PROJECT DOCUMENTATION

#### BUSINESS CASE

|  |  |
| --- | --- |
| **Project: Designing a Management System for Chandrika Agri Centre** |  |
| Release: May 2019 |  |
| Date: 02 March 2019 |  |
|  |  |
| **PRINCE2** |  |
|  |  |
| Author: Udara Jayawardhane |  |
| Owner: Project Team |  |
| Client: Chandrika Agri Center |  |
| Document Ref: CAC Business Case |  |
| Version No: 1.0 |  |

## 2 Table of Contents

### 1 Business Case History

1.1 Document Location

1.2 Revision History

1.3 Approvals

1.4 Distribution

### 2 Contents

### 3 Purpose

### 4 Reasons

### 5 Options

### 6 Benefits Expected

### 7 Risks

### 8 Cost

### 9 Timescales

### 10 Investment Appraisal

### Business Case

## 3 Purpose

Chandrika Agri Center is currently a emerging manufacturer & provider of fertilizer in Sri Lanka, which is a stern pillar in building the economic infrastructure of any country. Currently as it stands, in 2019, the company consists of several segmented processes handled by about 25 employees and a corporate team for the administrative task performances.

With the budding of the company and upscaling being prominent at the time of concern, the management sector pertinent to performing administrative functions is in need of a control system in place to avoid complications and efficiency compromises that are potentially viable for any emerging company.

This is where the project team led by the project manager would step in, by offering to implement a software solution to monitor the systematic flow of work within the company relevant to the process of manufacturing as well as employee evaluation. This will include relevant components for these management purposes and will enable Chandrika Agri Centre to move forward in the business world with one foot firmly planted on a profitable business.

The forecasted implementation would furthermore provide the company with the ability to have contingency plans allowing for anticipating risks and better manage them owing to clear statistical data records which can be obtained and utilised to aid company growth.

## 4 Reasons

Due to the island’s main economic foundation existing on the agriculture industry, many companies compete to gain an upper hand in industry. While competition increases options, it reduces quality of produce. This is why Chandrika Agri Center hopes to eliminate threats of their competitors while also being an ethical and profitable company in the long run.

To create that environment, the efficiency issues and overhead costs have to be maintained within the company. For those purposes as well as to achieve a much smoother flow and to anticipate issues in real time, the software solution proposed would prove itself a low friction option.

## 5 Options

1. Refrain from changing the infrastructure and continuing to function with the existing issues and localised staff. This would cost approximately Rs.1,000,000+ a year due to inefficient practices.
2. Provide staff training seminars to spread awareness of best practices to improve efficiency with the aid of professional career guidance units. This will improve employee knowledge pertaining to the plant processes thus reducing an estimated cost of Rs.100,000 per year at least caused by human error. However this would not eliminate paperwork costs and administrative efficiency but would incur costs of 50,000 per year to conduct these at least 2 seminars.
3. Obtain a software solution where real time data can be obtained to keep track of company functionality with respect to human as well as non-human resources as well as to mitigate issues as soon as they arise. This will reduce paper work and employees related to paperwork can be trained to monitor the software which would save an additional IT staff cost. The software implementation and buyout along with new hardware would add up to Rs.500,000 approximately.

Out of the above three options, option #3 consolidates its viability and relevance over the others owing to option #1 having only costs and no returns and option #2 providing considerably lower benefits in comparison.

## 6 Benefits Expected

* Annual Rs.200,000 cost savings by reducing paper work.
* Annual Rs.500,000 cost savings by reducing machinery harm caused by improper maintenance practises.
* Annual Rs.300,000 cost savings by reduction of overtime work payments which would not be required after efficiency improvements.

## 7 Risks

Employees in the agricultural sector are inexperienced in specifying requirements pertinent to software engineering standards. This could lead to mistakes in the expectations of final delivery.

Strict time limits and continuous documentation requirements of Prince2 methodology parallel to the project implementation could result in delays of milestones.

Project Management team for the CAC Management System constitute of few members who are currently deployed in internships. This could be challenging for them in producing deliverables on time.

## 8 Cost

Project Costs

Hardware Cost : Rs.400,000 (Including new PC’s with Operating System Upgrades)

Software & Consultation Cost : Rs.100,000

Operational Costs

Support : Rs.200,000 per annum

## 9 Timescales

Project Duration : 4 months

Expected benefits can be observed after the end of current year.

## 10 Investment Appraisal

|  |  |  |  |
| --- | --- | --- | --- |
|  | 1st Half 2019 | 2nd Half 2019 | 1st Half 2020 |
| Project Cost | -Rs.500,000 | Rs.0 | Rs.0 |
| Operational Cost | Rs.0 | -Rs.100,000 | -Rs.100,000 |
| Benefits | Rs.0 | +Rs.500,000 | +Rs.500,000 |
| Net Profit | -Rs.500,000 | +Rs.400,000 | +Rs.400,000 |