Old Mansion Foods

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A.   Executive Summary

Project Title: Extend Old Mansion Food's Reach into the Sauce Market

Scope and Objectives: Food manufacturers see approximately 37% profit margins on their products. Old Mansion Foods is currently not realizing its entire growth potential by ignoring the sauce market. To meet this expansion opportunity, Old Mansion Foods is allocating resources to actualize a position within this market segment.

Overview: Old Mansion has dealt in the spice market since 1877. We are going to use our time-tested knowledge and industry relationships to launch new custom and private lines of sauces.

B.   Business Objectives

Old Mansion Spices offers a plethora of dry spices ready to order. A combination of the surplus of equipment and warehouse space, and procedures required to handle this workload are currently implemented. Another dimension, which has overlapping requirements to function, would be the introduction of wet spices. The magnitude of need is best measured as a comparison of the successes of other companies in the industry already distributing wet spices. The space and equipment is already acquired. Distribution is ready to be scaled using established relationships. Growth in the number of paid employees would need to be addressed. If overlooked, this factor would increase stress in the work environment and derail after deployment.

Business Need:

- Dry Spice machinery is the same as wet spice
- Surplus machinery and warehouse space acquired
- Wet spice revenue shows sustainable increases
- Customers and vendor relationships are already established
- Anticipate growing employees to match workload

C. Project Description

1.   Scope

Name: 'Extend Old Mansion Food's Reach into the Sauce Market'
This project is to create a fully staffed, sauce manufacturing facility that can produce, label, and bottle a custom line of sauces as well as private sauce orders, within one year.

2.   Completion Criteria

The deliverables for this project include financial planning, getting the facility operational, purchasing the necessary equipment, securing employees, developing sauces, bottling and labeling, generating sales contracts, generating product, and distributing sauces.

Deliverable	Success
Financial Planning	An accurate cost breakdown has been approved and funded
Operational Manufacturing Facility	Clean water, sound foundation, proper electrical wiring, meet FDA requirements, building insured
Equipment	All necessary equipment has been installed and insured
Employees	All necessary employees have been processed and trained
Sauce Development	Recipes finalized and analyzed
Bottling and Labeling	Bottle style, label and packaging design approved
Sales Contracts	Website updated, current vendors agree to carry sauce line
Production	Sauces generated from ingredients, bottled, labeled and packaged
Distribution	Approved distributor makes pickup

3.   Risk Assessment

- Failure to obtain insurance for machines/building to prevent against acts of God

We have invested in a quality structure and plan to only invest in quality machinery. If there are any issues found during the building inspection, they will be corrected. Old Mansion Foods had previously acquired the new facility, but was unable to proceed due to scheduling conflicts. As the doors have remained locked since the time of purchase, we are anticipating having to make alterations and renovations to bring the space up to industry specifications. We have budgeted for a new water purification system in the event that the water is of poor quality upon testing. If

there is a problem with the electrical wiring, we are prepared to replace it. Once the facility passes inspection, our current insurance coverage will extend to include the new structure and machinery.

- Failure to find skilled workers

We will start by using the more traditional channels: newspaper ads, posting on job boards like Indeed.com, CareerBuilder and ZipRecruiter, and updating our website to show that "We Are Hiring!" We will offer referral bonuses to our current employees that may have qualified family, friends, or school associates that would fit right in. We will look for eager, emerging workers at local trade schools. Our training program is guaranteed to fill in any gaps in education, such as, but not limited to, offering our own forklift certification program. We will search to find long-term placement through technical temp agency hires. Finally, we will use social media to reach skilled workers through platforms like Linkedin.

- Failure to gain traction in new market

We are confident that our current business model can be successfully extended into the sauce market. Old Mansion Foods has successfully supplied custom and private spice blends since 1877 by ensuring our customers receive consistent quality and competitive price with every order. Our three-pronged approach to generating sales with our new product capabilities helps ensure success. Our longstanding relationships with wholesalers and local restaurants, combined with our world class research and development department, give us confidence that we will satisfy our existing customer base. While this is good, most of Old Mansion Foods' business is brought about through our online web presence. We mitigate a large amount of risk by not competing directly with larger, well-known sauce manufacturers.

The spice industry is an agricultural business and is subject to supply and quality changes with each season. Weather conditions, political uncertainty and price instability can severely affect world supplies. Old Mansion's highly trained Quality Control staff samples and analyzes all spices and blends with a battery of laboratory tests to ensure they conform to our exacting requirements.

4.   Constraints

This project is to be completed in one year's time within the budget of $400,000. See the table in Completion Criteria for definitions of project success.

5.   Dependency Linkages

The budget must be approved before moving forward. The manufacturing facility must be updated and insured. Once equipment has been procured and insured, it can be installed within said facility. Staff must be properly trained before operating

machinery. Before product can begin production phase, it must be researched, tested, and analyzed. Simultaneously, the bottle style, label and packaging will be in the design stage. Once recipes and packaging have been finalized, marketing to existing vendors can begin. Additionally, the company website must be updated to show the new products and the availability of sauces within the private/custom product service. After generating sales orders, the required materials/ingredients will be purchased. Bids will be accepted for a distributor, and one will be chosen. Sauces will then be created, bottled, labeled, and distributed.

6.   Impacts

Old Mansion Foods will be hiring and training new employees to operate the sauce manufacturing facility. This will impact current staff's normal workload and the company financially. Employees will be pulled away from their functional roles to work on project related tasks for 20 of their 40 full time hours per week.

7.   Measures of Project Success

Two key components will define success for Old Mansion Foods' new sauce endeavor. 1) Increased demand for product from current vendors and wholesalers. 2) Substantial new business from online private/custom market with potential, unrealized profits of $7.5 million.

8.   Assumptions

- We will be able to acquire funding
- Key project member's availability
- Key project member's performance
- Key project member's skills
- Spec testers will be available in a timely manner
- Necessary equipment will be available
- Machines will be installed without major issue
- We will find skilled labor
- Our training classes will be a sufficient resource
- R&D will be able to develop delicious sauces
- Lab sample won't get lost in the mail
- Products will not have overly short shelf lives
- A unanimous decision will be made on design
- Current vendors and wholesalers will be interested in sauce
- Vendor performance issues
- Online sales will continue
- We will be able to source all ingredients we don't already have
- Suppliers will have necessary amounts of goods
- Distributor/supplier delivery times

- Accuracy of the project schedule dates
- Machinery will be operational in time
- No other distributor issues

9. Critical Success Factors

- Initial budget approval
- The manufacturing facility will meet all requirements
- Properly trained employees
- Ability to develop sauces that meet or exceed the public's taste
- Sauce branding is competitive and effective
- Ability to extend sales contracts within current vendor/wholesaler relationships
- Success of website revision in accommodating custom sauce orders alongside custom spice orders
- Obtaining necessary ingredients, including obscure ingredients, through environmental changes as they affect the market/suppliers
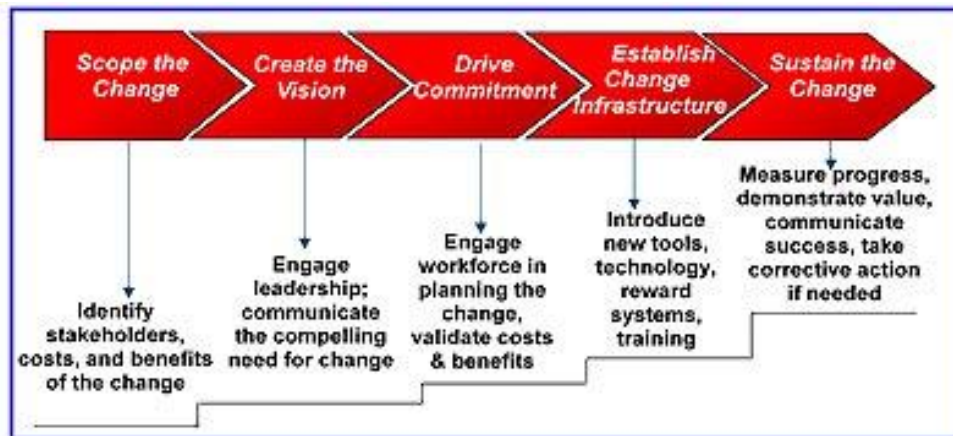
10. Roles and Project Stakeholder Roles

Project Sponsor:
 Jon Lukassen

Project Owner:
 Benjamin Patton

Project Manager:
 Chris Odden

Stakeholder:
 Brylee Despinis

Steering Committee:
 Kenneth Walker
 Carlos Rodriguez

Team Member:
 Michael Craft

D. Project Approach

1. Estimated Schedule

Project Milestones	Target Date
Project Start	3/8/2018
Financial Planning	3/9/2018
Operational Manufacturing Facility Prep	5/20/2018
Equipment installation	7/01/2018
Employment	7/26/2018
Develop Sauces	8/15/2018
Bottling and Labeling	8/30/2018
Sales Contracts	10/01/2018
Production	11/26/2018
Distribution	2/01/2019
Project End	3/8/2019

2. Resource Requirements

Personnel Resources Types	Quantity
Forklift Operators	6 persons
Staff Trainers	2 persons
Line Workers	10 persons
Total	18 persons

Machinery	Personnel
Model FOFNT36 Automatic High Performance Overflow Filler	M
Computorque nt capping machine (left hand)	1
Unscrambler turntable	>= 1
Touchscreen Control Panel	1

Overflow Tank 316 SS (SANITARY) W/ Level Control	M
DC Varispeed 4.5	M
Variable speed bottle spacing wheel	M
Videojet 1210 ink printer	>= 1
Total Personnel:	6
M = Needs to be Monitored	

3.   Estimated Cost

Expense	Original Budget	Current Budget	Spent to Date	Est. to Complete	Current Forecast	Variance
Labor	$262,350					
Internal	$253,000					
External	$9,350					
Hardware	$6,683					
Software	$1,500					
Other	$4,300					
Total	$274,883	$400,000				

E. Project Controls

1.   Steering Committee Meetings / Monthly Status Reports

Steering Committee meetings will be held upon completion of project milestones. The frequency and duration of the meetings will be determined by the size and complexity of the tasks within the milestones. The Project Manager will normally attend meetings of the Steering Committee to speak to their reports and answer any questions raised by members. An additional resource (such as a project team member or administrative staff) may attend to assist the Project Manager by recording the decisions of the meeting. A compilation of the material covered in the meetings will be delivered to key stakeholders in the form of monthly status reports.

2.   Risk Management

Purpose

Old Mansion Foods has a long-standing philosophy of taking pride in its practices to ensure the safety, health and well being of all its employees. This section serves to outline the company's commitment to this philosophy and to provide guidance to all

employees on the standards the company expects its employees to adhere to. Factsheets that provide supplemental information for the specific functions of this program are available through human resources (HR).

Improper Health and Safety Practices

All employees are expected to abide by safe work practices and adhere to general safety rules to ensure their safety as well as the safety of co-workers.

Infractions of company health and safety practices will be dealt with in accordance with the company's policies on discipline and will be based on the following factors:

- Severity of the infraction.
- Whether the infraction endangered only the employee or also co-workers.
- Whether the infraction was a first or repeat violation.

Fires and Other Emergencies

The facility where employees are assigned has an emergency procedures and evacuation plan to follow in the event of fire or other disaster. This plan is prominently posted in common areas and bulletin boards on each floor of the facility. Exits, fire extinguishers and first aid kits are located on each floor. All employees are expected to familiarize themselves with the location of such equipment.

Company-designated staff trained in first aid practices work on each floor of the facility. Lists of trained staff are posted on each bulletin board.

Material Safety Data Sheets

Required by the Occupational Safety and Health Administration (OSHA), a material safety data sheet (MSDS) is a detailed description of each hazardous chemical located in the workplace and includes information regarding potential health risks, symptoms and treatment measures to be taken if exposure occurs.

The company will keep MSDSs on all hazardous substances and materials on its premises in areas adjacent to the equipment for which the MSDS pertains. Employees should help ensure that MSDSs are kept in their respective areas or report missing ones to their supervisor or safety committee representative.

3. Issue Management

Emergency Evacuation Plans and Re-Entry

In any emergency, employees should follow alarms or other alerts to evacuate the building or area near the premises. Employees should always follow the basic evacuation procedures and remember that personal safety is paramount and takes precedence. Employees should do the following:

- Check the work area for anything needing to be secured, and store it quickly.
- Secure locks on all secured containers and cabinets.
- Leave the work area, and report to the designated assembly area.

The director of facilities will coordinate with fire, police or other emergency preparedness personnel to determine when the building may be re-entered. This information will then be passed through safety committee members

4. Change Management

The change control procedures are in place to keep the direction of the project consistent to that of which is described in the project scope and consists of the following processes:

- A Change Request Log will be established by the Project Manager to track all changes associated with the project effort.
- All Change Requests will be assessed to determine possible alternatives and costs.
- Change Requests will be reviewed and approved by the project owner.
- The effects of approved Change Requests on the scope and schedule of the project will be reflected in updates to the Project Plan.
- The Change Request Log will be updated to reflect current status of Change Requests.

5.   Communication Management

The following strategies have been established to promote effective communication within and about this project:

- The Project Manager will present project status to the project Sponsors on a weekly basis. However, ad hoc meetings will be established at the Project Manager's discretion as issues or change control items arise.
- The Project Manager will provide a written status report to the project Sponsors on a monthly basis and distribute the Project Team meeting minutes.
- The project Sponsors will be notified via e-mail of all urgent issues. Issue notification will include time constraints, and impacts, which will identify the urgency of the request for service.
- The Project Team will have weekly update/status meetings to review completed tasks and determine current work priorities. Minutes will be produced from all meetings.
- All electronic Project Documents will be maintained in central storage accessible by all project stakeholders.

F. Authorizations

The Scope Statement, WBS, Project Schedule, Project Budget and Risk Management Plan are approved by the:

- Project Sponsor
- Project Owner
- Project Manager

Project performance baseline changes will be approved by the:

- Project Sponsor
- Project Manager
- Steering Committee

Project deliverables will be approved/accepted by the:

- Project Sponsor
- Key Stakeholders

G. Scope Statement Approval Form/Signatures

Project Manager Responsibilities:

Staffing – The project manager is ultimately responsible for the performance of all members of the team and will be granted authority, in collaboration with each person's current disciplinary manager, to complete a performance appraisal for the calendar year. The project manager is authorized to use one member of the clerical staff on a half-time (20 hours) basis per week for the duration of the project. Additional staff support may be available upon request.

Budget – The initial estimate for this project is $7,500,000. Budget money may be available upon formal request submitted jointly by the project manager and sponsor to the executive committee.

Status Updates – All communications on project status must be made to the chief executive officer. Additionally, monthly updates on the project status will be made at executive committee meetings.

Planning/Tracking – The project will use standard corporate tracking software (MS Project) and will report on schedule, exception reports, slippages, and cost performance. Additionally, earned value metrics (SPI and CPI) will be employed throughout the project duration.

Change Control and Configuration – The project manager will have authority to make changes to the project provided they do not exceed $5,000 and have no negative impact on the project schedule. Otherwise, any changes must receive sponsor approval.

Project Plan – A formal project plan, including statement of work (SOW), risk assessment and mitigation, work breakdown structure (WBS), schedule, and budget must be submitted to the sponsor not later than April 1.

Authority: The project manager will have full authority to identify necessary tasks and resources needed to help complete these assignments. Where resource conflicts occur, the sponsor and other disciplinary VPs will resolve them.

Approvals:

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VP Project Management

_____

VP Information Systems

_____

Chief Financial Officer

_____

VP Human Resources

_____

President