

Scenario 1 - Main Project

Important Note:

Some questions may contain Additional Information over and above information provided in the scenarios. Use that Additional Information to answer respective questions.

ABC Company faces increasing pressure to cut costs, and deal with the problems caused by inadequate internal controls and outdated technology.

External consultants were employed from “Restech”, a recruitment agency that provides specialist resources. These consultants conducted a feasibility study to identify options for addressing the problems. The following options were considered:

- Do nothing
- Restructure selected business functions
- Shut down selected business functions and contract external suppliers to provide these services.

The feasibility study concluded that there was a case for restructuring the services currently delivered by two business functions:

- Facilities (responsible for maintenance of buildings and grounds) and
- Information Technology (IT).

Initially there were 2 contradicting views: Some thought that ‘Contracting an external supplier to provide services currently delivered by selected business functions would reduce the issues caused by outdated technology’ while others thought ‘The contracting of an external supplier to deliver selected business functions would not provide the required outcome.’ There was also a suggestion of using external consultants to provide guidance on the detailed design of the Facilities staff structure.

The recommendations were:

- Restructure Facilities services and reduce the number of Facilities staff by 20%. Reducing staff will mean that no property transfer is required. The reduction in staff will enable ABC Company to reduce costs to agreed levels.
- Restructure IT services and replace the existing IT system with a new hardware and software solution.

The reduction of staff and the updating of technology used in ABC Company meant that a re-engineering of existing services will deliver the performance improvements required. It was also perceived that staff morale will be negatively affected. Owing to employment contract changes, staff may resist restructuring, which would make it difficult to progress and cause a possible delay to project completion.

The feasibility study contained a high-level summary of the existing Facilities staffing structure and the existing IT system, plus an outline Business Case for the required project.



The Project was divided into 4 stages:

Stage 1	Initiation
Stage 2	Create a detailed design for the future Facilities staffing structure and a specification of the new hardware and software solution. (The detailed design for the future Facilities staffing structure is estimated to take six weeks.) Prepare a contract for the supply and installation of the new hardware and software solution. Review a list of external suppliers to determine a shortlist of possible external suppliers.
Stage 3	Create request for tender and evaluate proposals. Select supplier and agree contract
Stage 4	Implement the new Facilities staffing structure, install new hardware and software solution, and run a trial period

Initial estimates indicated that the project would cost 2.5 million USD and take two years to complete. There is an expected saving of 20 million USD over 10 years.

Owing to the strategic importance of the project, the CEO of ABC Company has taken the role of Sponsor. An experienced Project Manager has been appointed from within the organization. He decided to use a Global Project Management Standard Framework to deliver the restructured services. Staff within the business functions being restructured will work with the external consultants who conducted the feasibility study to create the detailed design and specification.

Additional Information from Risk Management Documentation:

- It is important to reduce the issues caused by outdated technology.
- If there is any change to the scope of the services to be restructured, the project timescale will be extended and the realization of benefits will be delayed.
- It will not be possible to transfer some of the existing ABC Company data onto the new software solution, requiring data to be held on two systems for a short period.
- Existing data may prove difficult to transfer to the new software solution, which would require additional specialist resources, at the expense of the external supplier.
- Proximity categories for this project are: Imminent; Within the stage; Within the project; Beyond the project.

Notes from the project manager's Diary

- Though we plan to use a Global Standard Project Management Framework, some processes will have to be tailored as appropriate.
- Due to market conditions, a suitable external supplier may not be found, which may lead to premature closure of the project.
- The management stages recommended by the consultants may not be appropriate, which would result in confusion in planning the project.
- The initial estimates indicate that the project will take two years to complete, which means that the business problems would remain for this period.
- The Schedule appears to be too tight. It will not be possible to complete the project within given timeline.

