

INFT3100 Tutorial Two – Week 3

For Assessment 3 – Progress Demonstration

In this course, you will complete Assessment 3 (Progress Demonstration) and Assessment 2 (Written Report) as a team. Working effectively as a team is a skill that can be greatly assisted by the effective use of collaboration tools and thus the first task for your Assessment 3 -Progress Demonstration is to review some available tools.

Your first task for this Computer Lab is to commence work on Task 2 – Review of Project Management Tools (see below).

a. Review of Project Management Tools

Successful project management requires, at a minimum, task management, time management, reporting and communication etc. Numerous project management tools exist to enable these activities. *For this task, explore different software tools/ apps than can be used by teams to manage projects. At the end select one tool/ set of tools that you will use for managing your group works as part of this course as well as for implementation of your future project in case your proposal is accepted by UoN. Write a report to justify the selection of the tool(s) for your teamwork.* For each software tool, your report must address:

- Availability and cost of tool
- Cross platform functionality
- Advantages/disadvantages relative to PMBOK areas of project management and your teamwork in this course
- Decision on the use of the tool by your team (with justification)

The following approach is suggested for this task:

1. Identify at least three (3) different tools relevant to a PMBOK area – it is a good idea to have one tool per team member to review as this makes the delegation of work easier.
2. Create a template for entering the review criteria (eg. availability, cost, platforms, etc) – a spreadsheet is good for this
3. Assign different tools to team members to review (complete the template), and set a day/time for completion of this task

Additional tasks for completion in the Computer Lab (time permitting) or independently at home are provided below. Please note these questions are designed to assist you with preparing for the course quizzes and final exam.

Question 1.

You manage a hotel resort located on the South Beach on the Island of Kauai in Hawaii. You are shifting the focus of your resort from a traditional fun-in- the-sun destination to eco-tourism. (Eco-tourism focuses on environmental awareness and education.) How would you classify the following projects in terms of compliance, strategic, and operational (Week2 Lecture slide 26)?

- a. Convert the pool heating system from electrical to solar power.
- b. Build a 4-mile nature hiking trail.
- c. Renovate the horse barn.
- d. Replace the golf shop that accidentally burned down after being struck by lightning.
- e. Launch a new promotional campaign with Hawaii Airlines.
- f. Convert 12 adjacent acres into a wildlife preserve.
- g. Update all the bathrooms in condos that are 10 years old or older.
- h. Change hotel brochures to reflect eco-tourism image.
- i. Test and revise disaster response plan.
- j. Introduce wireless Internet service in café and lounge areas.

How easy was it to classify these projects? What made some projects more difficult than others? What do you think you now know that would be useful for managing projects at the hotel?

Using the provided spreadsheet ([AnswerSheet.xls](#)) to answer Questions 2, 3, and 4

Question 2.

- a) A five-year project has a projected net cash flow of \$15 000, \$25 000, \$30 000, \$20 000 and \$15 000 in the next five years. It will cost \$50 000 to implement the project. If the required rate of return is 20 per cent, conduct a discounted cash flow calculation to determine the NPV.
- b) What would happen to your calculations if there was an expectation that inflation would be steady at 3% in the foreseeable future?

Question 3.

Two new software projects are proposed to a young, start-up company. The Alpha project will cost \$150,000 to develop and is expected to have annual net cash flow of \$40,000. The Beta project will cost \$200,000 to develop and is expected to have annual net cash flow of \$50,000. The company is very concerned about their cash flow. Using the payback period, which project is better from a cash flow standpoint? Why?

Question 4.

You are the head of the project selection team at PacBrands. Your team is considering three different projects. Based on past history, PacBrands expects at least a rate of return of 20 per cent. Your financial advisers predict inflation to remain at 3 per cent into the foreseeable future.

Given the following information for each project, which one should be PacBrands first priority? Should PacBrands fund any of the other projects? If so, what should be the order of priority based on financial considerations and the expected rate of return?

Project: A

Year	Investment	Revenue stream
0	\$500 000	0
1		50 000
2		250 000
3		350 000

Project: B

Year	Investment	Revenue stream
0	\$250 000	0
1		75 000
2		75 000
3		75 000
4		50 000

Project: C

Year	Investment	Revenue stream
0	\$75 000	0
1		15 000
2		25 000
3		50 000
4		50 000
5		150 000

Note – You should use a table template similar to the one below to answer this question

Year	Inflows	Outflows	Net Flow	Discount Factor	NPV
0					
1					
etc					

And the Discount Factor is given by: $1/(1 + \text{discount rate})^{\text{year}}$

Where ^2 means to the power of 2 squared, ^3 means to the power of 3 or cubed.

For example, with a discount rate of 20%, the discount factor is

Initially, ie Year 0, = $1/(1+0.20)^0 = 1/1 = 1$

After Year 1 = $1/(1+0.20)^1 = 1/1.2 = 0.83$

After Year 2 = $1/(1+ 0.20)^2 = 1/1.44 = 0.69$

After Year 3 = $1/(1+ 0.20)^3 = 1/1.728 = 0.58$

After Year 4 = $1/(1+ 0.20)^4 = 1/2.074 = 0.48$

After Year 5 = $1/(1+ 0.20)^5 = 1/2.489 = 0.40$