# 2. PROJECT CHARTER

## 2.1 Background

### 2.1.1 Case Study

The project entitled **Integrated Supply Chain Management Project (ISCMP)** is a project initiated by **Good Life Pte. Ltd. (GL)**, a Singapore-based company that is referred as a *‘nutrition, health and wellness multinational company’.* The company has a shared IT services named as **Global IT Services (GTIS)** which is in Malaysia.

ISCMP is a project aimed to **enhance supply chain operations**, ultimately. Therefore, ISCMP features **a supply chain management software** supported by a centralized data warehouse that makes the users manage their respective region’s inventory in a faster pace.

While the created system has business intelligence capabilities **inventory** management for markets in South East Asia region, the system also covers **transportation** management, **order** management, **yard** management, **labor** management, and **warehouse** optimization.

### 2.1.2 Problems Faced

Currently, the markets in South East Asia area are using **‘locally developed application’** in recording information on the activities of supply chain management. In brief, the first-level support is usually rendered by local IT Services while the second-level support being the local application vendor.

Besides that, such local system was **widely duplicated** within the region, resulting to high system cost along with severe **decentralization** of the applied system. The cost, as a result, was the high numbers for both ‘capital and operating expenses’.

### 2.1.3 Conclusion

In conclusion, in order to **solve the problem of high maintenance cost** from duplicating supply chain management system in South East Asia markets, an ‘Integrated Supply Chain Management’ system would be developed in order to ensure **a centralized business system** **to optimize the system cost** in the region’s market.

## 2.2 Aim and Objectives

### 2.2.1 Aim

To implement a centralized data warehouse that can provide business intelligence services, which allow users to make optimum decisions in their regional inventory management.

### 2.2.2 Objectives

* Enable production entry by removing raw materials and automatically updating finished goods in the accounting system.
* Able to anticipate the product demand by the amount of item recorded in warehouse, customer sales and other relevant aspects.
* Calculation of manufacturing costs from raw material to labor cost for cost analysis.
* Enable documentation of required raw materials, created product, and labor amount for production
* Include automated demand planning where what materials are needed to be ordered and what products are needed for higher production rate based on anticipated demand
* All market users in the South East Asia region can manage inventory, order, yard, and labor information from a centralized data warehouse.

## 2.3 Scope

### 2.3.1 Product Deliverables

* Inventory management system
* Product management system
* Order management system
* Yard management system
* Labor management system
* Warehouse optimization system

### 2.3.2 Project Scope

* Complete a supply chain management system that is integrated for users in South East Asia markets
* The management system must contain common functions of a typical supply chain management software.

## 2.4 Constraints

1. Some of the budget was used in the first 2 months, and therefore the leftover budget is limited for the recovery effort
2. The deadline is set to 4 months later, which is a time constraint from the previous 2 months being non-productive
3. The project is currently deemed a failure from the feedback report
4. Several required software development skills were lacking
5. The information of the project stakeholders remains unknown

## 2.5 Estimation Budget

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| **Estimated Budget** | **$280,000.00** |
| Hardware | $50,000.00 |
| Development Software | $80,000.00 |
| Manpower | $100,000.00 |
| **RESERVE** | **$50,000.00** |

## 2.6 Roles & Responsibilities

| **Role** | **Source / SME-Department** | **Responsibility** |
| --- | --- | --- |
| Project Manager | Internal (GITS – Project Management Centre/PMAC) | * Prepare project management plan and revision(s) as deliverables * Define Project Scope, Aim & Objectives |
| Project Sponsor | Internal (GITS) | * Approving key project deliverables * Initiating and participating in project reviews and providing directions |
| Project Manager Advisor | Internal (GITS – Project Management Centre/PMAC) | * Assist Project Manager in determining the essential plans required for the project * Relay necessary information regarding project updates and changes |
| Software Engineer | Internal (GITS – Application Management Centre/AMC; Data Center Operations/DCO) | * Develop the core mechanics of the software * Fulfil the software requirements as stated in Product Deliverables that could function normally. |
| UI Designer | Internal (GITS – Application Management Centre/AMC) | * Create a user-friendly user interface for the system’s controls |
| Software Tester | External (Market – Human Resources Dept/HR) | * Test-running the software prototype * Uncover bugs from testing and submit relevant reports to the software development teams. |
| Quality Control Manager | Internal (GITS – IT Operations/ITO) | * Compile feedbacks from software tests and generate feedback & improvement report to software developers |
| Technical Assistant | Internal (GITS – IT Security) | * Resolve all errors occurred in the development software and hardware that could prolong the development process |
| Negotiator | External (Market – Procurement/PROC) | * Contact potential project sponsors for assistance in project development. |
| Procurement Officer | External (Market – Procurement/PROC) | * Identify potential sponsors as stakeholders * Audit available resources of procurement from project sponsors |

## 2.7 High Level Risks

A number of high-level risks has been identified for the project to be successful, where the risks include:

* Failure of uniform communication means between departments of project.
* Informality found in project documentation that no task monitoring reports were found
* High cost from inconsistency of required hardware and software to develop the software
* Ignorance from departments which did not complete tasks based on scheduled duration
* Lack of sponsors that provide procurement to recover the lost cost.
* Confusion on task priority
* Overlay of departments for completing certain tasks where either side could complete independently
* Demoralization of project team due to low productivity from the past 2 months.
* Missing of a proper organizational structure that could clearly divide the development team to their respective ‘specialty tasks’.
* Severe lack in specific areas of software development, the network and security section among the areas in question.
* Completed Work Breakdown Structure was

## 2.8 Major Project Milestones

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| **Milestones** | **Date** | **Descriptions** |
| Start Project | 11/6/2018 | Signifies the start of project |
| Receive Project Approval | 19/6/2018 | Approval of project charter marks the start of the project planning |
| Complete Planning Phase | 13/7/2018 | The plan for the development for ISCMP is established |
| Complete ISCMP Requirements | 24/7/2018 | The specific requirements for ISCMP is fulfilled |
| Complete ISCMP Development | 20/9/2018 | Development of system based on the requirements is finished |
| Complete Testing | 9/10/2018 | The developed system has passed the user acceptance test and |
| ISCMP Installation | 15/10/2018 | The new system is implemented in place of the old system |
| Functional ICSMP | 22/10/2018 | The new system is fully integrated and is fully functional |
| Project End | 30/10/2018 | Signifies the end of the project |

## 2.9 Critical Success Factors

Several success criteria have been identified as critical success factors that would lead to effective completion of the project, in which include:

1. Complete the project within the allocated budget of $280,000.00 with no budget overruns.
2. Efficient usage of capable resources would be selected from the SME-departments as within the organization structure of **Good Life Pte. Ltd.** and **Global IT**.
3. The created system must be able to be supported by current IT infrastructure.
4. It is mandatory for related departments in Global IT Service to provide approval and signoff for system implementation
5. All support staff and users must have access to the developed system with relevant Access Level (ACL) privileges
6. The current system must be replaced in phases by ISCMP.
7. The cutover and transition from the current system with the newly developed system must be in **parallel**

## 2.10 Signature

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| **SIGNATURE** | | | |
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| Good Life Pte. Ltd.  Company Executive Officer | Project Manager | Project Manager Advisor | Project Sponsor |