Products Inc.

| **DOCUMENT INFORMATION** | | | |
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| Project Name: | **Backpack Production** | Prepared By: | **Jason Kendall** |
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**Project Final Report**

**Executive Summary**

**Executive Staff Memo Introduction**

My name is Jason Kendall and I am a program manager within Products Inc. We have recently been awarded a delivery contract for the production of a multi role backpack designed with an embedded refrigeration and communications pouch. Our team will oversee the development, production, and delivery of this item.

For the Department of Defense, our current customer, we are planning a run of 200 units which will be assigned to US Army Ground and SOF Forces at a proposed budget of 1.5 Million dollars. These military units will take possession over the new product no later than March 1st, 2017.

Discussed within the following document are the program action items, risk/risk mitigation strategies, and overall program conclusions for this project.

**Initial Assessment**

Because we operate as a defense contractor we will be working directly with the department of defense. Our action items must be completed correctly and on time. Each assignment will be the responsibility of designated teams who will report to management if the project does not meet product standard or deadlines. With our March 1st timeline the

milestones and deliveries will make it important to stay on track through each intermediate sprint.

The expected results from higher management include on time delivery, under budget completion of the project, milestones accomplished on time, and supplemental follow on contract acquisition after successful project completion.

**First Action**

The first action will be to delegate each timeline and milestone so that responsibility of the project is evenly bore by the entire team. Any team falling behind their target will receive support until they get back on track in order to ensure the entire project does not fall behind.

The delivery schedule will include 100 units no later than 12 months after receipt of order with 50 units following every 3 months after the first delivery. Again, the product will be split evenly between ground and SOF forces at each stage.

**Pending Concerns**

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| **Project over budget** | **1. Although it is not likely the project will go over budget, it will be important to maintain financial responsibility during the entire project. As the project continues we will constantly look to make improvements to efficiency as to provide a padding for our budget if we do happen to go over. This can be made up in various places such reducing employee overtime and finding better deals on materials.** |
| **Missed Delivery** | **1. Because we are working with the DoD, it becomes increasingly important to ensure our products arrive on time. We will ensure this happens by creating multiple milestones and ensuring we stick to them.** |

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| **Missed Milestones** | **1. The smaller milestones we have set to ensure overall timeline completion can be ensured by daily management of each assigned project. If time is exceeded for a specific function, it must be made up the next day to ensure we stay on target.** |
| **Ensuring Follow on Projects** | **1. By sticking to our target program budget and timelines we will be better equipped to ensure follow on projects through the department of defense.** |
| **Product Quality** | **1. Through the use of quality materials, we will be better able to ensure our final product is up to par for the DoD. At each step of the production process quality control is vital. If we catch a problem early, it will be more easily correctable moving forward.** |

**Memo Conclusion**

The conclusion for this memo serves to summarize the key topics covered in this Executive Summary. Our product, which is a backpack with embedded refrigerated and communications pouches will be delivered to the DoD ground and SOF forces no later than March 1st, 2017. This project will not exceed 1.5 Million dollars and all milestones will be met according to our timeline setup for the project. Follow on projects are a top concern and will likely follow successful completion of the current project.

**Project background / Project Overview**

**PROJECT OBJECTIVE**

* For this project, Products Inc. will be responsible for the manufacture and distribution of Department of Defense related equipment, specifically a new backpack designed with updated technology that enables troops to carry refrigerated goods and communications devices within this bag.
* These backpacks will be distributed through our supply chain to the DoD and more specifically the US Army Ground Forces and Special Operations Forces.
* We hope to deliver the product on time and at target price in order to secure later contracts from the DoD as a whole.

**DELIVERABLES**

* This project includes three specific product deliverables numbered one, two, and three. The deliverables will consist of 200 total units of which 100 units will be delivered by 12 months after receipt of original order.
* After this delivery 50 units will follow every three months after the first delivery. Each product will be inspected through quality assurance to ensure all products meet specifications. This will be a critical step in guaranteeing later contracts.

**MILESTONES**

* First Milestone (payment from customer): October 30, 2015
* Second Milestone: January 30, 2017
* Third Milestone: May 30, 2017
* The program will be reviewed six months after the initial review which will be conducted at the customers site.

**TECHNICAL REQUIREMENTS**

* Technical requirements for this project will be high as the DoD enforces a high level of production. This is something we are expecting in advance and have adjusted to meet these demands. The changes we have made regarding the quality of our products, distribution, and manufacture will also help us in the future as well apply for contracts in the future.
* We will be allocated 100 employees for this project with a total project cost of 1.5 Million dollars. Each timeline will be considered a hard timeline so that we do not fall behind. If the project is expected to exceed budget, we will need to look into making cuts when and where possible so that we accomplish this project on time and on budget.

**LIMITS AND EXCLUSIONS**

* Limits are set regarding the total project cost, which will not exceed 1.5 Million dollars. The timeline limits will be set regarding the last delivery of March 1, 2017 which will be our hard timeline for the completion of this project.
* The project reviews will help us to stay on track regarding budget and completion. This will also help us to mitigate risk both financially and production wise.

**CUSTOMER REVIEW**

* The customer review will be a critical aspect of this project and will help everyone to stay on the same page. Customer reviews will also help us establish clear communication so that there is no confusion between what the customer wants and what we produce for that customer.
* The reviews will be conducted initially at the customers site on November 16, 2015. This will be followed by subsequent reviews every six months after the initial customer review.
* Staying on target, on time, and on top of quality control will ensure these reviews go smoothly, something that is very important to Products Inc. as the opportunity for greater DoD level contracts will increase with the success of this project.

**Major Activities / Milestones**

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| **Activities / Milestones** | | | | |
| Main Activity | Planned  Time (days) | Actual Time  (days) | Time Deviation  (days) | Major Reason for deviation |
| Award Date | 09/01/2015 |  |  | Project awarded to Products Inc. |
| First Delivery | 90 | 100 | 10 | Improper fitment regarding communication pouch |
| *Second Delivery* | 90 | 80 | -10 | Production team ramp up continued after fitment malfunction. |
| Last Delivery | 90 | 90 | 0 | Last delivery made to DoD teams on schedule |
| First Milestone Payment (from customer) | 60 | 60 | 0 | Payment made on schedule |
| Second Milestone Payment | 26 months | 26 months | 0 | Second DoD payment made on schedule |
| *Final Milestone Payment* | 3 months | 4 months | 1 month | Final payment from DoD made 1 month off schedule |
| Initial Program Review | 76 days | 76 days | 0 | First program inspection conducted on time |
| Subsequent Program Reviews | 6 months | 6 months | 0 | Subsequent program reviews conducted on schedule |
| **Completion Date** | 01/03/2017 | 0 | 0 | Project completed on schedule |

**Project Closure Synopsis**

* The Products Inc. Backpack Project for the DoD is being closes as completed and accomplished.
* All deliverables and milestones were accomplished within a reasonable time.
* Project completion was underbudget (successful).
* Even though a refit of the communications pouch was conducted, the overall end product met and exceeded all DoD quality specifications.
* Project teams associated with this project earned a considerable salary bonus for making up time associated with key unexpected circumstances.

**Project metrics performance**

Goals and Objectives Performance

* Yes, as this was our first project with the DoD, we had to complete reviews that are only a first-time process. This took up considerable management time and is something we will not have to do again regarding follow on contracts with the Department of Defense.
* The board set goals that were met and exceeded by each project team.
* Guidelines set by DoD were exceeded as they were integrated into our product production program.
* These higher production standards will allow us to target higher profile clients willing to entertain our product bids.

Milestones and delivery performance

* The milestones described in the Major Activities/Milestones chart consisted of the project commencement and termination dates. We were awarded the project two years ago and have met various deadlines/standards set forth by the DoD.
* Some of these milestones resulted in the delivery of 200 refrigerated backpacks equipped with communications pouches. The delivery milestones were very close to our target goals which were both time and budget sensitive.

Budget Performance

* As noted earlier, this was our first contract with the DoD. Significant planning and resources resulted in a budget that was much higher than we could expect for follow on contracts.
* Success with this project meant that we would then secure additional contracts for various military and defense related products at a considerably higher return on investment for our board, the project team, and the company as a whole.
* The completion of our first big budget project will set the stage, enabling us to take on larger more resource heavy projects which at the same time, provide a higher return on investment.

**Project Management Issues**

Human Resource Management

* We had to make a few resource change allocations during this project. As we moved over the scope of the two-year project, we had subcontractors that shut down forcing us to implement our backup plan.
* Our project team contributed greatly to gaining back the time these unexpected events cost the project team. The teams responsible were able to secure a salary bonus for their exemplary work.
* By reusing materials from project pouches that did not fit, we were able to send these materials back to production and avoid the cost of purchasing additional materials.
* Outline the steps to be taken in shifting project resources to other projects.
* Explain how project knowledge (IP) from project team members will be captured and retained for future projects.]

Risk Management

* During this project we faced many unexpected risks. Some of these risks were delayed payment, shortages of materials, delivery delays, and various human capital events that delayed the project.
* We were able to avert most of these unexpected events by implementing proper planning and training ahead of time.
* The procedures we implemented to avoid these situations will be carried over from this project to follow on DoD projects. Learning from our mistakes will allow us to reduce risk in follow on projects.
* From the board, down to the most junior team member, everyone was able to take accountability of their actions and create a team environment which quickly responded to all unexpected events.

Customer Expectations

* This was the first large scale, big budget contract for Products Inc. Not only did this project offer the opportunity to work for the US Government, but it also provided for the opportunity to retain follow on product production contracts.
* At each stage of the production process the DoD inspected and held Products Inc. to their very specific standards for the production of their equipment. The project team and company as a whole was able to meet these deadlines and quality standards with complete professionalism.
* The result? Final payment delivery of a 1.5-Million-dollar contract and the ability to become a certified products producer for the Department of Defense and other high-level defense contractors.
* As the contract is closed out, milestones are completed, and employees are enjoying the fruits of their hard work we will continue to work closely with the DoD to ensure our products stand the test of battle and time.
* In standing behind our product we are able to ensure future projects will be conducted to the exact same standard the DoD experienced during the reviews of our production program.

Lessons Learned

* There were many lessons learned through the duration of the roughly two years this project covered.
* A stand out lesson involved having back up subcontractors staged in case we lose a sub midway through production. This will allow us to route resources to the new subcontractor in a much faster manner than we would if hiring a new subcontractor after the fact.
* Another lesson learned involves the skill of our project teams. As the teams performed so well during an unexpected event, we have now implemented a bonus pay system designed to promote quality production within the projects. This will allow the team to earn more money while producing more, high quality work for the company.
* Even though the DoD vetting and certification process was lengthy and resource heavy, we were able to get by. Thanks to the certification and completion of this production certification process, we are now able to qualify for additional DoD projects and other higher profile defense contractors.
* As we were met with a few unexpected events, our research and discovery assessment will be better funded with both time and resources. This will be done in an effort to better identify possible risks associated with each individual project.

**Project Closure Recommendations**

With this project our end goal was twofold:

* First, we set out to obtain project closure from the Products Inc board members and the DoD certifying officials.
* Second, as this project represented a significant investment of human capital and resources from Products Inc., it was our goal to ensure we are certified and cleared for further DoD product production represented by follow on contracts.
* As these contracts will not include the lengthy certification process again, these follow on projects will be much more lucrative to Products Inc. as a whole.
* With the company now much more profitable, we will be better able to provide higher quality resources and care, better equipment, and better funding to our hardworking project teams and employees.

**Project Final Report Approvals**

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Resources:

Pinto, J. K. (2019). *Project management: Achieving competitive advantage*. New York, NY: Pearson.

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