# **Statement of Work (SOW)**

# **Scope of Work**

### Project Overview:

Helwani Bros, a company specializing in food products, is facing significant challenges due to a shortage of sesame seeds, critical for Tahini production. The primary objectives are to stabilize the supply chain, resume production of halted product lines, and manage cost increases due to import restrictions. The project aims to ensure the company can continue meeting market demands and maintain customer satisfaction.

### Project Scope:

* Secure alternative suppliers for sesame seeds.
* Adjust production lines to accommodate new suppliers.
* Improve financial terms with suppliers to mitigate costs.
* Relaunch halted product lines and introduce new products.
* Exclude any expansion into additional product categories unrelated to sesame products.

### Objectives: Supply Chain Optimization:

* Secure alternative sesame seed suppliers within 6 months.
* Reduce product shortages by 50% and improve production efficiency by 30%.
* Ensure compliance with new import laws while minimizing cost increases.

### Production and Financial Management:

* Resume tahini production through enhanced sourcing strategies.
* Decrease upfront payment requirements by 20% via supplier renegotiations.

### Customer Engagement and Retention:

* Launch a customer loyalty program within 3 months to retain at least 25% of customers affected by product shortages.
* Introduce two new locally sourced products by year-end to diversify offerings.

# **2. Project Deliverables**

* Contracts with alternative sesame suppliers.
* Improved financial payment systems to reduce upfront costs.
* Relaunch of tahini product lines with new sourcing.
* Customer loyalty program to maintain and grow the customer base.
* Introduction of locally sourced product alternatives.

# **3. Project Schedule**

* **Month 1-2:** Identify alternative sesame suppliers.
* **Month 3:** Launch customer loyalty program.
* **Month 4-5:** Resume tahini production.
* **Month 6:** Introduce two new locally sourced products.

# **4. Project Tasks and Activities**

**Milestone:**

### Level 1: Project Initiation

1. Project kickoff
2. Team assignments
3. Initial risk analysis

### Level 2: Tahini Production Revival

1. Supplier identification
2. Contract negotiation
3. Quality assurance of sesame seeds
4. Adjust production processes for local supply

### Level 3: Processed sesame Line Restart

1. Develop export strategy
2. Conduct market research for export
3. Secure USD through exports
4. Manage sesame imports
5. Restart production lines

### Level 4: Monitoring and Control

1. Regular meetings with procurement and production teams
2. Supplier performance reviews
3. Financial and compliance checks

# **5. Stakeholder Analysis**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Stakeholder** | **Role (Related to Project)** | **Involvement** | **Impact** | **Power (H/M/L)** | **Interest (H/M/L)** | **Engagement** |
| CEO | Project Sponsor | Makes high-level decisions; ensures project success | The Project depends on the CEO’s approval | H | H | Communicate regularly for updates and decisions |
| Operations Manager | Project Manager | Oversees production, ensures production lines remain active | Directly impacted by supply chain disruptions | H | H | Daily communication to track project progress |
| Procurement Manager | Supplier Sourcing and Purchasing | Responsible for sourcing alternative sesame suppliers and imported sesame | Critical to sourcing key ingredients | H | H | Involved in supplier negotiations, frequent updates needed |
| Finance Director | Budget and Financial Planning | Manages budgeting for alternative suppliers and extra costs of import payments | Directly affected by cost increases | H | H | Regular updates on financial impact and cost tracking |
| Production Team | Manufacturing Process | Keeps production lines moving; interested in raw material availability | Low impact on daily production routines | L | H | Keep informed about supply changes and production timelines |
| Marketing Team | Product Promotion and Sales Strategy | Communicates product availability to customers | Low direct impact but high interest in product offering | L | H | Keep informed of product line updates, manage communication with customers |
| Warehouse Staff | Storage and Logistics | Handles product storage and delivery | Low impact but affected by supply volumes | L | L | Monitor and provide information as needed |
| Board of Directors | Corporate Governance | Focused on overall business performance | Interested in how the project affects profitability | H | H | Provide regular updates on strategic impact and financial results |
| External Suppliers | External Stakeholders | Provide raw materials (sesame) | High impact as it may be the only supplier and have a negotiation privilege. | H | L | Monitor delivery schedules and contractual obligations |

# **6. Risk Management**

### Risks:

* Supply chain delays due to global shipping constraints.
* Rising costs due to currency fluctuations and import restrictions.
* Customer dissatisfaction if production delays persist.

### Risk Mitigation Strategies:

* Diversify the supplier network to reduce dependency on specific regions.
* Maintain transparent communication with customers regarding product availability.
* Implement cost-saving measures in production to offset increased import costs.

### Risk Mitigation Plan

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **No.** | **Risk** | **T/O** | **Risk ID** | **Category** | **Probability** | **Probability rate** | **Impact** | **Impact rate** |
| 1 | Inflation that affects the prices | T | T1 | Finance | H | 9 | H | 9 |
| 2 | Supplier have more privilege in negotiations | T | T2 | Operational | M | 6 | H | 9 |
| 3 | Supplier delay the sesame supply | T | T3 | Operational | L | 3 | H | 9 |
| 4 | The supply not sufficient for the production | T | T4 | Operational | L | 9 | H | 9 |
| 5 | The Quality not as required | T | T5 | Operational | L | 3 | L | 3 |
| 6 | The new production with local supplier doesn't meet customer preferences | T | T6 | Marketing | L | 3 | M | 6 |
| 7 | Customers may switch to other brands if they perceive a change in taste | T | T7 | Sales | L | 3 | M | 6 |
| 8 | Supplier may expand and start his own Tahini production line | T | T8 | Sales | L | 3 | M | 6 |
| 9 | Changes in payment terms or reliance on a single supplier lead to tighter cash flow management. | T | T9 | Finance | M | 6 | H | 9 |

# **Legal Considerations and Approvals**

**Contractual Agreements**

* **Supplier Contracts:** Review and negotiate contracts with alternative sesame suppliers to ensure clear terms regarding pricing, delivery schedules, quality standards, and penalties for non-compliance.
* **Compliance with Laws:** Ensure all contracts comply with local, state, and federal laws governing food safety, imports, and exports.

**Regulatory Compliance**

* **Import/Export Regulations:** Verify compliance with import/export regulations, including tariffs, quotas, and any necessary licenses for sesame seed imports.
* **Food Safety Standards:** Ensure suppliers adhere to food safety standards set by regulatory bodies (e.g., FDA, USDA) to maintain product quality and safety.

# **8. Budget**

### Projected Costs:

* To be determined based on supplier renegotiations and production adjustments.

# **9. Communication Plan**

#### Communication Channels

* **Email:** Primary mode for formal communications, contract discussions, and document sharing.
* **Phone Calls:** Used for urgent matters, negotiations, or immediate clarifications.
* **Video Conferencing:** Regular virtual meetings for discussions on supply status, challenges, and relationship building.
* **Messaging Apps (e.g., Slack, WhatsApp):** For quick updates and informal check-ins.

### 2. Frequency of Communication

* **Weekly Status Updates:** Short emails or calls to discuss supply availability, delivery schedules, and any issues.
* **Monthly Review Meetings:** Video calls to assess overall performance, address concerns, and discuss upcoming needs.
* **Quarterly Business Reviews (QBRs):** In-depth discussions about long-term strategies, performance metrics, and collaboration opportunities.

### 3. Key Topics to Discuss

* **Supply Availability:** Current stock levels, lead times, and potential shortages.
* **Quality Assurance:** Regular updates on quality checks and any issues encountered with sesame seeds.
* **Financial Terms:** Discussion on payment terms, invoicing, and renegotiations if necessary.
* **Regulatory Compliance:** Ensuring that suppliers adhere to relevant import/export laws and quality standards.
* **Feedback Loop:** Mechanisms for providing feedback on performance and receiving input from suppliers.

### 4. Roles and Responsibilities

* **Procurement Manager:** Primary point of contact for supplier communications, responsible for regular updates and negotiations.
* **Quality Assurance Team:** Engages with suppliers to address quality-related issues and perform audits.
* **Finance Director:** Communicates regarding payment terms and any financial adjustments needed.

### 5. Documentation and Follow-up

* **Meeting Minutes:** Document discussions and decisions from meetings and share them with suppliers for reference.
* **Action Items:** Clearly outline tasks assigned during meetings, including deadlines and responsible parties.
* **Performance Metrics:** Regularly share relevant metrics with suppliers to foster accountability and improvement.

### 6. Conflict Resolution

* **Immediate Communication:** Address any issues as soon as they arise to prevent escalation.
* **Dedicated Problem-Solving Sessions:** Organize specific meetings to focus on resolving significant challenges.
* **Escalation Process:** Clearly define steps for escalating unresolved issues to higher management within both organizations.