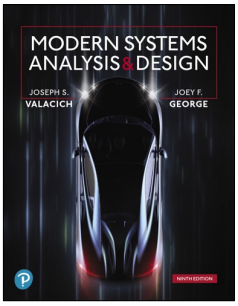
Modern Systems Analysis and Design

Ninth Edition



Chapter 5

Initiating and Planning Systems Development Projects

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Learning Objectives

5.1 Describe the steps involved in the project initiation and planning process

5.2 List and describe various methods for assessing project feasibility

5.3 Describe the activities needed to build and review the baseline project plan

5.4 Describe the activities and participant roles within a structured walk-through

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Introduction

- Project initiation focuses on activities designed to assist in organizing a team to conduct project planning

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Initiation and Planning Projects

5.1 Describe the steps involved in the project initiation and planning process

- When does project initiation and planning (PIP) end and analysis begin?
- Three important questions must be considered when making this decision:
  - How much effort should be expended on the project initiation and planning phase?
  - Who is responsible for performing the project initiation and planning process?
  - Why is project initiation and planning such a challenging activity?

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Figure 5-1: Systems Development Life Cycle with Project Initiation and Planning Highlighted

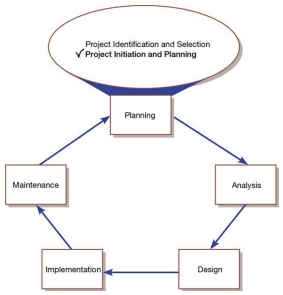

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Table 5-1: Elements of Project Initiation

Elements of Project Initiation
• Establishing the project initiation team
• Establishing a relationship with the customer
• Establishing the project initiation plan
• Establishing management procedures
• Establishing the project management environment and project workbook
• Developing the project charter

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Table 5-2: Elements of Project Planning

Elements of Project Initiation
• Describing the project scope, alternatives, and feasibility
• Dividing the project into manageable tasks
• Estimating resources and creating a resource plan
• Developing a preliminary schedule
• Developing a communication plan
• Determining project standards and procedures
• Identifying and assessing risk
• Creating a preliminary budget
• Developing the project scope statement
• Setting a baseline project plan

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Deliverables and Outcomes (1 of 2)

5.1 Describe the steps involved in the project initiation and planning process

- **Business case** – justification for an information system, presented in terms of the tangible and intangible economic benefits and costs and the technical and organizational feasibility of the proposed system
- **Baseline Project Plan (BPP)** – major outcome and deliverable from the project initiation and planning phase that contains the best estimate of a project's scope, benefits, costs, risks, and resource requirements

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Deliverables and Outcomes (2 of 2)

5.1 Describe the steps involved in the project initiation and planning process

- **Project Scope Statement (PSS)** – document prepared for the customer that describes what the project will deliver and outlines generally at a high level all work required to complete the project

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Assessing Project Feasibility

5.2 List and describe various methods for assessing project feasibility

- Most feasibility factors are represented by the following categories:
  - Economic
  - Technical
  - Operational
  - Scheduling
  - Legal and contractual
  - Political

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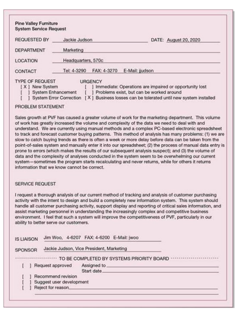
Figure 5-2: System Service Request for Customer Tracking System (Pine Valley Furniture)



Pine Valley Furniture
System Service Request

REQUESTED BY: Jackie Judson DATE: August 20, 2020

DEPARTMENT: Marketing

LOCATION: Headquarters, 570c

CONTACT: Tel: 4-3290 FAX: 4-3270 E-Mail: jjudson

TYPE OF REQUEST
- [X] New System
- [ ] System Enhancement
- [ ] System Error Correction

URGENCY
- [ ] Immediate: Operations are impaired or opportunity lost
- [ ] Problems exist, but can be worked around
- [X] Business losses can be tolerated until new system installed

PROBLEM STATEMENT

Sales growth at PVF has caused a greater volume of work for the marketing department. This volume of work has greatly increased the volume and complexity of the data we need to deal with and understand. We are currently using manual methods and a complex PC-based electronic spreadsheet to track and forecast customer buying patterns. This method of analysis has many problems: (1) we are slow to catch buying trends as there is often a week or more delay before data can be taken from the point-of-sales system and manually enter it into our spreadsheet; (2) the process of manual data entry is prone to errors (which makes the results of our subsequent analysis suspect); and (3) the volume of data and the complexity of analyses conducted in the system seem to be overwhelming our current system—sometimes the program starts recalculating and never returns, while for others it returns information that we know cannot be correct.

SERVICE REQUEST

I request a thorough analysis of our current method of tracking and analysis of customer purchasing activity with the intent to design and build a completely new information system. This system should handle all customer purchasing activity, support display and reporting of critical sales information, and assist marketing personnel in understanding the increasingly complex and competitive business environment. I feel that such a system will improve the competitiveness of PVF, particularly in our ability to better serve our customers.

IS LIAISON: Jim Woo, 4-6207 FAX: 4-6200 E-Mail: jwoo

SPONSOR: Jackie Judson, Vice President, Marketing

TO BE COMPLETED BY SYSTEMS PRIORITY BOARD
- [ ] Request approved Assigned to ______ Start date ______
- [ ] Recommend revision
- [ ] Suggest user development
- [ ] Reject for reason ______

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Assessing Economic Feasibility (1 of 2)

5.2 List and describe various methods for assessing project feasibility

- **Economic feasibility** – process of identifying the financial benefits and costs associated with a development project
- **Tangible benefit** – benefit from the creation of an information system that can be measured in dollars and with certainty
- Most tangible benefits:
  - Cost reduction and avoidance
  - Error reduction
  - Increased flexibility
  - Increased speed of activity
  - Improvement of management planning and control
  - Opening new markets and increasing sales opportunities

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Figure 5-3: Tangible Benefits for Customer Tracking System (Pine Valley Furniture)

TANGIBLE BENEFITS WORKSHEET
Customer TrackingSystem Project

	Year 1 through 5
A. Cost reduction or avoidance	$ 45,000
B. Error reduction	25,000
C. Increased flexibility	75,000
D. Increased speed of activity	105,000
E. Improvement in management planning or control	250,000
F. Other _____	0
TOTAL tangible benefits	**$500,000**

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Assessing Economic Feasibility (2 of 2)

5.2 List and describe various methods for assessing project feasibility

- **Intangible benefit** – benefit derived from the creation of an information system that cannot be easily measured in dollars or with certainty (See Table 5-3)

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Table 5-3: Intangible Benefits from the Development of an Information System

Intangible Benefits from the Development of an IS	Intangible Benefits from the Development of an IS
• Competitive necessity	• More confidence in decision quality
• More timely information	• Improved processing efficiency
• Improved organizational planning	• Improved asset utilization
• Increased organizational flexibility	• Improved resource control
• Promotion of organizational learning and understanding	• Increased accuracy in clerical operations
• Availability of new, better, or more information	• Improved work process that can improve employee moral or customer satisfaction
• Ability to investigate more alternatives	• Positive impacts on society
• Faster decision making	• Improved social responsibility
• Better usage of resources ("greener")	

(**Source:** Based on Parker & Benson, 1988; Brynjolfsson & Yang, 1997; Keen, 2003; Cresswell, 2004)

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Determining Project Costs (1 of 3)

5.2 List and describe various methods for assessing project feasibility

- **Tangible costs** – costs associated with an information system that can be measured in dollars and with certainty
- **Intangible costs** – costs associated with an information system that cannot be easily measured in terms of dollars or with certainty

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Table 5-4: Possible Information Systems Costs

Type of Cost	Examples	Type of Cost	Examples
Procurement	Hardware, software, facilities infrastructure Management and staff Consulting and services	Project	Infrastructure replacement/improvements Project personnel Training Development activities Services and procurement Organizational disruptions Management and staff
Start-Up	Initial operating costs Management and staff Personnel recruiting	Operating	Infrastructure replacement/improvements System maintenance Management and staff User training and support

(**Source:** Based on King & Schrems, 1978; Sonje, 2008)

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Table 5-5: Guidelines for Better Cost Estimating

Guidelines for Better Cost Estimating
1. Have clear guidelines for creating estimates.
2. Use experienced developers and/or project managers for making estimates.
3. Develop a culture where all project participants are responsible for defining accurate estimates.
4. Use historical data to help in establishing better estimates of costs, risks, schedules, and resources.
5. Update estimates as the project progresses.
6. Monitor progress and record discrepancies to improve future estimates.

(**Source:** Based on Lederer & Prasad, 1992; Hubbard, 2007; Sonje, 2008)

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Determining Project Costs (2 of 3)

5.2 List and describe various methods for assessing project feasibility

- **Total cost of ownership (TCO)** – cost of owning and operating a system, including the total cost of acquisition, as well as all costs associated with its ongoing use and maintenance
- **One-time costs** – costs associated with project start-up and development or system start-up
- **Recurring cost** – costs resulting from the ongoing evolution and use of a system

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Determining Project Costs (3 of 3)

5.2 List and describe various methods for assessing project feasibility

- Examples of recurring costs include:
  - Application software maintenance
  - Incremental data storage expenses
  - Incremental communications
  - New software and hardware leases
  - Supplies and other expenses (e.g., paper, forms, data center personnel)

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Figure 5-4: One-Time Costs for Customer Tracking System (Pine Valley System)

ONE-TIME COSTS WORKSHEET
Customer Tracking System Project

	Year 0
A. Development costs	$400,000
B. New hardware	15,000
C. New (purchased) software, if any	
1. Packaged applications software	5,000
2. Other _____	0
D. User training	5,000
E. Site preparation	0
F. Other _____	0
TOTAL one-time costs	$425,000

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Figure 5-5: Recurring Costs for Customer Tracking System (Pine Valley Furniture)

RECURRING COSTS WORKSHEET
Customer Tracking System Project

	Year 1 through 5
A. Application software maintenance	$280,000
B. Incremental data storage required: 20 GB $50 (estimated cost/GB = $50)	1,000
C. Incremental communications (lines, messages, . . .)	2,000
D. New software or hardware leases	0
E. Supplies	2,000
F. Other _____	0
TOTAL recurring costs	$285,000

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Time Value of Money (1 of 3)

5.2 List and describe various methods for assessing project feasibility

- **Time value of money (TVM)** – concept that money available today is worth more than the same amount tomorrow
- **Discount rate** – rate of return used to compute the present value of future cash flows
- **Present value** – current value of a future cash flow

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Time Value of Money (2 of 3)

5.2 List and describe various methods for assessing project feasibility

- Formula for the present value of money:

$$PV_n = Y \times \frac{1}{(1+i)^n}$$

  - PV_n = present value of Y dollars n years from now based on a discount rate of *i*
- **Net Present Value (NPV)** – uses the discount rate to determine present value of cash outlays and receipts

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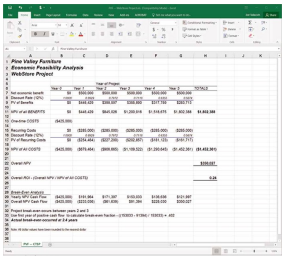
Figure 5-6: Summary Spreadsheet Reflecting the Present Value Calculations of All Benefits and Costs for the Customer Tracking System (Pine Valley Furniture)



(**Source:** Microsoft Corporation)

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Time Value of Money (3 of 3)

5.2 List and describe various methods for assessing project feasibility

- **Break-even analysis** – type of cost-benefit analysis to identify at what point (if ever) benefits equal costs
- Breakeven ratio:

$$\text{Break-Even Ratio} = \frac{\text{Yearly NPV Cash Flow} - \text{Overall NPV Cash Flow}}{\text{Yearly NPV Cash Flow}}$$

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Figure 5-7: Break-Even Analysis for Customer Tracking System (Pine Valley Furniture)

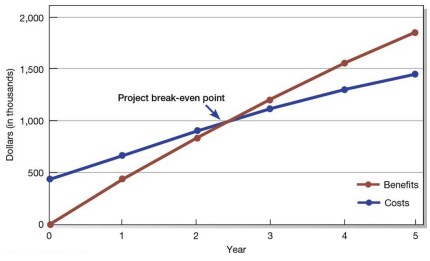

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Table 5-6: Commonly Used Economic Cost-Benefit Analysis Techniques

Analysis Technique	Description
Net Present Value (NPV)	NPV uses a discount rate determined from the company's cost of capital to establish the present value of a project. The discount rate is used to determine the present value of both cash receipts and outlays
Return on Investment (ROI)	ROI is the ratio of the net cash receipts of the project divided by the cash outlays of the project. Trade-off analysis can be made among projects competing for investment by comparing their representative ROI ratios.
Break-Even Analysis (BEA)	BEA finds the amount of time required for the cumulative cash flow from a project to equal its initial and ongoing investment.

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Assessing Technical Feasibility

5.2 List and describe various methods for assessing project feasibility

- **Technical feasibility** – process of assessing the development organization's ability to construct a proposed system
- Potential consequences of not accessing and managing risks can include the following:
  - Failure to attain expected benefits from the project
  - Inaccurate project cost estimates
  - Inaccurate project duration estimates
  - Failure to achieve adequate system performance levels
  - Failure to adequately integrate the new system with existing hardware, software, organizational procedures

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Table 5-7: Project Risk Assessment Factors

Risk Factor	Examples
Project Size	Number of members on the project team Project duration time Number of organizational departments involved in project Size of programming effort (e.g., hours, function points) Number of outsourcing partners
Project Structure	New systems or renovation of existing system(s) Organizational, procedural, structural, or personnel changes resulting from system User perceptions and willingness to participate in effort Management commitment to system Amount of user information in system development effort
Development Group	Familiarity with target hardware, software development environment, tools, and operating system Familiarity with building similar systems of similar size
User Group	Familiarity with information systems development process Familiarity with proposed application area Familiarity with using similar systems

(**Source:** Based on Applegate, Austin, & Soule, 2009; Fuller et al., 2018)

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Figure 5-8: Effects of Degree of Project Structure, Project Size, and Familiarity with Application Area on Project Implementation Risk

		Low Structure	High Structure
High Familiarity with Technology or Application Area	Large Project	(1) Low risk (very susceptible to mismanagement)	(2) Low risk
	Small Project	(3) Very low risk (very susceptible to mismanagement)	(4) Very low risk
Low Familiarity with Technology or Application Area	Large Project	(5) Very high risk	(6) Medium risk
	Small Project	(7) High risk	(8) Medium-low risk

(**Source:** Based on Applegate, Austin, & Soule, 2009; Fuller et al., 2018)

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Assessing Other Feasibility Concerns

5.2 List and describe various methods for assessing project feasibility

- **Operational feasibility** – process of assessing the degree to which a proposed system solves business problems or takes advantage of business opportunities
- **Schedule feasibility** – process of assessing the degree to which the potential time frame and completion dates for all major activities within a project meet organizational deadlines and constraints for affecting change
- **Legal and contractual feasibility** – process of assessing potential legal and contractual ramifications due to the construction of a system
- **Political feasibility** – process of evaluating how key stakeholders within the organization view the proposed system

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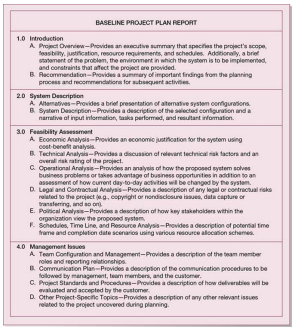
Figure 5-9: Outline of a Baseline Project Plan



BASELINE PROJECT PLAN REPORT

1.0 Introduction
- A. Project Overview—Provides an executive summary that specifies the project's scope, feasibility, justification, resource requirements, and schedules. Additionally, a brief statement of the problem, the environment in which the system is to be implemented, and constraints that affect the project are provided.
- B. Recommendation—Provides a summary of important findings from the planning process and recommendations for subsequent activities.

2.0 System Description
- A. Alternatives—Provides a brief presentation of alternative system configurations.
- B. System Description—Provides a description of the selected configuration and a narrative of input information, tasks performed, and resultant information.

3.0 Feasibility Assessment
- A. Economic Analysis—Provides an economic justification for the system using cost-benefit analysis.
- B. Technical Analysis—Provides a discussion of relevant technical risk factors and an overall risk rating of the project.
- C. Operational Analysis—Provides an analysis of how the proposed system solves business problems or takes advantage of business opportunities in addition to an assessment of how current day-to-day activities will be changed by the system.
- D. Legal and Contractual Analysis—Provides a description of any legal or contractual risks related to the project (e.g., copyright or nondisclosure issues, data capture or transferring, and so on).
- E. Political Analysis—Provides a description of how key stakeholders within the organization view the proposed system.
- F. Schedules, Time Line, and Resource Analysis—Provides a description of potential time frame and completion date scenarios using various resource allocation schemes.

4.0 Management Issues
- A. Team Configuration and Management—Provides a description of the team member roles and reporting relationships.
- B. Communication Plan—Provides a description of the communication procedures to be followed by management, team members, and the customer.
- C. Project Standards and Procedures—Provides a description of how deliverables will be evaluated and accepted by the customer.
- D. Other Project-Specific Topics—Provides a description of any other relevant issues related to the project uncovered during planning.

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The Baseline Project Plan (1 of 3)

5.3 Describe the activities needed to build and review the baseline project plan

- There are four major sections of the baseline project plan as follows:

1. Introduction
   - Provides a brief overview of the entire document and a recommended course of action
   - Should include the definition of project scope (example seen in figure 5-10). Scope depends on these factors:
     - Organizational units affected by new system
     - Current systems that will interact with or change because of new system
     - People who are affected by new system
     - Range of potential system capabilities
   - Figure 5-11 shows context level diagram to help define scope

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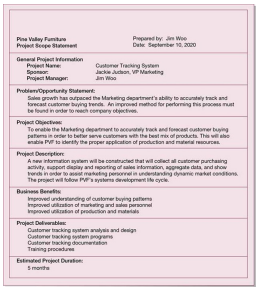
Figure 5-10: Project Scope Statement for the Customer Tracking Systems (Pine Valley Furniture)



Pine Valley Furniture
Project Scope Statement

Prepared by: Jim Woo
Date: September 10, 2020

General Project Information
Project Name: Customer Tracking System
Sponsor: Jackie Judson, VP Marketing
Project Manager: Jim Woo

Problem/Opportunity Statement:
Sales growth has outpaced the Marketing department's ability to accurately track and forecast customer buying trends. An improved method for performing this process must be found in order to reach company objectives.

Project Objectives:
To enable the Marketing department to accurately track and forecast customer buying patterns in order to better serve customers with the best mix of products. This will also enable PVF to identify the proper application of production and material resources.

Project Description:
A new information system will be constructed that will collect all customer purchasing activity, support display and reporting of sales information, aggregate data, and show trends in order to assist marketing personnel in understanding dynamic market conditions. The project will follow PVF's systems development life cycle.

Business Benefits:
Improved understanding of customer buying patterns
Improved utilization of marketing and sales personnel
Improved utilization of production and materials

Project Deliverables:
Customer tracking system analysis and design
Customer tracking system programs
Customer tracking documentation
Training procedures

Estimated Project Duration:
5 months

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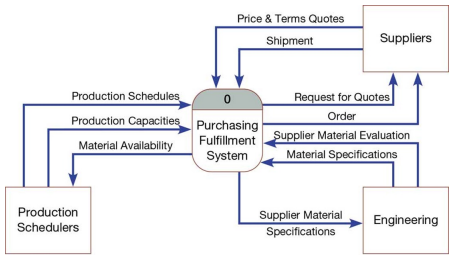
Figure 5-11: Context-Level Data Flow Diagram Showing Project Scope for Purchasing Fulfillment System (Pine Valley Furniture)



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The Baseline Project Plan (2 of 3)

5.3 Describe the activities needed to build and review the baseline project plan

2. System Definition Section
   - Contains an outline of alternative solutions which could be stated as follow:
     - Web-based online system
     - Mainframe with central database
     - Local area network with decentralized database
     - Batch data input with online retrieval
     - Purchasing of a prewritten package
3. Feasibility Assessment Section
   - Relates to project costs and benefits
   - Primarily concerned with gaining rough estimates of human resource requirements

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The Baseline Project Plan (3 of 3)

5.3 Describe the activities needed to build and review the baseline project plan

4. Management Issues Section
   - Includes managerial concerns related to the project
   - Figure 5-12 reveals the task responsibilities for an sample project
   - Figure 5-13 reveals the project communications matrix sample

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Figure 5-12: Task Responsibility Matrix

Project: WebStore		Prepared by: Juan Gonzales			Legend: P = Primary S = Support		
Manager: Juan Gonzales		Page: 1 of 1					
		Responsibility Matrix					
Task ID	Task	Jordan	James	Jackie	Jeremy	Kim	Juan
A	Collect Requirements	P	S				S
B	Develop Data Model			P		S	S
C	Develop Program Interface			P		S	S
D	Build Database			S		P	S
E	Design Test Scenarios	S	S	S	P	S	S
F	Run Test Scenarios	S	S	S	S	S	P
G	Create User Documentation	P	S				S
H	Install System	S	P			S	S
I	Develop Customer Support	S	P			S	S

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Figure 5-13: The Project Communication Matrix Provides a High-Level Summary of the Communications Plan

Stakeholder	Document	Format	Team Contact	Date Due
Team Members	Project Status Report	Project Intranet	Juan and Kim	First Monday of Month
Management Supervisor	Project Status Report	Hard Copy	Juan and Kim	First Monday of Month
User Group	Project Status Report	Hard Copy	James and Kim	First Monday of Month
Internal IT Staff	Project Status Report	E-Mail	Jackie and James	First Monday of Month
IT Manager	Project Status Report	Hard Copy	Juan and Jeremy	First Monday of Month
Contract Programmers	Software Specifications	E-Mail/Project Intranet	Jordan and Kim	October 4, 2020
Training Subcontractor	Implementation and Training Plan	Hard Copy	Jordan and James	January 10, 2021

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Reviewing the Baseline Project Plan

5.4 Describe the activities and participant roles within a structured walk-through

- Must review the BPP to verify it makes sense
- **Walk-through** – peer group review of any product created during the systems development process; also call a structured walk-through
  - Not rigid nor formal or long
  - Roles include coordinator, presenter, user, secretary, standards bearer, and maintenance oracle
  - Can be applied to reviewing BPP, system specifications, logical and physical designs, program code, test procedures, manuals, and documentation
  - Ensures formal review points occur during the project

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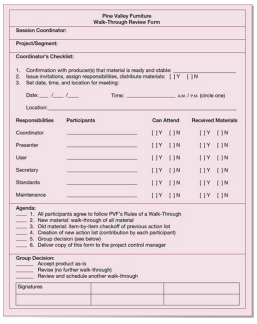
Figure 5-14: Walk-Through Review Form (Pine Valley Furniture)



Pine Valley Furniture
Walk-Through Review Form

Session Coordinator:

Project/Segment:

Coordinator's Checklist:

1. Confirmation with producer(s) that material is ready and stable: _____
2. Issue invitations, assign responsibilities, distribute materials: [ ] Y [ ] N
3. Set date, time, and location for meeting:

Date: ___ /___ /___ Time: _____ A.M. / P.M. (circle one)

Location: _____

Responsibilities	Participants	Can Attend	Received Materials
Coordinator	_____	[ ] Y [ ] N	[ ] Y [ ] N
Presenter	_____	[ ] Y [ ] N	[ ] Y [ ] N
User	_____	[ ] Y [ ] N	[ ] Y [ ] N
Secretary	_____	[ ] Y [ ] N	[ ] Y [ ] N
Standards	_____	[ ] Y [ ] N	[ ] Y [ ] N
Maintenance	_____	[ ] Y [ ] N	[ ] Y [ ] N

Agenda:
___ 1. All participants agree to follow PVF's Rules of a Walk-Through
___ 2. New material: walk-through of all material
___ 3. Old material: item-by-item checkoff of previous action list
___ 4. Creation of new action list (contribution by each participant)
___ 5. Group decision (see below)
___ 6. Deliver copy of this form to the project control manager

Group Decision:
_____ Accept product as-is
_____ Revise (no further walk-through)
_____ Review and schedule another walk-through

Signatures		

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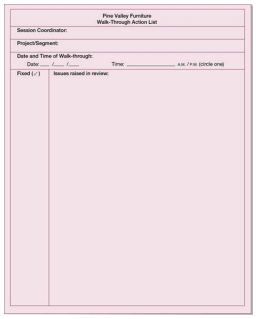
Figure 5-15: Walk-Through Action List (Pine Valley Furniture)


Pine Valley Furniture
Walk-Through Action List

Session Coordinator:

Project/Segment:

Date and Time of Walk-through:
Date: ____ /____ /____ Time: _____ A.M. / P.M. (circle one)

Fixed (✓)	Issues raised in review:

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Table 5-8: Guidelines for Making an Effective Presentation (1 of 3)

Presentation Planning

Who is the audience?	To design the most effective presentation, you need to consider the audience (e.g., What do they know about your topic? What is their education level?
What is the message?	Your presentation should be designed with a particular objective in mind
What is the presentation environment?	Knowledge of the room size, shape, and lighting is valuable information for designing an optimal presentation

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Table 5-8: Guidelines for Making an Effective Presentation (2 of 3)

Presentation Design

Organize the sequence	Organize your presentation so that like elements or topics are found in one place, instead of scattered throughout the material in random fashion.
Keep it simple	Make sure that you don't pack too much information onto a slide so that it is difficult to read. Also, work to have as few slides as possible; in other words, only include information that you absolutely need.
Be consistent	Make sure that you are consistent in the types of fonts, font sizes, colors, design approach, and backgrounds.
Use variety	Use both textual and graphical slides to convey information in the most meaningful format.
Don't rely on the spell checker alone	Make sure you carefully review your presentation for typographical and wording errors.
Use bells and whistles sparingly	Make sure that you use familiar graphical icons to guide and enhance slides; don't lose sight of your message as you add bells and whistles. Also, take great care when making transitions between slides and elements so that "special effects" don't take away from your message.
Use supplemental materials appropriately	Take care when using supplemental materials so that they don't distract the audience. For example, don't provide handouts until you want the audience to actually read this material.
Have a clear beginning and end	At the beginning, introduce yourself and your teammates (if any), thank your audience for being there, and provide a clear outline of what ill be covered during the presentation. At the conclusion, have a concluded slide so that the audience clearly sees that the presentation is over.

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Table 5-8: Guidelines for Making an Effective Presentation (3 of 3)

Presentation Delivery

Practice	Make sure that you thoroughly test your completed work on yourself and others to be sure it covers your points and presents them in an effective manner within the time frame required.
Arrive early and cue up your presentation	It is good practice, when feasible, to have your presentation ready to go prior to the arrival of the audience.
Learn to use the "special" software keys	Using special keys to navigate the presentation will allow you to focus on your message and not on the software.
Have a backup plan	Have a backup plan in case technology fails or your presentation is lost when traveling.
Deliver the information effectively	To make an effective presentation, you must become an effective public speaker through practice.
Personal appearance matters	Your appearance and demeanor can go a long way toward enhancing how the audience receives your presentation.

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Table 5-9: Web-Based System Costs

Cost Category	Examples
Design	• Number of pages / content • Style of design / graphic design • System comprehensiveness / functionality • Copyrighting of pages • Responsive design (mobile devices)
Development	• Programming • Database integration • Hosting • Technical site manager • Content / support staff
Marketing	• Search Engine Optimization • Launch and ongoing public relations • Search engine advertising / paid links from other websites • Promotions • Marketing / advertising staff

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Table 5-10: PVF WebStore – Project Benefits and Costs

Lower Per-Transaction Overhead cost	First to Market
• Repeat business • New customers	• Foundation for complete Web-based IS • Simplicity for customers
Tangible Costs (one-time)	**Intangible Costs**
• Site and usability design • Programming • Initial Marketing / Search Engine Optimization • Database integration	• No face-to-face interaction • Not all customers use Internet
Tangible Costs (recurring)	
• Hosting fee • Site management • Annual Marketing / Search Engine Optimization • Maintenance • Decreased sales via traditional channels	

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Table 5-11: PVF WebStore – Feasibility Concerns

Feasibility Concerns	Description
Operational	Online store is open 24/7/365 Returns/customer support
Technical	New skill set for development, maintenance, and operation
Schedule	Must be open for business by Q1, 2021
Legal	Credit card fraud
Political	Traditional distribution channel loses business

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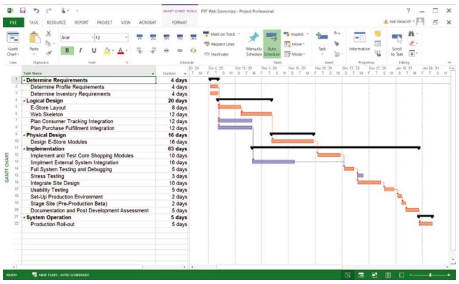
Figure 5-16: Schedule for WebStore Project as Pine Valley Furniture



(**Source:** Microsoft Corporation)

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Summary

- In this chapter you learned how to:
  - Describe the steps involved in the project initiation and planning process
  - List and describe various methods for assessing project feasibility
  - Describe the activities needed to build and review the baseline project plan

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Copyright

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