



MANAGEMENT PLAN FOR THE IMPLEMENTATION OF A WEB- BASED PLATFORM AT HEMPSTONE INSURANCE CONSULTANTS

MODULE NAME: PROJECT MAMAGEMENT

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LECTURE NAME: NANDISH PATEL



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1. Introduction

a. Business Case

i. What is the business problem?

Since the time it was established, Hempstone Insurance Consultants have depended on a centralised processing system for managing the payroll and assorted other managerial staff functions. The company has since grown to employ several hundred employees who work in dispersed locations but periodically come to the headquarters to process their reports and attend annual meetings. Eventually this has increased the work load at the company head offices to effectually control the company. In fact in the past two years Hempstone Insurance Consultants hired additional staff to assume overhead positions and help in managing and running the daily administrative operations. However, the positions offered little to nil returns on investment. These positions did nothing in improving the company's administrative management. Additionally, staff are expected to call their regional managers so that their work hours can be logged into the centralised systems. This has occasionally raised various concerns related to the payroll and administrative tasks that forces the staff to travel often to the headquarters to rectify with their respective regional managers. This has been rendered in effective more so after the COVID 19 pandemic that compels the company to decongest the working force at the head offices without compromising the quality of services.

Apart from the effects of the pandemic on the daily operations at the head offices, reporting is also a problem considering that the legacy mainframe system progressively but inefficiently captures data and processes the same. The weekly and monthly financial reports are often generated manually implying that there is a

greater probability of error on one hand and this process also require significant time and effort which is currently limited because of limited staff at the head office following the pandemic. Currently most of the internal processing including documentation, payroll functions and resource administration are undertaken centrally using the legacy mainframe systems. However, after the workforce numbers increased and scope, the existing mainframe systems became ineffective in managing these administrative activities. Generally such inadequacies are evident in higher operational costs and increased staff turnover that has been seen in the last 6 months.

A viable solution of effectively managing the company, reducing costs, and improving staff turnover involves the company migrating its operations to a web-based platform highlighted within the business context.

Towards this end a suitable approach to implement the project has been identified as PRINCE2. In this context, PRINCE2 (Projects IN Controlled Environments) is a process based methodology for managing projects. It is therefore important that as a Project Management Professional (PMP), one chooses a suitable framework to implement the project (Barker, 2013; Bentley, 2005). The most important aspect of PRINCE2 that distinguishes it from other PMP frameworks is that it is process based and addresses the questions about WHAT, WHEN and WHO as relates to the project. Typically the seven processes within the PRINCE2 methodology include starting the project, initiating the project, directing the project, managing a stage boundary, controlling a stage, managing a product delivery and closing the project (Lianying, Jing and Xinxing, 2012). The necessity of the project here kick starts the process. Considering that it is already a foregone conclusion to have the web-based application the board

agrees to choosing a project manager to take charge of the project. The project will be divided into smaller tasks typical of the PRINCE2 methodology that cumulatively combine into the final web-based application as illustrated in the work breakdown structure below (Sargeant et al., 2020). At the different stages the project manager undertakes a review of the product to ensure that it is within the business case. As such using PRINCE2 for this project will ensure that best practices are followed within the project environment.

ii. What are the benefits?

The web-based platform will impact Hempstone Insurance Consults in various ways. The following offers a high-level description of how the company, tools, processes, and roles and responsibilities will be impacted because of the proposed web-based platform implementation:

Processes: the web-based platform is more efficient and will enhance the company's managerial and payroll procedures. With the enhanced efficiency there will be a reduced workload on managers at the head offices considering that staff will have autonomy to manage and administer their payroll tasks and actions.

Roles and Responsibilities: further the web-based platform will lead to significant cost saving in terms of reduction in manpower since some of the tasks will be transferred to the staff. While the company significantly values its staff, the reduced non-billable overhead positions have a direct impact on the company's bottom line by providing a direct recoup on investment.

Tools: the current legacy administration system will be completely replaced after the web-based platform becomes operational. This requires the company to initiate staff training on the web-based platform tools and their use in supporting other organisational tools.

Hardware/Software: apart from the software and licensing towards the project, Hempstone Insurance Consultants is expected to procure additional servers that will host the platform and cater for the company's anticipated growth in to the next decade.

Migrating to a central web-based management application will allow Hempstone Insurance Consultants to manage the staff payroll systems and other administrative activities in a unified way. The technology migration is expected to reduce the overhead costs related to the large staff that is presently required to manage these tasks from the head offices. De-centralised staff means greater autonomy and reduced risks post COVID 19 while self-managing their payroll choices, training, documentation, and most other managerial responsibilities. Overall, the company will gain because of opportune and precise financial reporting process since the regional managers' will have the capacity to capture and constantly update the financial standards. Such opportune access significantly decreases errors, while improving cycle time, apart from the tools on the platform being readily available to all authorised users at their remote locations.

To successfully move the current data from the current platform to the new Web-based platform, the project team will use a phased approach (Drob and Zichil, 2013, p.26; Great Britain. Office of Government Commerce. 2002. p.102; Hinde, 2018, p.56). This will ensure that there is minimal or no disruption to the company's daily operations, management, and payroll activities.

Subsequently is the high-level outline of the staged approach:

Stage 1: Hardware and software procurement and web-based platform development undertaken in the suitable development setting and validated by the Information Technology team.

Stage 2: the IT team will set up a transient current platform in the technology lab for capturing the daily procedures related to the payroll and management actions. This is a backup system that will eventually backup all the company's mainframe data.

Stage 3: The web-based application will be populated with existing payroll and managerial data. This will be synchronised with the conclusion of a disbursement cycle.

Stage 4: All staff will be trained on how to use the proposed web-based application.

Stage 5: The web-based application will be formally launched and the legacy mainframe system backed up and deactivated.

The subsequent table highlights the options that have been considered towards addressing the business case (Lianying, Jing and Xinxing 2012, p.3692; Sargeant,et al. 2010, p.97). These options were not chosen because of several reasons as is explained in the table.

Option 1	Reasons for non action on the option
Maintain the status quo and retain the legacy systems at the head office.	• Persistent data errors during the payroll processing cycle. • Unsatisfied staff who may also be exposed at a greater risk health wise while they travel to the head office to rectify the persistent errors. • Staff demoralisation • Poor and untimely reporting. • Unexpected expenditure
Option 2	Reasons for non action on the option
Developing the web – based platform with the IT team from the organisation	• Lacking qualified resources and manpower to set the project rolling. • Considerable cost of software design • Timeframe required may be impractical (too long or too short)

Option 3	Reasons for non action on the option
Outsource the project so that professionals take charge and deliver the web – based platform	• Costs incurred would be significantly high • Duplication of expertise that already exists in the IT team in the company • Outsourced team is not aware of the internal workings of the company and will assume or rely on information from the staff and managers. • Limited opportunities for further adaptive maintenance.

The table below indicates the cost with savings activities related to the web-based platform, definitions of the actions, with associated costs or savings related to these activities after year 1. The bottom row in the table shows the anticipated the net savings within year 1 after the project implementation.

Action	Type (cost or saving)	Definition	Costs (A negative value implies anticipated savings)
Buying the web-based product and licenses	Cost	Main initial investment	£ 35,000
Installing the software and training	Cost	IT team installing the new software and offering in-house training to all staff.	£10,000
Reduction in unnecessary staff at the HQ	Savings	Instant reduction in overhead positions at the HQ particularly during the pay cycle.	-£ 16,000
Transfer of payroll and administrative tasks to staff	Savings	Reduced number of hours from 16 hours per week to 2	-£45,000

		hours per week by regional managers.	
Maintaining the system after every 6 months	Savings	Reduced frequency of IT resource usage especially in dealing with non-value added tasks resulting in savings amounting to £40,000	£10,000
Ten percent (10%) reduction in staff turnover	Savings	Cost savings in the area of staff recruitment, hire, training that is approximately £50,000	£21,000
Net annual savings			-£5,000

The **negative sign** indicates that it is a saving meaning that the implementation of the Web-based application will save the company £5000 every year – see cash flow

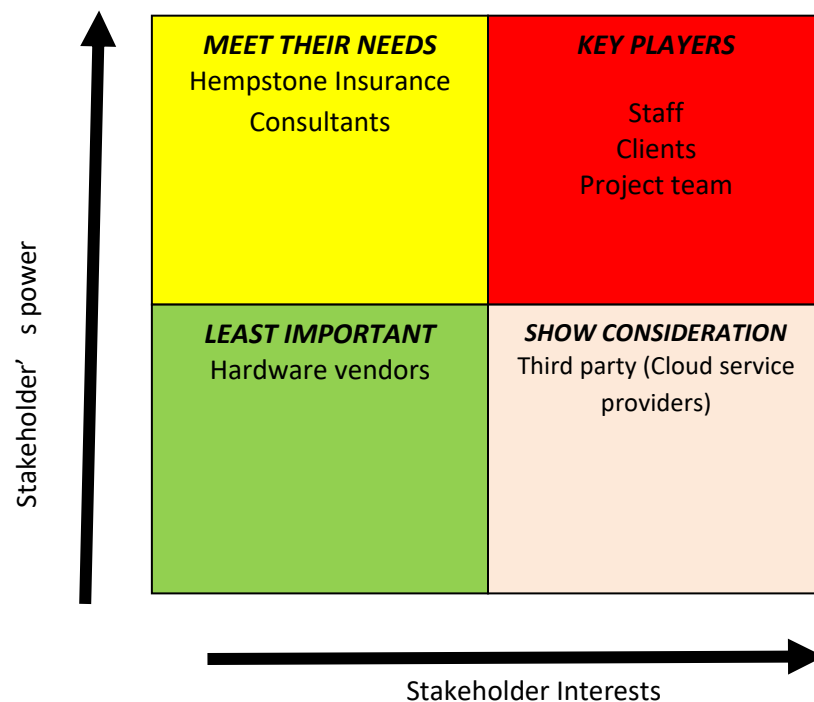
iii. Stakeholder Analysis – Power & Interest Graph, Communications Plan

The following persons form the business case investigation team. Their main function is related to analysing and creating the web-based platform Project business case (Barker 2013, p.203; Bentley 2005, p.45).

ROLE	NAME/TITLE	COMMUNICATION APPROACH	DESCRIPTION
Sponsor	Charles Dove (MD Hempstone Insurance Consultants)	Telephone, teleconference, email.	Offers the executive support for the project. The sponsor in this case is Hempstone

			Insurance Consultants who will also be the user of the web-based platform.
Technical support	Fred Ortega (Head IT Department)	Telephone, teleconference, email.	
Project manager	Susan Marshals	Telephone, teleconference, email.	
Process improvement	Tina Valencia	Telephone, teleconference, email.	
Software support	Jacob Johns (Software Lead)	Telephone, teleconference, email.	

Power and interest graph

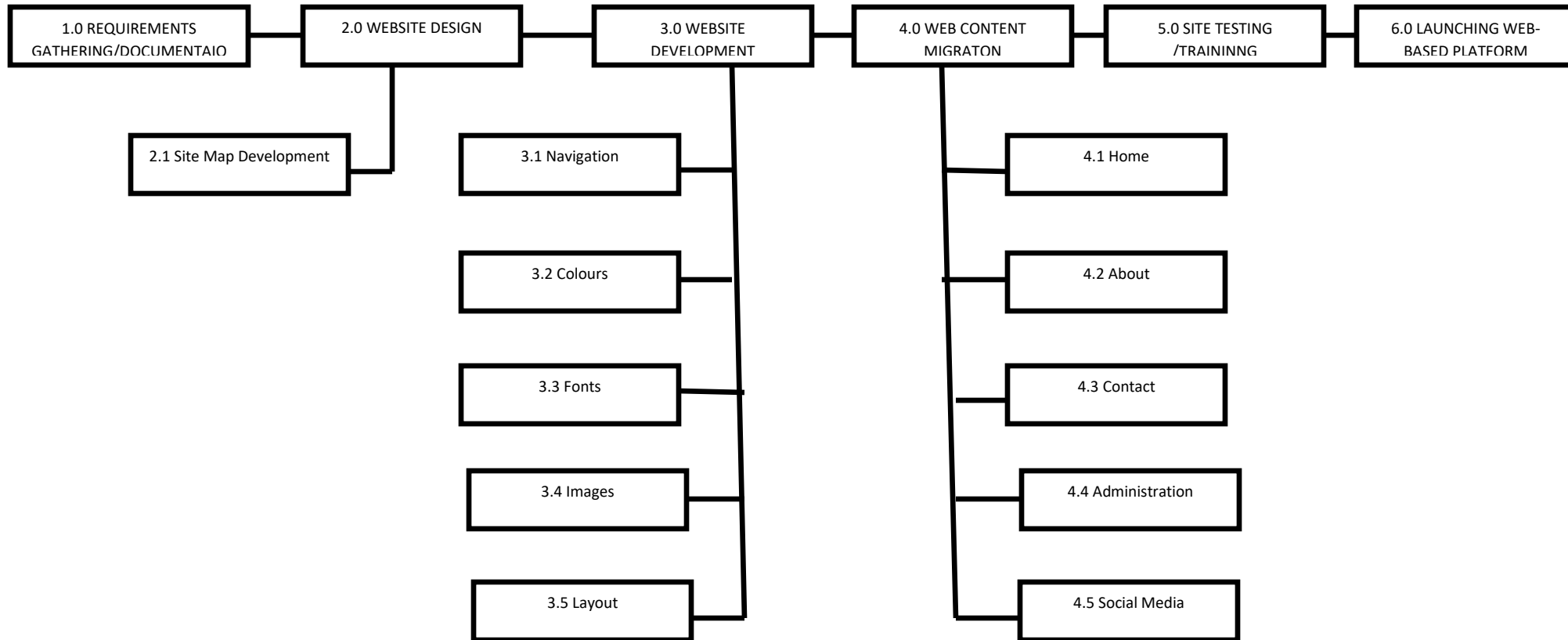


2. SMART Objectives

Business goal /Objective	Description
Reduction in overhead costs To ensure that the current overhead cost at the HQ are reduced by £16,000	Fewer staff will be required at the HQ meaning that the company will save on overhead costs
Reduction in staff turnover To automate staff payroll and administrative functions.	Increased staff autonomy will improve efficiency and reduce staff turnover saving the company £45,000
Improved staff efficiency To expedite staff payroll and administrative processing cycle to real time.	Few HR and payroll personnel will be needed and effectiveness will be significantly achieved.
On time and accurate reports To enable those concerned to receive reports as and when they are needed	The web- based platform fully supports real time processing regardless of the location of the user.

3. Work Breakdown Structure

a. WBS: WEB-BASED PLATFORM



b. Activity List

Requirements gathering and documentation

Project planning

Website design

- Site map development

Website development

- Navigation
- Colours
- Fonts
- Images
- Layout

Web content migration

- Home
- About
- Contact
- Administration
- Social media

Site testing / Training

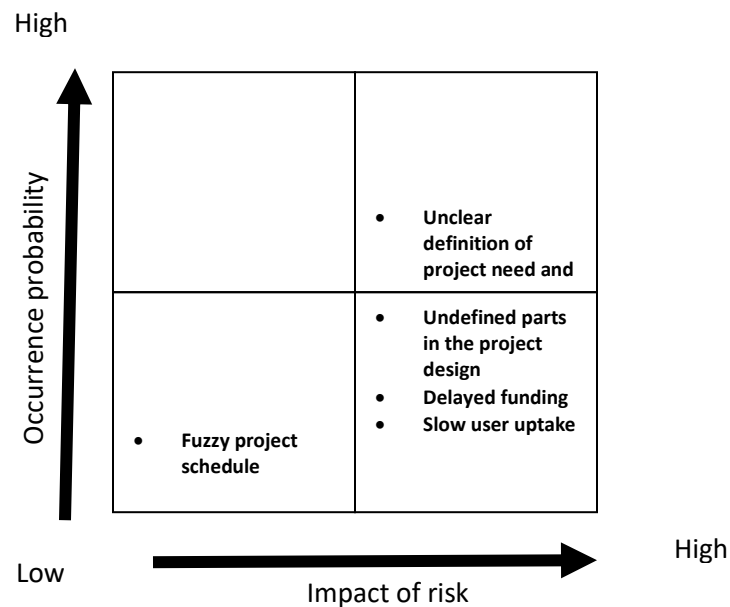
Launching

c. Risk Management – Risk Plan, Risk Register

ID	Date registered	Risk description	Likelihood of risk occurrence	Impact if risk occurs	Severity	Owner	Mitigation
1	12/12/2020	Unclear definition of project need and purpose	Medium	High	High	Sponsor	Review and complete the business case. Complete the Project Initiation Document (PID) (Jamali and Oveisi 2016, p.144; Vaníčková 2017, p.230; Wideman, 2002, p.14)
2	14/12/2020	Undefined parts in the project design	Low	High	High	Sponsor	More description of the design. Involve experts and adopt workshop approach.
3	01/01/2012	Fuzzy project schedule	Low	Medium	Medium	Project manager	Organise scheduling workshops and involve the project team members.
4	09/09/2020	Delayed funding	Low	High	High	Sponsor	Refine the business case and ensure that the sponsor confidence and support is gained. Bring in experts and organise workshops to sensitise on the rationale for the project.
5	11/12/2020	Slow user	Medium	High	High	Project	Creatively

		uptake				manager	engage the users during training to emphasis the benefit of the project. Actively involve the management and encourage their public endorsement of the project
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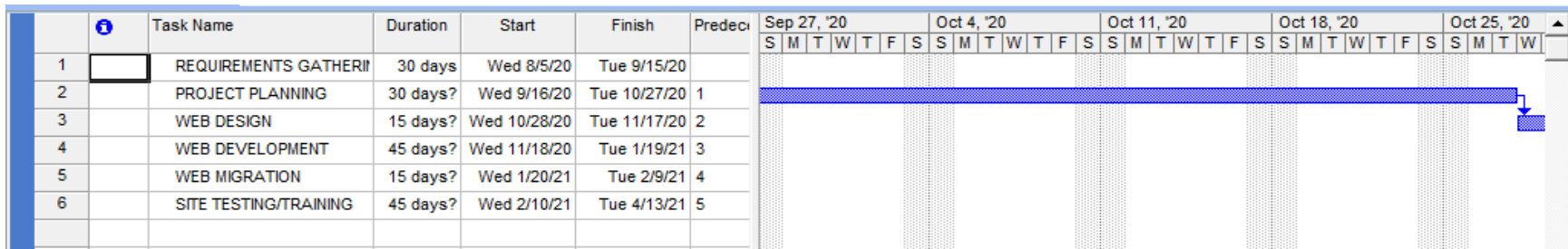
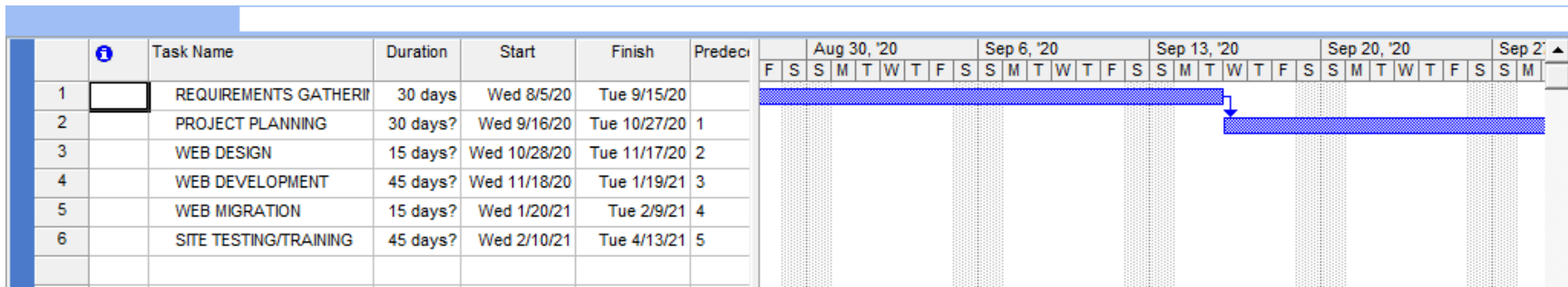
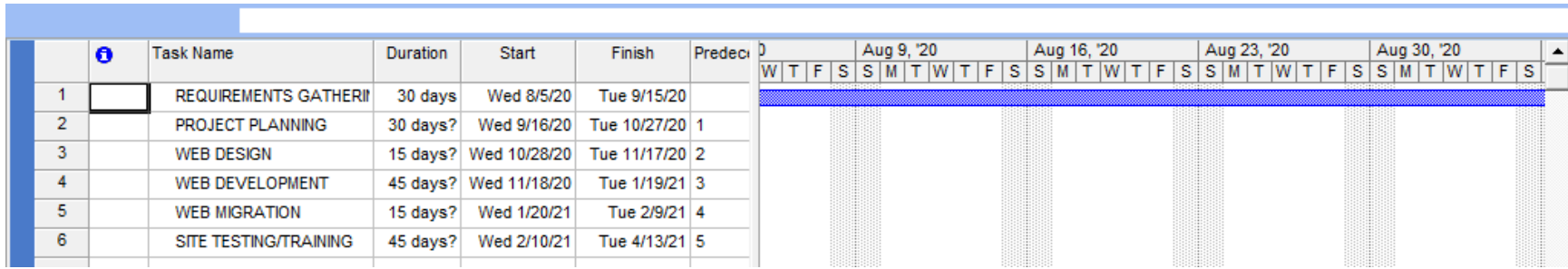
Risk priority graph

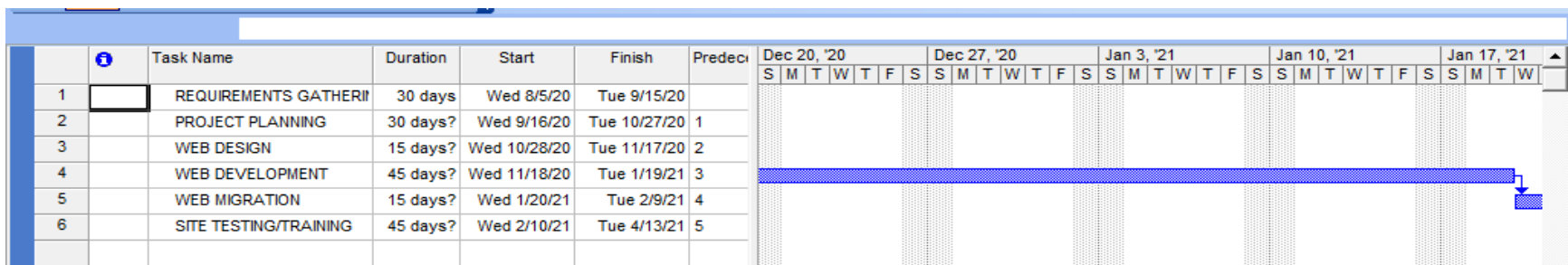
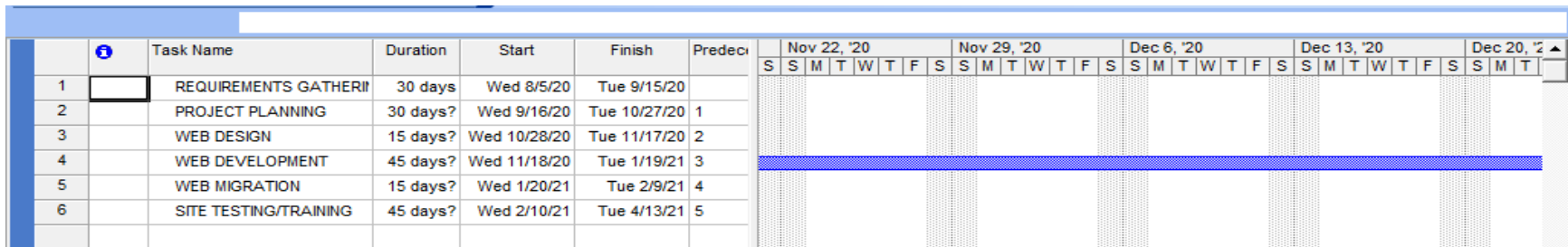
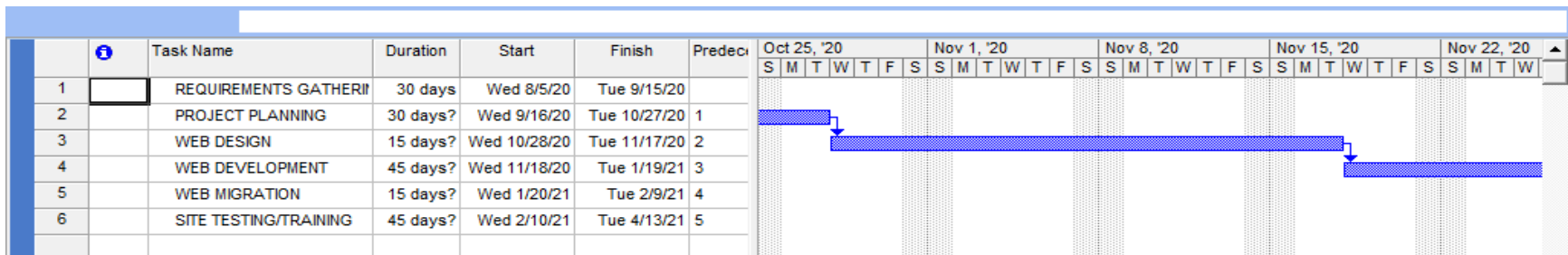


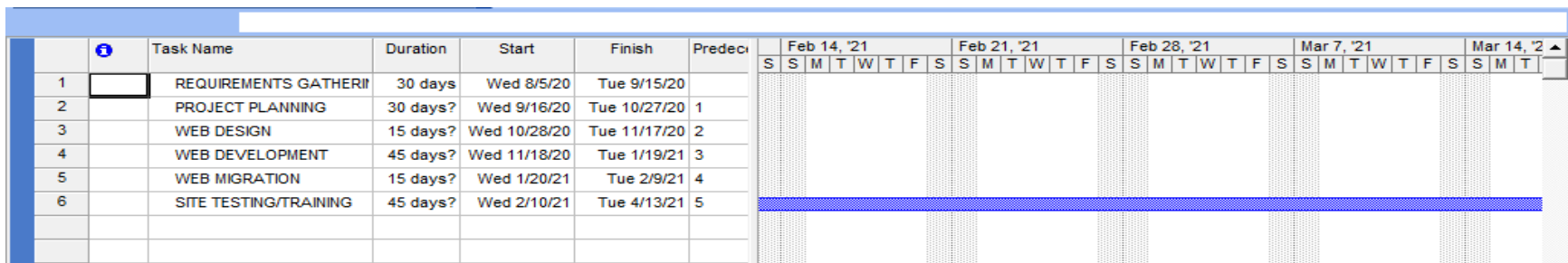
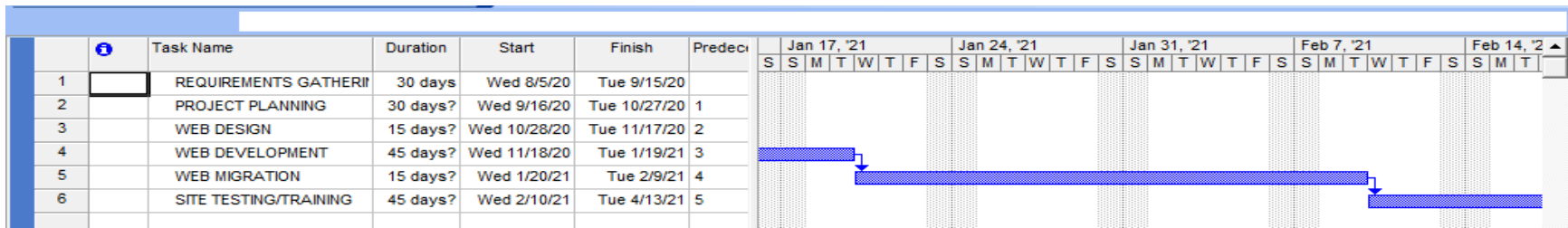
Since the PRINCE2 methodology emphasises the product, the staged approach also highlights and assigns a weight on the probable risks using various tools like the risk priority graph (Graham 2010, p.76; Office of Government Commerce 2009, p.111)

4. Activity Sequencing

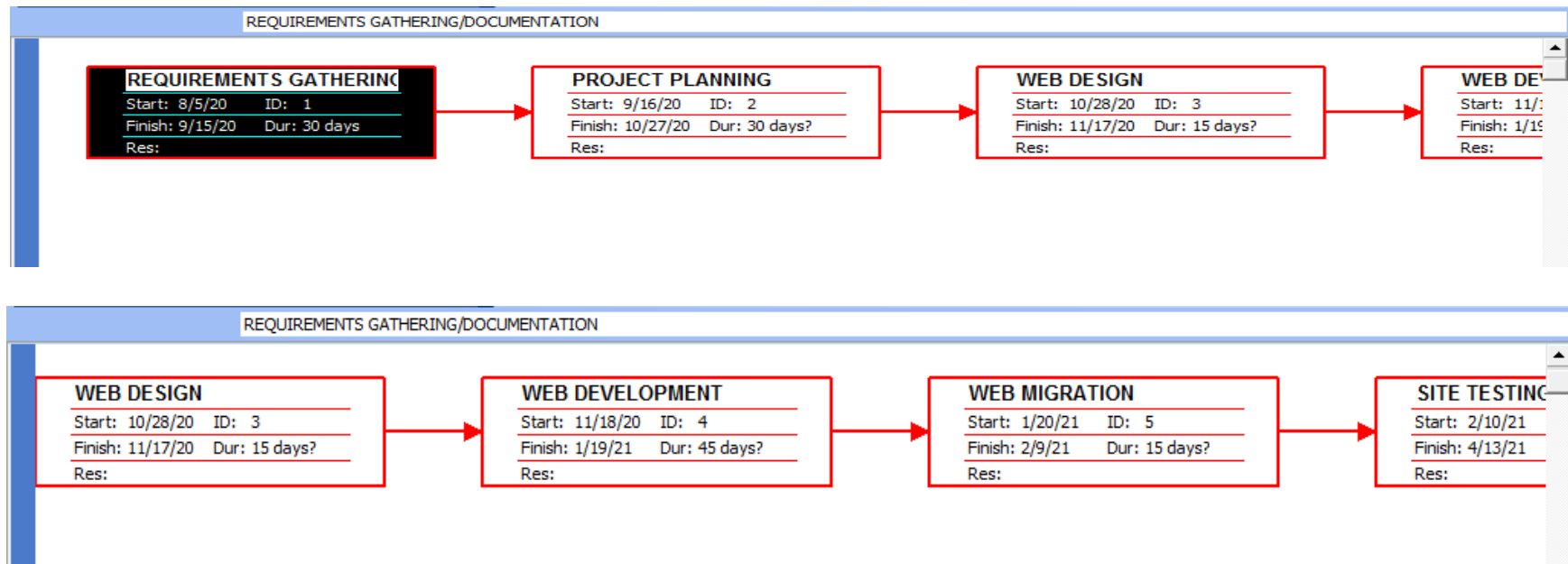
a. Gantt Chart







b. Project Duration or Critical Path



5. Budget Modelling

a. Budget and Cumulative Costs

Item /Activity	Cost (£)
PHASE ONE: Hardware and software procurement	12000
PHASE TWO: Archiving of the legacy system data	2000
PHASE THREE Design and development of website and population of customer data	25000
PHASE FOUR: Site testing and user training	8000
PHASE FIVE: Launching of the website	3000 (miscellaneous)
TOTAL	50000

b. Cashflow

The cash flow projections are an important consideration in terms of looking at the economic viability of the web-based platform to be implemented at Henpstone Insurance Consultants. The total amount of money that will be used for the project is £50,000. Notably, the implementation of the project will result in cost savings as far as labour is concerned. Additionally the implementation will enable the company to significantly reduce staff turnover that was characteristic of the legacy system. Staff autonomy in the proposed system implies that morale and confidence will be high as far as staff is concerned. This will improve their efficiency and productivity that will positively impact on the company's revenue. The cash flow is a projection over the next five years by which time, it is anticipated that the web – based platform will have paid back the initial investment cost.

	Year One	Year Two	Year Three	Year Four	Year Five
PROJECT COST	50000	0	0	0	0
REVENUE	5000	8000	8000	8000	8000
SAVINGS	3000	5000	5000	5000	5000
CASH FLOW	-42000	13000	13000	13000	13000
CUMMULATIVE CASH FLOW	-42000	-29000	-16000	-3000	10000

6. Project Implementation Challenges : Discussing the challenges during the implementation of the project plan

The following limitations apply to the web-based platform Project. Once the project planning commences and more limitations are identified, these will be appended appropriately.

There is a limited information technology resources present to support the fully support the web-based platform Project. For example the project will be deployed on different system configurations from what is current meaning that the company should as priority acquire servers that will host the web-based platform. This is apart from the other recurrent IT initiatives. Bringing in the servers may mean that the current IT staff is also briefly trained before they can effectively manage the servers. The flatter the learning curve the less the challenge.

Currently there are no bespoke or off the shelf products that can be purchased and used directly in this business case. As such the company is compelled to design and develop its own customised web-based application to actualise the web-based platform.

Since implementation will be carried out within the company as opposed to engaging the product vendors, there is likely to be some challenges as far as support for the hardware and software products that are used is concerned.

7. Conclusion

The web-based platform will follow a disciplined project management approach modeled on the PRINCE2 approach. consequently the project product is expected to be ready within the proposed budget unless some unforeseen circumstance alters the schedule. Hence within the six months and with a budget of £50,000 Hempstone Insurance Consultants will migrate their operations from the current system to the web-based application.

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