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## COVER PAGE AND DECLARATION

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## **Introduction:**

Aspire corporation is a multinational corporation that is looking to diversify its business with new projects.

In this research, we are going to plan for the new project, and set a full strategy by illustrating the project management phases starting from Project budgeting, risk analysis, project time frame, quality control measures and project team structure.

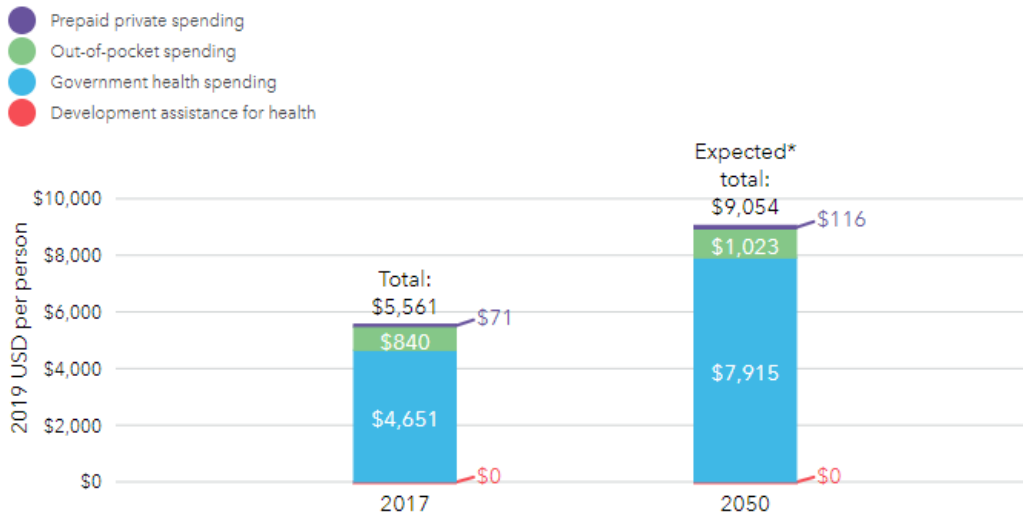
We will focus mainly on how to manage the project effectively to ensure successful implementation and smooth closure.

## Executive Summary

As a consultant, we advised Aspire International company to expand its business and start with Aspire Pharmacy as a first phase as we have reached a conclusion that the healthcare business would be the fastest profitable business recommendations among of other alternatives.

According to the statistical analysis we did, we have come to a conclusion that the demand for healthcare services will always be increasing in Sweden over the coming decades.

### How much is spent on health - now, and in the future - and from which sources?



As we see in the graph, that the Swedish people spending money in health care is increasing and it will continue to increase for the coming 30 years at least, due to the modern style of life and the health complications occurring constantly in the world currently.

So the best bet for any organization looking for business expansion is to invest in this sector as it is considered as a solid investment.

## **First Question**

### 1- **A) Project Budget:**

The first step is to set the forecasted budget of the project in order to be able to manage the project successfully.

You can forecast the budget using different methods.

**Analogous estimating:** same as expert judgment, analogous estimating — AKA top-down estimating or historical costing — depend on chronological project data to develop estimates for new projects. Analogous estimating derives from a purpose-built record of historical project data, often specific to an entity. If an entity repetitively make similar projects, it becomes easier to obtain analogies between project deliverables and their related expenditures, and to modify these according to the size and complexity of the projects.

Analogous estimating can be relatively precise if used to create estimations for similar projects and if experts can accurately evaluate the considerations affecting expenditures. For example, a similar project completed 3 years ago might be utilized as the foundation for a new project cost estimate. Adapt the valuation upward for inflation, downward for the quantity of resources needed, and upward again for the project's degree of complexity. These modifications are normally stated as percentage adjustments — a new project might need 10 percent more groundwork time and 15 percent more on resources. Yet, project management expert Rupen Sharma emphasizes the necessity to ensure that projects actually are comparable since projects that looks close, such as road construction, can essentially cost massively different amounts reliant on other factors.

### **Bottom-up estimating:**

AKA analytical valuing, this is the most precise estimating technique - if a full work breakdown composition is available. A work breakdown structure splits project deliverable into a group of work packages (every work package consists of a group of duties). The project team projects the charge of accomplishing each mission, and in the end establishes a cost estimation for the whole project by adding the expenditures of all its essential tasks & work packages — therefore the name bottom-up. Bottom-up valuations can pull from the experience of qualified project teams, who are more prepared to offer task cost estimates.

While deterministic estimating methods such as bottom-up projecting are certainly the most precise, they can similarly be time-expending, specifically in huge and complicated projects with several work breakdown structure elements. It is not uncommon for conclusive estimations to also make use of techniques such as stochastic, parametric, and expert-judgment-based estimating (if these have demonstrated appropriately precise in initial estimates). That said, bottom-up estimating is also the most adaptable guessing technique & you can make use of it for several kinds of projects.

**Parametric estimating:**

For projects that include related duties with high-level scales of repeatability, use a parametric guessing technique to establish highly precise estimates using unit costs. To use parametric estimating, primarily split up a project into groups of work. Subsequently, you should identify the price per piece, and after then multiply the quantity of pieces by the price per unit to calculate approximately the total expense. As long as the price per unit is precise, estimators identify so accurate and precise estimates.

**Cost of quality:** The cost of quality is a theory applied in project management - and more widely in product production - to determine the financial charge of guaranteeing that manufactured goods meet agreed-upon requirements. It usually involves the costs of avoiding, detecting, and tackling defects. As an aspect of quality management, the cost of quality is generally an implicit project cost.

**Delphi cost estimation:** An experimental estimation technique based on specialist consensus, Delphi estimation can assist solve differences among expert estimates. A controller has specialists set up unknown cost valuations with justifications; as soon as these unknown estimates are accepted, the coordinator arranges & circulates a brief of the answers and experts build a new group of unknown valuations. This practice is conducted again for many cycles. The coordinator may or may not permit the specialists to investigate estimations after every round. As the exercise improves, the estimations should come together (indicating growing consensus between the estimators). When an estimation agreement has been achieved, the coordinator finishes the exercise and organizes a final agreement-based estimate.

**Empirical costing methods:** Empirical costing methods derive from preceding project experiences thru software or paper-based systems. These techniques perform properly for projects that are related and regularly conducted in specific industries. A project manager aiming to achieve an empirical cost estimate fulfills a form describing the project's features and factors, & the system estimates the expenditure based on the type of project. Since empirical costing techniques pull from current data & are increasingly computerized, they are precise, time-effective alternatives for less sophisticated projects. The Royal Institution of Chartered Surveyors' Building Cost Information Service (BCIS), which calculates reconstruction costs for homes, is a model of an empirical costing technique.

**Expert judgment:** Most frequently used in term of scale and middle estimations, expert judgment estimating is done by specialists who know how much related projects had cost in the previous history. As such, it depends basically on drawing comparisons between past & future projects to establish & adapt estimates. Since any 2 projects are improbably to be matching and project work is normally sophisticated, expert judgment estimates are shown as a range. While a wide-ranging scale normally means these estimates have partial use, project management professional Billows stated that such wide estimations are only intended to show project

feasibility in addition to providing a rough figure to keep project managers responsible. In this regard, they “are better than obligations you can’t maintain,” Billows stated.

**Reserve analysis:** Reserve analysis is an umbrella term for a amount of techniques used to identify the volume of emergency reserves, which are budgetary allocations for the occurrence of known risks. One result of reserve analysis is a method called padding, which includes raising the budgeted amount for every planned action away from the actual estimated cost by a fixed amount. Critical path activities may have bigger percentages assigned as padding. The Project Management Institute (PMI) as well recommend different techniques for managing emergency reserves, that includes the utilization of zero-duration tasks that run in tandem with planned activities & the utilization of buffer actions which include both cost and time emergency reserves.

**Resource costing:** Resource costing is a straight forward numerical technique to calculate the overheads of hiring resources for a project. It is without difficulty completed by multiplying the hourly rate of hiring a resource by the quantity of estimated employment hours.

**Three-point estimating:** Three-point estimating has bases in a statistical way called the Program Analysis & Review Technique (PERT), which is utilized to evaluate activity, project overheads, or durations by identifying optimistic, pessimistic, & most probable estimates for every action. Three-point estimating uses a range of weighted formula methods to calculate estimated costs/durations from optimistic, pessimistic, and most probable costs/durations. One frequently used equation for creating estimates is:

$$\text{Expected value} = [\text{Optimistic estimate} + \text{Pessimistic estimate} + (4 \times \text{Most likely estimate})] \div 6$$

The standard deviation is also computed to generate reliance intervals for estimates:

$$\text{Standard deviation} = (\text{Pessimistic estimate} - \text{Optimistic estimate}) \div 6$$

Three-point estimating can build probability distributions of estimates in a set of fields. In project cost estimating, estimators may create a three-point estimate of cost using optimistic, pessimistic, and most likely costs. on the other hand, for projects which measure deliverables in terms of time with fixed overheads, estimators may use estimated durations as the amount of units and identify overheads by the use of parametric estimates. on the other hand, keep in mind that three-point estimates are only as good as their preliminary pessimistic, optimistic, and most probable estimates - if these are not precise, the projected values are worthless.

**Aspire international corporation** is going to expand its business in new industries, and as a consultant, I advise to expand its portfolio in the pharmacy and convenience store project, because it is considered the most stable business among the other alternatives as it is addressing the basic needs of the people which are health and food.

So, as an initial start for the new vision, it will be a guaranteed step to start and go from there in the future whether expanding vertically or horizontally.

**1-a) the monthly project budget:**

For the pharmacy:

<b><u>Item</u></b>	<b><u>Number</u></b>	<b><u>Cost</u></b>	<b><u>Total</u></b>
Pharmacist	4	4,000	16,000
Labors	4	1,000	2,000
Rent	-	4,000	4,000
Medicines	-	500,000	500,000
Facilities expenses	-	30,000	30,000
Grand total			552,000

For the convenience store:

<b><u>Item</u></b>	<b><u>Number</u></b>	<b><u>Cost</u></b>	<b><u>Total</u></b>
Cashier	4	1,000	4,000
Facilities expenses	-	8,000	8,000
Rent	-	40,000	40,000
Inventory	-	600,000	200,000
Grand total			652,000

**THE TOTAL of the whole project is 1,200,000 euros, and thus we still have a margin of 800,000 euros that can be utilized in various aspects according to the project progress and status.**



## 1- B) Risk analysis:

Risk Analysis & Management is a vital project management exercise to guarantee that the minimum number of shocks happens while the project is ongoing. While we can never expect the future with confidence, we can use a straightforward and streamlined risk management procedure to foresee the doubts in the projects and reduce the existence or effect of these doubts. This enhances the possibility of successful project completion & decreases the results of those risks.

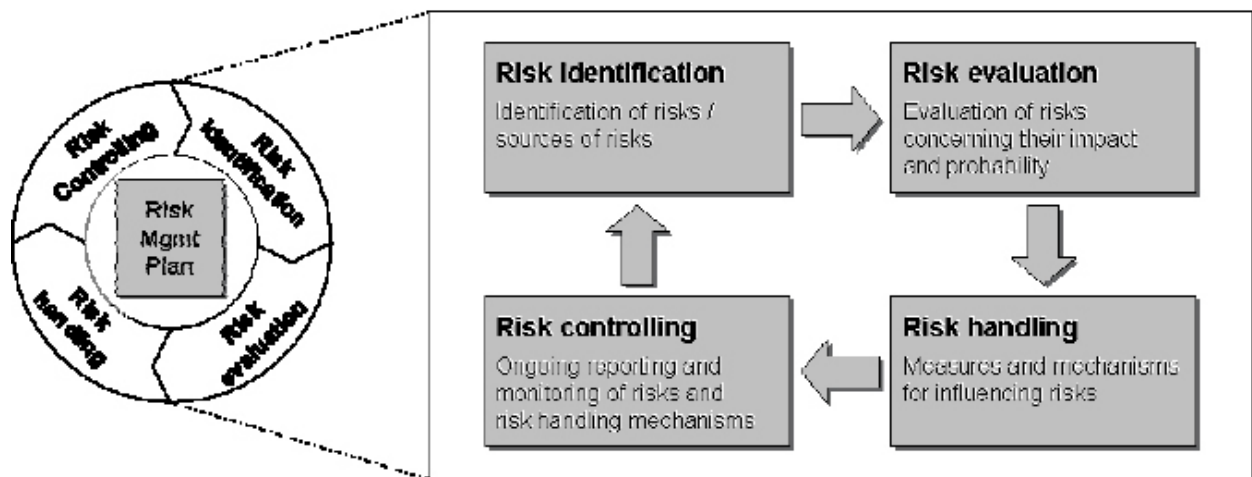
Project team partners at different levels detect & manage risks in unique flavors. However, this will be unsuccessful without a structured risk management framework, as this results in:

- Inadequate influence appraisal, leading to loss of:
  - Awareness of the whole effect on the project goals, like scope, time, expenditure, & excellence
  - Detection of minor or new risks evolving from the already discovered risks
- Lack of clarity and a interaction gap within & outside the team

Therefore, it is very crucial for any project organization to establish an efficient risk management framework. Introducing such a procedure as a project team culture ensures:

- Deliberate & concentrating risk detection & management
- Project improvement as required, with the minimum amount of variations or surprise, and consistent with project & organizational goals
- Early & efficient interaction of project concerns to organization & project stakeholders
- An efficient team building tools, as group buy-in & acceptance is guaranteed.

### ***Elements of the risk management process***



The risk management framework also provides templates and tools, such as:

- A risk record for every project to trace the risks & Concerns found.
- A risk list, which is a guideline to detect risks according to the project life cycle stages.
- A risk database, which is all the risks found across projects until now.

## **Risk Management Framework**

### 1- Risk Management Plan

The organization-mandated risk management framework is evaluated and customized to identify the project risk management strategy when the project is commenced. The risk management plan includes these descriptions and regulations:

- List of possible risk resources & types
- Effect & probability matrix
- Risk decrease & action plan
- Emergency plan
- Risk metrics & threshold.

### 2- Risk Identification

Risks are to be defined & dealt with as soon as possible in the project. Risk detection is accomplished throughout the project life cycle, with special stress during the vital milestones.

Risk identification is one of the crucial issues in the normal project status & reporting meetings. Many risks may be instantly visible to the project team—known risks; others will take more consistency to reveal, but are still unsurprising.

The medium for documenting all recognized risks throughout the project is the risk list, which is gathered in the central project server.

Risk Source	Description
Risk repository	The risk repository is the history data containing the list of risks identified for completed projects. The risk repository can be used to arrive at a list of potential risks for the project.  This risk repository can also be filtered based on risk sources, categories, and projects.
Checklist analysis	The risk identification checklist is a questionnaire that helps identify gaps and potential risks. It is developed based on experience and project type.
Expert judgement	Risk identification is also done by brainstorming with or interviewing experienced project participants, stakeholders, and subject matter experts.
Project status	The project status includes project status meeting reports, status reports, progress reports, and quality reports. These reports provide the current project progress, issues faced, and threshold violations. These provide insight into the status of the project and potential new risks.

Risk Category	Extended categories
Technical	Requirements, Technology, Interfaces, Performance, Quality, etc.
External	Customer, Contract, Market, Supplier, etc.
Organizational	Project Dependencies, Logistics, Resources, Budget, etc.
Project Management	Planning, Schedule, Estimation, Controlling, Communication, etc.

### 3- Risk Analysis

Risk analysis requires assessing how project conclusions and goals might vary due to the effect of the risk event.

As Soon As the risks are discovered, they are analyzed to pinpoint the qualitative & quantitative effect of the risk on the project so that proper actions can be undertaken to release them. The following guidelines are used to analyse risks.

Project Objective	C Rating 10	B Rating 50	A Rating 100
Cost	Cost increase > 0 % or > 0 €	Cost increase 5 - 10% or > 50.000 €.	Cost increase > 10 % or > 100.000 €.
Schedule	overall project schedule delay > 0 days	overall project schedule delay > 1 week	overall project schedule delay > 2 weeks *
Scope	Scope decrease barely noticeable	Minor areas of scope are affected	Major areas of scope are affected; scope reduction unacceptable to the client
Quality	Quality reduction barely noticeable	Quality reduction does not affect vital functionality	Quality reduction requires client approval

#### 4- Risk Response Planning

There may not be swift results to decrease or remove all the risks encountering a project. Some risks may need to be handled & decreased tactically over longer periods. Consequently, action plans should be done to decrease these risks. These action plans should contain:

- Risk explanation with risk evaluation
- Explanation of the action to decrease the risk
- Owner of the risk action
- Dedicated completion date of the risk action

All risk action plans should be assigned to the person named to execute the action plan.

#### 5- Risk Monitoring and Control

Risk monitoring & control includes:

- a) Defining new risks & planning for them
- b) Keeping record of current risks to verify if:
  - Re-evaluation of risks is required
  - Any of risk situations have been triggered
  - Observe any risks that could become more crucial over time
  - Deal With the remaining risks that need a longer-term, organized, & controlled approach with risk action plans
- c) Risk reclassification

For the risks that cannot be settled, the cruciality has to come down over a period of time due to executing the action plan. If this is not the case then the action plan might not be efficient & should be re-tested.

- d) Risk reporting

The risk record is constantly updated, from risk detection through risk response planning & status update during risk monitoring & control. This project risk record is the main risk reporting method & is available in the fundamental project server, which is available to all stakeholders.

Risk monitoring & controlling or risk assessment is an reiterative process that utilizes progress status reports & deliverable status to observe & manage risks. This is facilitated by various status reports, such as quality reports, progress reports, follow-up reports, & so on.

Risk Reviews are a compulsory item of milestone meetings and/or frequent project meetings, but they can also be implemented during individually planned risk review meetings. These risk reviews must be organized consistently. The rate could also be defined according to the total risk level of a project.

**1-c) Projected Completion time:**

The project is planned to be completed in 10 months until the actual launch starts.

phase	Feasibility study	Project team	Premises set up	Sourcing materials	acceptance
Duration	2 months	1 month	3 months	3 months	1 month

**1-d) Quality Control measures:**

- PLANNED VALUE

The name tells it all – it is the projected sum of money that’s required to accomplish all the scheduled activities and duties on time. You can attempt & compare it to other metrics to have a clearer view of the development of the project. You will observe if some responsibilities are performing better than others, & you will be able to respond if some responsibilities will be spending too huge part of the company’s budget.

- ACTUAL COST

Actual Cost KPI tells you how much money the team has already paid on the project. As it involves things that may occur randomly, there is no equation to compute it. You calculate it by adding up all the costs that project needed.

If you have all the hours traced, it is simple to compute the Actual Cost paid on payroll, resources, & other elements that were required to accomplish the project.

- EARNED VALUE

Earned Value KPI, is also called the Budgeted Cost of Work Done, is in charge of showing the outcomes of the scheduled work & the budget collected for accomplishing them.

**1-e) Team members breakdown:**

The project will consists of the following structure

- Project Director
- 2 Project Managers
- Commercial team
- Financial team
- HR Team
- Legal Team

**1-f)**

In the current phase, we will not need additional fund sourcing as we are already saving around 800,000 euros from the assigned budget and that would be additional fund for us in the projects. However, we will have plan be just in case, and that would be a bank fund sourcing through a loan and / or business partnerships.

2-a)

The average annual no. of railway passengers in Thailand is 50 million passengers according to the official stats.

And Since we have a budget of 100 billion, and the ticket price is 1,200;

Then, the expected annual revenue is  $1,200 * 50,000,000 = 60$  billion Baht from direct income

And since we still have a room for other indirect income sources; then, I recommend commencing in this project immediately as it is clearly obvious that we can at least reach the break-even point in the first year.

In addition, the project viability analysis can support the above recommendation:

There are several economic and financial benefits for this project that will represent an advantage in different aspects.

i- Financial benefit to the traders:

Establishing such a kind of fast transport will benefits the ease of trading as it will save a lot of time compared to roads, in addition it will contain larger volume of shipments at a time.

ii- Economic benefit to the society:

As you will develop the infrastructure of the country in addition to reducing the road traffics and provide different mean of transportation with different cost and quality to the people.

2-b) there are several ways to increase the profit of the project:

- Advertisement billboards in the stations
- Paid advertisement on the external body of the train.
- Offering commercial booths for rent to different brands.
- Providing a food court inside the stations.

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