these projects need to be calculated so that the outcome from the analysis can solve the project potentials with more ease (Pollack, 2019). Here, ¹² Payback period, Net present value and Internal Rate of Return has been calculated to see which project can generate the expected outcome from the investment in the business.

The advantages and Disadvantages of these types of financial calculations are given below:

Net Present Value

Advantages

- NPV considers all types of cash flows in the business throughout the expected life of the project. Moreover, it carefully examines the project's financial impact on the business (Baker and English, 2021).
- The time value of money is recognized properly through this process and an accurate assessment of the project's profitability can be ensured from the comparison of the project from the cash flows it is generating.
- According to ² the required rate of return for the business, it can be seen that if the project profitability aligns with the financial objectives of the business.
- It considers the long-term financial viability of the project while it is being operated. For extended payback periods in the project, it can show a better outcome assessment.

Disadvantages

- Sometimes complexity occurs in the NPV calculation process as the multiple cash flows from the business often require the usage of financial algorithms and software to get the results (Levitt, 2021).

- To compute the future cash flows, assumption is taken, so the actual scenario in the future can not be properly stated through this metric.

Payback Period

Advantages

- The associated risks can be measured with this formula so that the initial investment can be evaluated according to the outcome in years.
- It is simpler than the other financial calculations and it provides a straightforward look in this case
- The liquidity of the business is clearly indicated by this metric and showing the cash flow management in the business. It is a good idea to calculate this issue as liquidity is very important for insurance businesses as they must deal with the payment of liquid cash to their customers who are eligible to receive their services from them.

Disadvantages

- The payback period only decides the cash flows that are being negated to reach the breakeven point of the business. So, the focus pf the business is to generate more potential from the project as long as possible. Here, the payback period does not acknowledge ²the cash flows that are beyond the payback time.
- The time value for money is ignored by this analysis of information which indicates the direct value of the project. As there is a cost of capital in every business, the analysis and outcome from the analysis do not show the outcome properly.

Internal Rate of Return

Advantages

- Like the NPV, this method also incorporates ²the time value of money in the business cash flows and it shows the amount where the business reaches their breakeven point of the business.
- It shows a percentage profitability that can be generated using the efficient approaches of the business with their strategic planning to run the business.

- Different types of projects can be compared easily based on ¹the internal rate of return as the higher the IRR of the business, the better outcome can be generated from the business. Based on the given information about the business, the strategic planning in this way can be modified to get a better result from the existing operations.

Disadvantages

- In terms of businesses, where the cash flows are not so conventional, it may lead to multiple IRRs for the business. In that time, become more difficult for the business to interpret the IRRs that they have calculated from their multiple type of cash flows in their business.
- This process is not applicable for the mutually exclusive projects in the business where only one project needs to be chosen from the business. For projects with significantly different cash flows from their operations this metric might not be the most efficient one (Segner et al., 2022.).

The financials calculations are given below:

Cloud Storage Project	
Expected Cash Flows (annual)	
Initial Investment:	(£500,000)
Year 1:	£100,000
Year 2:	£150,000
Year 3:	£200,000
Year 4:	£250,000
Year 5:	£300,000
Discount Rate	10%
NPV	£204,899.93
IRR	17.50%
Payback Period	2

Customer Survey Portal Project	
Expected Cash Flows (annual)	
Initial Investment:	(£300,000)
Year 1:	£50,000
Year 2:	£70,000
Year 3:	£90,000
Year 4:	£110,000
Year 5:	£130,000
Discount Rate	12%
NPV	£56,232.60
IRR	21.70%
Payback Period	3.33

Financial App Development Project	
Expected Cash Flows (annual)	
Initial Investment:	(£700,000)
Year 1:	£120,000
Year 2:	£180,000
Year 3:	£240,000
Year 4:	£300,000
Year 5:	£360,000
Discount Rate	15%
NPV	£296,157.80
IRR	22.70%
Payback Period	3.9

NON-FINANCIAL APPROACH

Name of method	Cloud Storage Project ⁹	Customer Survey Portal Project	Financial App Development Project
Environmental Impact Assessment (EIA)	Data centers require substantial amounts of electricity to power servers, cooling systems, and other infrastructure. The EIA would assess the projected energy demand of the data center and evaluate its carbon footprint. It would consider the primary energy sources used and their associated greenhouse gas emissions, such as from fossil fuel-based power plants. ¹⁴	Although the Customer Survey Portal itself may not require significant energy consumption, the servers and data storage facilities hosting the platform would consume electricity. It's essential to assess the energy efficiency measures in place for hosting the portal and explore options for using renewable energy sources to power the servers.	The app's servers and data storage facilities will require electricity to operate, and the EIA should assess the energy efficiency measures in place and explore the use of renewable energy sources to power the servers.
Social Impact Assessment (SIA)	The Cloud Storage Project may create jobs during its construction phase, such as for site preparation and facility setup. Additionally, the	The Customer Survey Portal Project can enhance user engagement by providing customers with an accessible platform to share their feedback. This fosters	The Financial App Development Project can promote financial inclusion by providing access to financial services for underserved populations. This

	ongoing operation of the data center could generate employment opportunities for IT professionals, engineers, maintenance staff, and support personnel in the local community.	a sense of inclusion and empowerment, as users feel their opinions are valued.	could empower individuals with limited access to traditional banking services.
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PROJECT SELECTION DECISION

According to the analysis of the project cash flows that is expected to be generated over a similar 5-year period so that the project can be compared on a similar basis. As different projects need different amounts of investment need in their business, the cash flows from the business are not similar. Different types of cash inflow and outflow from the business result in the preference of projects over time. So, the projects have been analyzed in three criteria, NPV, IRR and Payback period so that the outcome from the investment in the business can be properly analyzed. From the analysis of the payback period of the investment from each of the projects, it can be seen that the cloud source project which requires nearly 500,000 pounds of investment in the business, if operated for 5 years can pay back the invested amount within 2 years approximately. The profitability from the project is there in this case which contributes to the mitigation of the invested capital in the business. For the later Customers survey portal project, the investment need was 300,000 pounds which requires a payback time of 3.33 years as the profitability from the business is comparatively lower and the cash flow from the business is lower than the previous one. In the third project of financial app development, the investment need is 700,000 pounds which is expected to have a payback period of 3.9 years. As the amount is higher here the payback period is also more than the others. According to the payback period analysis, Cloud storage project looks attractive.

While calculating the internal rate of return, a 10% cost of capital has been taken that derived the IRR to be 17.5% from the project. This high profitability from this project has been backed by its cash flows over the time. The customer survey project has a 21.7% IRR, which is higher than the previous one compared to the investment required. The financial app development project also has an IRR of 22.7% having a higher need for investment capital. However, based on the IRR calculated, the financial app development project has a higher IRR.

The Net present value of cloud storage project based on its cash flows is 204,899.9 pounds which is significantly attractive for any investor. The valuation of the business is very effective as the discount rate of 10% has been taken to consider the NPV. The customer survey project has an NPV of 56,232.6 pounds with a higher payback period. The discounting rate has been taken higher in this case which is 12%. The Financial app development project has an NPV of 296,157.8 pounds which is higher than the rest two. Besides, the discounting rate is higher than the two, 15%. So, the cash flow generated from the activities of the business has been expected to generate more profit than the other ones.

So, after considering all the metrics that have been calculated in this case, the financial app development project seems to be a better choice for the business if they want to pursue their investment and ensure the growth of the business.

POTENTIAL SOURCES OF FUNDING

When the business starts looking for funding for their projects, the sources that they can consider in this case are given below:

- **Equity Financing:** Through selling the ownership of the business to other parties can raise capital for the business, but it is too risky for the project as the business might be captured and controlled by foreign parties if they are given with larger stakes. But among the advantages, no repayment is required as the investors have become the shareholders of the business who also have shared risks.
- **Debt Financing:** Taking loans from the lenders and banks can be another option for the business to accumulate the money for the business and the commitment to pay off the loans within time is required for the business. In this process, the owners can retain their ownership of the business and tax benefits can be enjoyed by the owners of the business in

this case as business loans are subject to tax deductibles. But the repayment obligations often penetrate the behavior of the business.

- **Bootstrapping:** The projects can be funded with personal saving from the operations of the business. So, the contributions from the family and friends in this case can generate more flexibility for the business to operate. The business then can focus on their profitability with the money. But with limited resources, sometimes it gets difficult for the business to scale up the project when opportunities are prevailing.

CONCLUSION

Project management initiatives can be taken if the project features provide reliable evidence of getting successful outcomes from the business operations. Thus, the investment made to the business can be ensured safely if the financial calculations are made carefully to get summarized insights about the prospect of the projects.

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