



MIS 3504

# Digital Design and Innovation Studio

3: SCOPING YOUR PROJECT

Stephen Salvia

Photo: Installation by Jenny Holzer, US Pavillion, Venice Biennale 1990

Documenting

AS IS

# The Project Scope Document:

## What is it?

# Project Scope Document

- Usually done before you would join project by PM but you might be asked to help
- Written & graphical
- The work that needs to be done, and only the work that needs to be done, to deliver the product and solution
- Scope creep – an incremental expansion of the project scope as requirements not truly necessary for the solution get included
- PM should do forward looking parts

# Project Scope Document Contents

- Statement of Purpose (Problem Description)
  - Background of the Company or Requestor
  - Problems & Opportunities
  - Approach and Deliverables
- Objectives (SMART)
- Risks (Business / Project)
- Assumptions and Constraints
- Stakeholders Analysis
- Glossary

Part 1:

Statement of Purpose

# Statement of Purpose

- Carefully written in business language
- Short description of the organization
- Current environment or situation
- Essential problem or opportunity
- What will be delivered from the project and what activities will be involved
- Not trying to solve the problem or opportunity at this time
- Fit into three paragraphs:
  - General context of the organization
  - The current condition and essential problem or opportunity
  - Project approach and deliverables

Part 2:

Objectives



# Objectives

- Project objectives are the business' reasons for doing the project
- They might be stated as improving:
  - The company's finances
  - The performance of a particular process
  - The company's position in the market
- They should be important enough that you wouldn't need more than 5 or 6 to justify a significant project

# Objectives

They should be

**S**pecific

**M**easureable

**A**ctionable

**R**ealistic

**T**ime-bound

Which objective is SMART which is NOT

- Put up a cool web site really quickly that will make us a lot of money
- Implement a replacement accounting system by end of third quarter 2014 that will reduce bookkeeping expenses by eight percent

Part 3:

Risks

Project Level

Business Level

# Risk Analysis

- **Project Risks** – potential problems that might keep the team from finishing the project
  - Sponsor leaves in the middle of the project
- **Business Risks** – potential problems that might impact the mission of the business
  - New commerce initiative fails and creates a major loss

# Risk Response

How could you respond to a risk?

- Avoid it – change the project to eliminate the risk
- Transfer it – shift the risk to someone else like a vendor
- Mitigate it – reduce the probability or impact
- Accept it – just live with it

# Risk Analysis

Business or Project Risk	Probability	Risk Response	Impact
IT expert who knows warehousing leaves company	Low	Accept it	Medium

# Risk Analysis (for case)

Business or Project Risk	Probability	Risk Response	Impact
(Project) Warehouse employees will not be able to learn the new system	Medium	Mitigate – Reserve time in the project schedule for employee training and offer incentives to employees to adeptly learn system.	High – 2 months delay
(Business) The new system could fail ceasing the company's operations until the problem is resolved	Low – Medium	Transfer – transfer loses due to business interruption to the vendor through a hold harmless agreement or purchase business interruption insurance	High

Part 4:

Assumptions and Constraints



# Assumptions & Constraints

- Assumption – a premise that is assumed to hold true throughout the project
  - The organization's staff will remain the same throughout the project
- Constraint – a limitation or restriction on proposed solutions
  - The organization will not change their software system.

# What Risk Factors Should You Consider?

- Number of users
- Number of stakeholders
- Level of stakeholders
- Geographic location of stakeholders
- Business complexity
- Business risk
- Quality expectations
- Due date
- Length of project
- Size of project relative to company size
- Solution complexity

consider:

Problems + Opportunities

# Problems & Opportunities

- Another way to work with SME's to better understand the project
- Ask them what the problems are that this project is to address
- Ask them if they have any ideas about solving those problems (these are the opportunities)

ID	Problem	Opportunity
1	We are losing money on each sale	Find cheaper raw materials

consider:

Stakeholder Analysis

consider:

**A Glossary**

# Glossary

- Definition of key terms that will be referenced throughout the project.
- Project team members may be for various areas of the organization and may not have a clear and consistent understanding of terms outside their discipline area.
  - Business terminology
  - Technology terminology
  - Project terminology

# Individual Case Assignment

## Due 9/18/2018

### Modern Electronics / Distribution Warehouse – Project Scope:

Problem statement

Objectives

Risks

Constraints

Assumptions

Links to documents on the MIS 3504 Blog site

Case background:

[Modern Electronics Distribution Warehouse](#)

[Project Scope Template](#)



## Modern Electronic Inc. - Distribution Warehouse Case

You have recently been assigned to a project that is focused on improving warehouse distribution operations. The Director of Southwest Production, has ask you to move this project to the number one position on the work schedule and will serve as your primary point of contact for decisions and funding. She pointed out that customer service has taken so many orders for products not available for immediate shipping that they have had \$30MM in orders cancelled by the customer when they found out that delivery would be late. The plants are unhappy because their master production schedule is interrupted about 20 times a week with rush orders. The carriers are raising rates because it takes so long to load their trucks as the warehouse tries to locate the needed product. Having the wrong inventory also costs the business as the product's technology shelf life is limited, which means it has to be sold at a discount if more than 9 months old and scrapped if older than 18 months.

Customer orders are taken by a customer service representative using a new order system, the CSR then checks for the availability of inventory using a separate old inventory system and places a reservation against that inventory. Customer service department has no interest in changing out their current system and has indicated so to the senior management and project sponsor. The shipping team at the warehouse prints the pick list and shipping papers from their inventory system. Warehouse personnel also record inventory as it arrives from the manufacturing sites. After orders are picked and the prepared for shipment, they are loaded onto the carriers trucks for delivery to the customer which the shipping personnel confirm in their inventory system so that the CSR's can check if needed.

When there is a pending order and no inventory, the customer service team calls the plant and asks them to make a rush order. Rush orders are delivered to the warehouse and often loaded directly onto the carrier's trucks. Paperwork is often created manually to ensure prompt delivery. While this process to handle short falls in inventory is effective it is clear to management that the profit margins are dramatically reduces when these type of actions are taken and it has be taking a toll on the overall profitability of the Southwest Region.

## **Additional Information Gathered from Initial Interviews:**

- Company Name is “Modern Electronic Inc.”, founded in 1965
- A US based company, rapidly expanding into the South American market place
- Publicly traded company on the NASDAQ, current annual sales of 1.7 billion, with 450 million in profits
- Overall Inventory Record Accuracy is around 80%.
- Primary clients are large Retail Box Stores and online Internet resellers
- The CEO has told the Director of Southwest Production that she has 6 months to finish this project and get her house in order. The CEO is looking for continued improvement for another 6 months before deciding the directors fate
- The Director of Southwest Production has made this a top priority and assures all available resources under her responsibility will be made available to support this project
- At this time the hurricane season is in full force and the order volume is a peak
- While the project is a top priority, operation cannot be impeded by any of the recommend solutions.

## **Assignment:**

**Write a scope document to share with your project sponsor to ensure that you have understood the assignment correctly. Please write the following parts of that document:**

- The problem statement
- Up to five SMART Objectives
- Risks (project and business)
- A list of all relevant assumptions and constraints.

You may use the Project Scope Template located on the Blog site.

[Project Scope Template](#)

# Project Scope Template:



**Business Analyst Name**

## Statement of Purpose:

Paragraph 1 (General context of the organization)

Paragraph 2 (The current condition and essential problem or opportunity)

Paragraph 3 (project approach and deliverables)

## Objectives:

- SMART Objective 1
- SMART Objective 2
- SMART Objective 3
- SMART Objective 4
- SMART Objective 5

## Risks:

Project Risk	Probability	Risk Response	Impact
Risk 1	Low/Medium/High	Mitigate - by	Low/Medium/High
Risk 2	Low/Medium/High	Mitigate - by	Low/Medium/High

Business Risk	Probability	Risk Response	Impact
Risk 1	Low/Medium/High	Mitigate - by	Low/Medium/High
Risk 2	Low/Medium/High	Mitigate - by	Low/Medium/High

## Assumptions:

- Assumption 1
- Assumption 2

## Constraints:

- Constraint 1
- Constraint 2

What are the major problems?

3 paragraphs:

Background of the Company or Requestor  
Problems & Opportunities  
Approach and Deliverables



# What are the project objectives?

**S**pecific  
**M**easurable  
**A**ctionable  
**R**ealistic  
**T**ime-bound



What are the Risks

Project Risks

Business Risks



What are the relevant  
assumptions and  
constraints?

