**Project Proposal**

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| Project Title | Project Manager | Customer Name |
| **MGT2\_KKM1 IT Plan for Jaunty Coffee Company** | **Joette Damo** | **Jaunty Coffee Company** |

**A. Problem Statement**

The purpose of this project is the expansion plan for the IT system of Jaunty Coffee Company from an original manual system of recording data to a new IT system to meet the demands of operations as the business grows.

Introduction – Discussions will be made on the purpose of the project from expanding the business of Jaunty Coffee Company to adding a new IT system, project difficulty, current business process, possible system changes, and lastly the consequences of not completing the project.

Jaunty Coffee Company project difficulty stems from a manual inventory system that is inaccurate in recording in the daily production based on the demands for the products. Unfortunately, Mr. Kalani does all the work on a manual inventory system unable to pace with production demands on a timely matter.

Jaunty Coffee Company current business process employs only one person which is Mr. Kalani, who is responsible for all the work such as financial, supply chain, and sales decisions. The initial equipment investment includes a limited number of office equipment, truck, industrial equipment, and no new IT equipment nor software.

Jaunty Coffee Company possible system changes would include the following: 1) the need to hire employees to do the work for ordering raw materials, production, distribution, procurement, sales, marketing, and especially IT, 2) more investments in equipment for operations, and 3) new IT system and employees to run various departments.

Mr. Kalani’s consequences of not completing the project would be not being able to supply products to customers in timely manner resulting in slow production causing the loss of sales. Ultimately, Mr. Kalani would not be able to meet the goals of the company.

**B. Scope Statement**

Jaunty Coffee Company proposed scope of the project entails launching a new IT system to meet the marketing demands for organizing and delegating operations in business growth.

Introduction – This section includes the Scope Statement, make-or-buy analysis, recommended solution, high level description of the work task phases for the case study.

Make-or-buy analysis in the new IT system for Jaunty Coffee Company with the following analysis:   
1) Make or buy considerations for cost and time.   
2) Technology considerations on make-or-buy: Make considerations include built in compatibility with full access to code. Buy considerations include pre-tested integration with packed integration.  
3) Features on make-or-buy: Make considerations include the control to make only what you need with the control of prioritization of demand requests. Buy considerations include packaged solutions with bugs and features which are not IT developers’ problem.  
4) Performance considerations on make-or-buy: Make considerations over development control with the ability to update software if performance issues arise. Buy considerations entail tested computer configurations with service level agreement.  
5) Design considerations on make-or-buy: Make considerations will include an IT developer to make connections and settings, hardcoded, functionality for specialized reports for operations. Buy considerations are that of standards with packaged solutions with design.  
6) Documentation, training & support on make-or-buy: Make considerations will include documentation and training based on specific needs of operations with control over support prioritization. Buy considerations typically include documentation, training, and support included in the package. Separate solutions with support provided as vendor with added costs. Also, updates are needed on periodic basis.   
7) Marketing considerations as make-or-buy: Make considerations with ability to do incremental product releases for demands in the market with integration built into the development processes of production to market. Buy considerations with input, design development, and documentation established with any advanced features built into a package.  
8) Cost & ROI considerations of make-or-buy: The biggest variable is estimating development costs. Make considerations include expenditures over a period with lower development costs as spread across many customers. Buy considerations include cost estimates reliable mainly fixed by contract. Development costs spread over many customers. With buy consideration there is speed to market will accelerate and shorten ROI timeline.

Recommended solution based on make-or-buy considerations for new IT system would be to buy the new IT system based on the following considerations:  
1) IT system and software will include pre-tested integration with packaged integration with help to connect to data sources with integration.  
2) There are packaged solutions to bugs and features. It would be expensive to hire an IT developer to figure out bugs on IT system.  
3) Consideration for buy analysis would include performance. IT system that is bought included test computer configurations with service level agreement. Performance of IT system taking into consideration the marketability speed of producing the product.  
4) In design considerations in make consideration it would be expensive to pay an IT developer to make connections and settings with hard coded functionality for specialized reports. In buying considerations standards are with packaged solutions and templates.  
5) In buying IT system typically include documentation, training, and support.  
6) In buying considerations for new IT system with input, design, development, and documentation established with any advanced features built into a package which usually includes template timelines schedules.  
7) In buying considerations include cost estimates reliable mainly fixed by contract. Analysis should identify the primary cost and pay back opportunities to produce the products. The most difficult estimation of costs would be the development costs considering the ongoing costs of design and feature revising; furthermore, evaluating the potential lost opportunities due to resource allocation.  
8) Finally, since this is a new IT system it has not been established a defined customer base nor a marketing strategy. Therefore, otherwise the sources for financing the project are also limited.

This discussion section includes a high-level description of the four work task phases for Jaunty Coffee Company.

First, considerations of the analysis of the make-or-buy for new IT system for Jaunty Coffee Company. Mr. Kalani, owner was working on a manual inventory system inherited from previous owner. He is unable to keep up with change in demand in products. Analysis should include the options to use $25,000 of company’s savings or apply for a loan to finance IT system.

Second, in addition to a new IT system Jaunty Coffee Company must hire new employees to work IT system and production operations of the supply chain. So far, Mr. Kalani is the only employee who does all the work.

Third, another major upgrade for Jaunty Coffee Company would be software for features for reporting inventory, customer service, suppliers, production, distribution, operations, procurement, costs, and sales.

Fourth major upgrade in software would be marketing the products of Jaunty Coffee Company for coffee, syrups, and expresso. The software would help in marketing research data and customer service to target markets focused on supermarkets and neighborhood markets.

**C. Project Success Criteria**

Introduction – Explanation how three criteria for project success will be meet. This section will discuss three success criteria on how each provides criterion will be achieved, measured relevant expectations which ultimately deals with scope, and impact expectations.

First criteria for project success are that Jaunty Coffee Company will expand its business to include a new IT system based on the recommendation of purchasing the IT system. The expected measurement of the successful IT system would be relevant in meeting the marketing demands by using an efficient data base software system for system operations. Impact expected would be accurate measurement of costs of production plus reports of sales.

Second criteria for project success are that Jaunty Coffee Company would hire additional employees to work the IT system software for features for reporting inventory, customer service, suppliers, production, distribution, operations, procurement, costs, and sales. In dealing with the scope business relevant to business growth. Impact expected would be accurate measurement of sales increases. Jaunty Coffee Company would be able to meet short-term goals; likewise, perhaps “sales $1,000 per day over next 6 months.” New software would be able to meet short-term goals of keeping an “inventory no longer than 8 days to preserve the freshness of the product.”

Third criteria for project success that Jaunty Coffee company would have an upgrade in software of reporting the marketing criteria which will help in the business scope of meeting marketing demands of targeted markets. Impact expected would be the accurate measurement Jaunty Coffee Company meeting it short-term goals of the “increasing the client portfolio by 100% over next 6 months and to exceed current production by 100% over the next 3 months.”

**D. Work Breakdown Structure (WBS)** *– Insert additional rows as needed.*

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| **Task Number** | **Task Name** | **Task Definition** | **Deliverables** | **Resources Needed** |
| 1.0 | Project proposal analysis (**Planning phase)** |  | Necessary reports on business costs & sales and how the current processes need change to be productive | Mr. Kalani, owner |
| 1.1 | Meet with proposed IT vendor to get their input on what is new IT feature are needed for business expansion | Exploring opinions about new project |  | Mr. Kalani, owner |
| 1.2 | Analysis for make-or-buy IT system |  | Estimates on analysis of make-or-buy IT system | Mr. Kalani, owner |
| 1.3 | Analysis of option to use $25,000 of company’s savings |  |  | Mr. Kalani, owner |
| 1.4 | Analysis of option to apply for a loan to finance IT system |  |  | Mr. Kalani & bank personnel |
| 1.5 | Final analysis for make-or-buy decision for new IT system and software |  |  | Mr. Kalani |
| 1.6 | Analysis needed for cost/benefit analysis |  | Provides benefits, costs, and business financial return | Mr. Kalani |
| 1.7 | Analysis of major obstacles and risks |  | Will help somewhat in production variables unexpected | Mr. Kalani |
| 1.8 | Schedule Overview |  | Estimated Project completion | Mr. Kalani, PM |
| 1.9 | Planned Actions |  | What is Mr. Kalani doing to attend to major problems or performance issues such as operations growth cannot produce enough product to complete all customer orders or else problem with supplies to meet demand | Mr. Kalani |
| 1.10 | Hire a Project Manager |  | Produces necessary reports for further analysis and manages the project | Mr. Kalani, PM |
| 2.0 | **(Systems requirements-personnel phase)**  Hire more employees for new IT stem and production operations of the supply chain | PM to determine what other employees are needed for project |  | Mr. Kalani, PM |
| 2.1 | Cost analysis to be done on how many additional employees needed for IT, procurement of raw materials from local suppliers, production of items, and distribution of orders to neighborhood markets and supermarkets |  |  | Office HR, IT, procurement, production, distribution, Marketing |
| 2.2 | Hiring of additional personnel |  |  | Mr. Kalani, PM |
| 3.0 | **(Development & System Analysis Phase)**  Software upgrade for Jaunty for features for reporting inventory, customer service, suppliers, productions, distribution, operations, procurement, costs, and sales. Explore possible vendors for new software. |  | Comparison reports with Mr. Kalani previous task 1.1 & input from PM for meeting with proposed IT vendor | Mr. Kalani, PM |
| 3.1 | Explorations of analysis of two reports for make-or-buy analysis from PM and owner |  | Joint decision on proposed project of make-or-buy decision for new IT system | Mr. Kalani, PM |
| 3.2 | PM sending out request for proposal (RFP) to vendor | Based on reports from task 3.1 |  | Procurement specialist |
| 3.3 | Deadline for RFP submission | Notify vendor of RFP expectations |  | Procurement specialist |
| 3.4 | Finalize contract for Jaunty Coffee Company for new IT system software |  |  | Legal department for contract |
| 4.0 | **(Integration, testing, implementation phase)**  Need to have IT hardware report with listing for hardware order with release to vendor for bid | RFP released to vendor |  | IT staff |
| 4.1 | Take delivery of hardware and software purchased for Jaunty Coffee Company |  |  | IT staff |
| 4.2 | With installations of software to server and workstations |  |  | IT staff |
| 4.3 | Important to test software functions before going live | Task to ensure that software meets expected standards |  | IT staff, production personnel |
| 4.4 | Going live with new software for marketing department |  |  | IT staff trainer |
| 4.5 | Initial data input by personnel |  | For reports of data | IT staff, procurement, production, distribution |
| 4.6 | Ongoing monitoring and update of data into new software program |  | For reports of data | IT staff, procurement, production, distribution, office |
| 4.7 | Making reports for Marketing the products Jaunty Coffee Company such productions for coffee, syrups, and expresso | Marketing operations report for data |  | PM, office |
| 4.8 | Check with all users of software/hardware for possible problems which may alter the accuracy of reporting data |  |  | IT staff, other users of software/hardware |
| 4.9 | Updates for patches of software and installations necessary Marketing reporting |  |  | IT staff |

**E. Tools & Techniques**

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| **PMBOK Guide Knowledge Area** | **Proposed PMBOK Guide Tools and Techniques** | **Why the recommended tools/techniques are necessary for this project** |
| I Project Integration Management | 4.6 Perform Integrated Change Control | (pmbok, 2017, p. 118) Mr. Jack Kalani, owner of Jaunty Coffee Company wanted to expand his business from a manual inventory system to an automatic system which entailed adding a new IT system. According to 4.6.2.2 Change Control Tools in PMBOK: “In order to facilitate configuration and change management, manual or automated tools may be used. Configuration controls is focused in identifying, documenting, and approving or rejecting changes to project document, deliverables, or baselines.” “Mr. Kalani integrating the IT system meeting the marketing demands as stated in the scope statement.” |
| II Project Scope Management | 5.4 Create WBS | (pmbok, 2017, p. 157) The project manager of Jaunty Coffee Company did WBS into four phases of planning phase, systems requirements & personnel phase, development & system analysis phase, and integration, testing & implementation phase. “The WBS is a hierarchical decomposition of the total scope of work to be carried out by the project team to accomplish the project objectives and create the required deliverables. The WBS organizes and defines the total scope of the project and represents the work specified in the current approved project scope statement.” The WBS defines the objectives of the scope statement by organizing details of operations to expansion growth. |
| III Project Cost Management | 7.3.2.6 Financing | (pmbok, 2017, p. 253) Mr. Kalani had two funding options for the expansion of the new IT system: 1) use $25,000 of the company’s savings, or 2) apply for a loan to finance the IT system and make other necessary improvements. According to PMBOK: “Financing entails acquiring funding for project. It is common for long-term infrastructure industrial, and public services project to seek external sources of funds. If a project is funded externally the funding entity may have certain requirements that are required to be met.” It is evident in this project case which is a small company will need analysis to determine the best financing source. |
| IV Project Resource Management | 9.3 Acquire Resources | (pmbok, 2017, p. 328) Mr. Kalani as owner was the only employee in his business. He knew if he wanted to expand the scope of his business he needed to hire employees to meet the demand in marketing as to establish an IT system for operations business growth. PMBOK states: “Acquire resources is the process of obtaining team members, facilities, equipment, materials, supplies, and other resources necessary to complete project work. The key benefit of this process is that it outlines and guides the selection of resources and assigns them to their respective activities.” Likewise, as stated in the project scope it is assumed that more personnel are needed for new IT system to meet the needs of marketing organizational operations for business growth. |
| V Project Risk Management | 11.5.2.9 Decision Making | (pmbok, 2017, p.446) In the WBS the PM incorporated the task 1.7 of Analysis of major obstacles and risks. It is important to incorporate risks and obstacles in planning a new project like the expansion of new IT system for Jaunty Coffee Company. According to PMBOK: “Decision-making techniques that can be used to select a risk response strategy include but are not limited to multicriteria decision analysis. One or more risk response strategies may be under consideration.” For example, consideration should be made of trying the risk of buying software for the marketing aspect. The risk would be cost is too much for else the software does not meet the needs of the user because it may be too complicated to use. |
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**F. Citations - References**

*A guide to the project management body of knowledge (pmbok® guide)*. (2017). ProQuest Ebook

Central [https://ebookcentral.proquest.com](https://ebookcentral.proquest.com/)

Harold Kerzner, Project Management: A Systems Approach to Planning, Scheduling, and

Controlling Section 3.1 Organizational Work Flow in [Chapter 3 ("Organizational Structures")](https://lrps.wgu.edu/provision/194132416)