

Module 1 Case Study

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**1. Proposed Project Table.**

Project Name	Business Strategies	Financial Benefits	Additional Benefits	Initial Assessment
Recreation and Wellness Intranet Project	This project aims to lower internal costs of health insurance premiums.	Net savings of \$30 per employee/year for full-time employees during the next four years. Total amount of less cost if 2.4 million. (See 1.1)	Improved employee health and productivity, while having lower premiums.	With this project, there is lots of high potential and benefits. High upfront cost and the company must persuade users to join.
Health Coverage Costs Business Model	This project aims to lower insurance company premiums and track healthcare expenses and costs.	Net savings of \$20 per employee/year for full-time employees over the next four years. With developing costs, total less cost over four years equals 1,500,000. (See 2.1)	Tracking and analyzing of current and past employee healthcare expenses and company healthcare costs. Also, the company can revise policies and negotiate for lower premiums with insurance companies.	This project has the potential to allow the company to save lots of healthcare expenses, while negotiating a lower premium. Upfront cost is high, but the return could be much larger.
Cross-Selling System	This project aims to increase cross-selling sales within current customers.	With the estimated \$1 million of profit over the next three years, total profit would be \$3 million. With \$800,000 in costs each year, total sales would be \$600,000. (See 3.1)	Increased cross-selling productivity and enhanced customer service to customers through coupons and discounts.	This project could bring in a large amount of annual profits, however there is a high annual development and maintenance cost.

Web-Enhanced Communications System	This project aims to improve the development and delivery of products and services through a new system.	With the estimated saving of \$2 million each year for the next three years, the company would earn \$6 million. With \$3 million in development, and 20% of development costs each year, total sales would be \$1,200,000. (See 4.1)	Improved customer satisfaction and ways for customers to directly communicate with the company. Also, the use of ecommerce.	While there is potential to earn solid revenue, the development and maintenance costs are very drastic.
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### Calculations

#### 1.1

$$30 (\$ \text{ per employee saved}) \times 20,000 (\text{employees}) \times 4 (\text{years}) = 2,400,000$$

#### 2.1

$$20 (\$ \text{ per employee saved}) \times 20,000 (\text{employees}) \times 4 (\text{years}) = 1,600,000$$

$$1,600,000 - 100,000 (\text{development costs}) = 1,500,000$$

#### 3.1

$$1,000,000 (\text{profit per year}) \times 3 (\text{years}) = 3,000,000$$

$$3,000,000 (\text{total profit}) - [800,000 (\text{annual cost}) \times 3 (\text{years})] = 600,000$$

#### 4.1

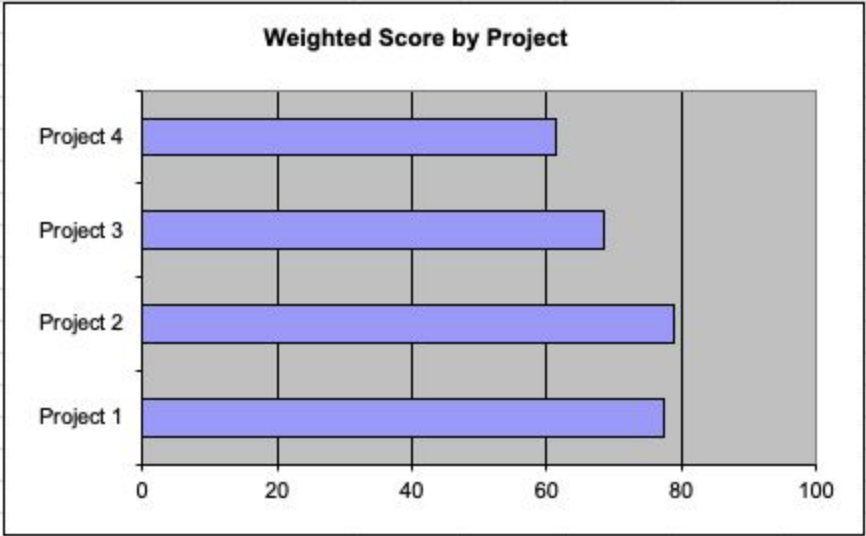
$$2,000,000 (\text{saved per year}) \times 3 (\text{years}) = 6,000,000$$

$$6,000,000 (\text{total saved}) - 3,000,000 (\text{development cost}) - [(.20 \times 3,000,000) \times 3] (\text{maintenance cost for three years})$$

$$= 6,000,000 - 3,000,000 - 1,800,000$$

$$= 1,200,000$$

## 2. Weighted Scoring Model

1	<b>Weighted Scoring Model for Project Name</b>					
2	Created by:	Date:				
3	Note: Enter your criteria, weights, and scores in the template below.					
4	Insert or clear rows and columns as needed. Double check formulas and results.					
5						
6	<b>Criteria</b>	<b>Weight</b>	<b>Project 1</b>	<b>Project 2</b>	<b>Project 3</b>	<b>Project 4</b>
7	Business Objectives	20%	90	90	90	80
8	Realistic Technology	20%	80	65	50	50
9	Experience Within	10%	85	70	45	75
10	Customer Support	10%	80	70	60	70
11	Risk Management	20%	65	90	75	55
12	Sponsor Commitment	20%	70	80	75	50
13	G	0%	0	0	0	0
14	<b>Weighted Project Scores</b>	<b>100%</b>	<b>77.5</b>	<b>79</b>	<b>68.5</b>	<b>61.5</b>
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In this weighted scoring model, there were four projects previously described. Project 1 represents the Recreation and Wellness Intranet Project, Project 2 represents the Health Coverage Costs Business Model, Project 3 represents the Cross-Selling System, and finally Project 4 represents the Web-Enhances Communications System. In this weighted scoring model, there were six criterias which the four projects were then assigned scores. The criteria was business objectives, realistic technology, experience within the company, customer support, risk management, and sponsor commitment. Business objectives, realistic technology risk management, and sponsor commitment were all assigned a weighted twenty percent. Experience

within and customer support were both assigned a weighted ten percent. All weights assigned to each criteria equaled a total of one-hundred percent. Next, individual scores were calculated for each of the four projects, consisting of the six different criteria. Once the scores were calculated and entered into the weighted scoring model, a bar chart was created displaying the weighted project scores for project one, two, three and four.

Based on the results, Project 1, or the Recreation and Wellness Intranet Project had the highest weighted score by project, with a 79. This is due to the fact that this project scored very high numbers in the business objectives, realistic technology, and experience within criteria. Next, Project 2 or the Health Coverage Costs Business Model had second highest weighted score by project, with a 77.5. While this score was very close to the score of Project 1, the reasoning behind the results for this project are because of the very high score of a 90 in two criteria: business objectives and risk management. Each of these criteria had a high weight of twenty percent. As shown in the bar chart, project 3 or the Cross-Selling System had the next highest score of 68.5, which drops down from project 1 and 2 by around ten points. The reason for this result is because while the project had a very high score of 90 in the business objectives criteria, which was weighted twenty percent, the project scored a 50 in the realistic technology criteria, and two scores of 75 in the risk management and sponsor commitment criteria. All three criteria were weighted equally at twenty percent. The lowest weighted project score was Project 4 or the Web-Enhances Communications System, scoring a 61.5. This score was 17.5 points away from project 2's highest score of 79. The reason for this lower score was due to the fact that two 50's were recorded in criteria that were weighted at twenty percent, as well as a score of 55 in the risk management criteria.

### 3. Business Case

## **Business Case for Recreation and Wellness Intranet Project**

**01/19/2021**

**Project Name: Recreation and Wellness Intranet Project**

#### **1. Introduction/ Background**

MHY Inc. pays twenty percent more than for employee healthcare premiums, as compared to the industry average. This is primarily because of poor employee health.

#### **2.0 Business Objective**

The business objective of this project is to negotiate the lowering of healthcare insurance premiums, through getting employees more actively involved. Net savings include \$30 per employee per year, for full-time employees. Productivity levels could also increase.

#### **3.0 Current Situation and Problem/Opportunity Statement**

Costs are continuously increasing for employee health are because the company does not have a current program in place. This project will track employee health levels and there premiums.

#### **4.0 Critical Assumption and Constraints**

This project helps in organizing the health services provided and should be compatible with the current existing software within the company. Minimal development teams should be required and high levels of security should be provided.

#### **5.0 Analysis of Options and Recommendation**

Below are several options for this project opportunity.

1. Act on nothing, ensuring the company remains as normal.
  2. Individual employee's pay more money for health insurance.
  3. Offshore the project development.
  4. Project is compatible with current hardware and software within the company.
- Developing the project is recommended.

**6.0 Preliminary Project Requirements**

1. Training is provided to employees to achieve weight loss.
2. Employee response levels are tracked and managed.
3. Recreational activities provided by employees should be accepted.
4. Incentive opportunities are offered and available for employees.

**7.0 Budget Estimate and Financial Analysis**

The cost for the project is \$200,000 including software, cost personnel, and more. The financial benefit of this project is stated as \$30 per full-time employee each year. This means that the benefit forgone year will be \$600,000. ( $\$30 \times 20,000$ ). For four total years, the benefit will equal \$2.4 Million.

**8.0 Schedule Estimate**

The project should be finalized within six months of the start date, although flexibility may be feasible in the later stages of the project. The project life is assumed to be four years.

**9.0 Potential Risks**

This project, like many others, has several major risks. First, there could be a lock on interest in the project. Also, there is a risk in maintaining the project time and cost accordingly. Creating new incentives and keeping employees motivated to the program is another risk.

**10.0 Exhibits**

Exhibit A: Financial Analysis

Potential Benefits:  $\$30 \times 200,000$  (employees) = \$600,000 per year

$\$600,000 \times 4$  (years) = \$2,400,000

Potential Costs: Development cost = \$200,000

With these numbers, potential four year return on investment equals \$2,200,000.

## 4. Project Charter

## Project Charter

### 01/19/2021

<b>Project Title:</b> Recreation and Wellness Intranet Project			
<b>Project Start Date:</b> 02/01/2021		<b>Projected Finish Date:</b> 08/01/2021	
<b>Budget Information:</b> Total allocation of \$200,000 for the project.			
<b>Project Manager:</b> Joe, 651-353-5526, <a href="mailto:joe@MYH.com">joe@MYH.com</a>			
<b>Project Objectives:</b>  <p>This project is a system to help improve employee health within the organization through the tracking of employee activities. Once the employee is registered into the system, their session is tracked and incentives and programs are offered. With more employee activity, the company hopes to lower health insurance premiums.</p>			
<b>Success Criteria:</b>  <p>Employee's must remain interested in the program and incentives. The company must remain engaged in the program and the incentives being offered.</p>			
<b>Approach:</b> Staff the project team accordingly Project requirements must be gathered Company standards should be maintained Potential use for prototyping approaches Accurate testing must take place Training must be provided within the system			
<b>Roles and Responsibilities</b>			
<i>Name and Signature</i>	<i>Role</i>	<i>Position</i>	<i>Contact Information</i>
Manager Anderson	Project Sponsor	MYH Senior Manager	<a href="mailto:anderson@MYH.com">anderson@MYH.com</a>
Joe	Project Manager	MYH Manager	<a href="mailto:Joe@MYH.com">Joe@MYH.com</a>
Bob	Team member	MYH IT	<a href="mailto:bob@MYH.com">bob@MYH.com</a>
Sherry	Team member	MYH HR	<a href="mailto:sherry@MYH.com">sherry@MYH.com</a>



Angie	Team member	MYH Finance	<a href="mailto:angie@MYH.com">angie@MYH.com</a>
<b>Comments:</b> (Handwritten or typed comments from above stakeholders, if applicable)			

## 5. Change Request

### **Change Request** **01/19/2021**

**Project Name: Recreation and Wellness Intranet Project**

**Date Request Submitted: 01/19/2021**

**Title of Change Request: Enhance Scope of Project**

**Change Order Number: 01**

**Submitted by: joe@MYH.com**

**Change Category:** ☐ Scope ☐ Schedule ☐ Cost ☐ Technology  
☐ Other

**Description of change requested:**

The scope for this project should be increased in order to complete the employee scenarios at hand. Information regarding real life patients should be provided.

**Events that made this change necessary or desirable:**

Many individuals face similar problems as the employees within the company. These cases can potentially be very helpful and understanding for the employees.

**Justification for the change/why it is needed/desired to continue/complete the project:**

If these actions are implemented within the project, many of the employees will be able to understand their issue and find simple ways to make the change.

**Impact of the proposed change on:**

**Scope: Enhanced scope of the project**

**Schedule: May increase**

**Cost: May increase**

**Staffing:**

**Risk:**

**Other:**

**Suggested implementation if the change request is approved:**

If the changes here are implemented into the project, employees will feel more motivated and the system could be more efficient and helpful towards informing employees of their health issues and how to solve them.

**Required approvals:**

<b>Name/Title</b>	<b>Date</b>	<b>Approve/Reject</b>
<b>Enhance Schedule</b>	<b>01/19/2021</b>	<b>X</b>