

Self-Assessment Exercise

The Customer Credit Project

Doug Deeper, general manager of the Lubricants Division, saw Nick Gotawine the CEO of Whatever Chemicals. This was a chance for Doug to fill Nick in on the actions he had taken after Nick pointed out a problem with Doug's business. Doug knew he had to be careful though; although he followed Nick's advice, he was only "going through the motions". Nick suggested an IT project to solve Doug's Days Sales Outstanding (DSO) problem. Doug thought the project would be a waste of time. Still, it is always better to do what the boss says, whether it makes any sense or not.

"Hi Nick", Doug said. "Just wanted to let you know that I contacted the folks in IT about looking into our credit processes." Nick had challenged Doug to cut his DSO by 20% within the next 6 months. "Great," said Nick, "who did they assign to you?" In fact, two IT folks came to talk to Doug, Ed Otter and Kate Barrett. Doug thought they had wasted a whole hour of his time talking about the importance of process, clean data and business rules. All Doug could wonder about was how the data got dirty.

Ed started asking Doug about goals, timelines, budgets, and personnel. Doug thought this offensive and that it challenged the way he was running the department. Ed even asked Doug to have Jenny Crawford, Doug's best Customer Service Representative (CSR), assigned to the team for 50% of her time. "Just like IT," Doug thought, "you ask them for a project and then they want your people to do all the work. That's why no one likes to work with IT. No one but Nick, that is."

Kate wants all of Doug's procedures, to speak with many of his staff and to sit with his Customer Service team for a day to see how they work. Doug figured she would insist on talking to Kathy Perfect, the customer service manager, and Jack Simple, the customer credit manager. Doug also suggested Paul Haywire the warehouse logistics manager and John Nordstrom, his new plant manager because both of them had opinions on everything. Kate insisted on wasting Doug's time by reviewing a list of questions she wanted to ask each person. When Doug asked Kate whom else she wanted to speak to, she gave him a list of all 15 CSR's and a number of other people. What a waste!

Doug figured all he had to do to reduce the amount of money owed to the Lubricants Division was to read the credit manager the riot act and the problem would be solved. Doug knew someone who sold credit management software, Harry Foote. Doug suggested that Harry come in as a credit management consultant to give his opinion. That would give Harry the chance to sell his software, it would give the IT folks the chance to buy another new toy and Nick would have his project. Everyone would be happy and he would be able to get back to the real work of running the business. It would be a win-win all around.

1. Which of the following is the best statement of the purpose of this project?
 - A. Improve the DSO of Whatever Chemicals
 - B. Give the Lubricants Division the best possible tools with which to improve their credit performance
 - C. Improve profitability of Whatever Chemicals
 - D. Reduce the amount of money owed to the Lubricants business**
2. In what stage of the business analysis process is the project currently?
 - A. Implement of a solution
 - B. Assessment and validation of potential and actual solutions
 - C. Elicitation of needs and constraints from stakeholders
 - D. Define the project and requirements scope**

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3. How would you rate the project sponsor's performance so far?
 - A. Excellent
 - B. Good
 - C. Fair
 - D. Poor

4. Think about the standard project roles and try to assign them to the people mentioned in the case.