

Strategic Project Management Practice Exam Review Case 1



Case 1 - Organization overview

Pocomoke Cooperative Savings and Loan is a small rural banking institution with 1 branch located on the eastern shore of Maryland. It offers saving and loan services to consumers as well as small local businesses. It currently has approximately 50 employees including administrative staff. The mission statement for PCSL is:

Pocomoke Cooperative Savings and Loan works with individuals within the communities we serve to finance their homes and businesses with affordable mortgage loans and by offering competitive rates of return on deposits. We provide a growing number of both traditional and modern banking products and services and treat our customers like family.

Case 1 – Business Objectives

Increase revenues

Provide quality customer service

Reduce operating costs

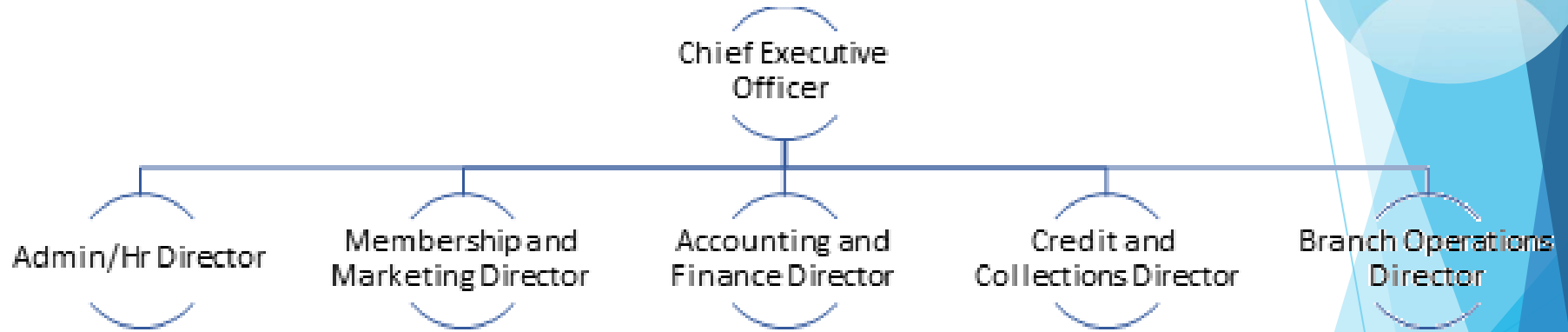
Increase employee productivity



Case 1 - structure

Although the small bank has no formal project management office, the Director of Branch Operations, Marjorie Blackwell, oversees most of the projects taken on by the cooperative. Ms. Blackwell reports to Johnathan Perdue, the Chief Executive Officer, who then shares updates with the Board of Trustees.

Case 1 – Organizational Chart



Case 1 - Funding

All funding for projects must be submitted to the Cooperative's Board of Trustees for preapproval so that the wishes of the members of the cooperative are considered before funding is approved. Due to changes in how consumers are accessing their banking services, PCSL has invested in several technology related projects in the past few years including the institution of online banking and a system for web-based teleconsulting. PCSL does not have a set process for proposing or analyzing prospective projects, however, the board expects that a thorough analysis of the project, including cost-benefits, will be completed in the form of a report.

Case 1 – Project Details

Based on a survey of current PCSL consumers it was shown there was a lack of access to teller driven services. While the implementation of online banking has served to meet some needs, other services were still difficult to access with only 1 branch located in the lower part of the service area. To meet the customer demand for more access, the S&L proposed the creation of ATM/Kiosks throughout the lower eastern shore that utilized a video system with centralized tellers.

Case 1 - Implementation

The implementation of the remote access project has been overseen by Marjorie Blackwell. This project has several smaller projects which have addressed access needs including online banking and web based virtual access. The project thus far has taken 3 years and is now ready for the final stage of the project; a video system with centralized tellers that can be physically accessed throughout the service area.

Case 1 – Budget Concerns

While funds have been set aside for the implementation of the final phase of the project there is concern that the funds will be enough to complete the project. Ms. Blackwell feels that the original rough estimate of \$100,000 for infrastructure and \$50,000 per year for staffing and maintenance may not be sufficient as it was based on information garnered over 3 years ago. A careful cost analysis is required to provide a more accurate total cost for this project and a determination of the feasibility.

Case 1 - Timeline

In addition to budget concerns, the timeline for the remainder of the accessibility project has been set at 6 months from project approval. Marjorie has concerns that with the need to analyze appropriate locations, design and develop the stand-alone kiosks with sufficient security, installation, and staffing the video tellers, 6 months might not be realistic.

Case 1 - Deliverables

The remote access project will require stand alone Kiosks that ensure the privacy of the customer and the security of the data and cash. The kiosks will be used as an ATM or as a virtual teller opportunity so that customers can interact with a remote teller by video link to handle more complicated transactions. These kiosks will be located in all the major townships on the eastern shore of Maryland. An analysis of the most cost-effective placement of the kiosks will need to be conducted.

Additionally, provisions will need to be made to staff the remote tellers and to service the remote kiosks (collect deposits and refill cash). It was originally thought that the tellers currently working at the Pocomoke branch could be tasked with manning the virtual kiosks, but due to recent staffing cuts at the Pocomoke branch, it was decided additional teller(s) will need to be hired as well as a maintenance person. An analysis of the most efficient way to manage these 2 staffing issues must also be conducted.

Case 1 - Concerns

Marjorie must prepare a project charter that will address the budget needs, preliminary risks, and preliminary timeline for deliverables. Marjorie's major function within the institution is as the manager of the Pocomoke branch and while she has successfully overseen the project up until this point, she has concerns about this final phase of the project:

- Existing teller staff are already overworked and may not be available to help with the project. Funds will need to be found to hire additional workers.
- Original estimates for the kiosk project were too low and do not account for increased building costs.
- A location analysis will need to be conducted to determine the best placement of the kiosks in the service area.
- Marjorie must maintain the same level of involvement in the Pocomoke branch while working on this project.
- The most important aspect of the project is to assure there is no disruption of customer service to current customers as a result of the remote access project.

Question 1.1

The Chief Executive Officer presented the 3-phase remote access project to the board of trustees 4 years ago and received conditional approval. Now that the 3rd phase of the project, the teller kiosks, is ready to begin, the board of trustees is unsure there is a need for this access and questions the financial value to the bank to implement it. They believe the funds would be better spent on building another full facility on the north end of the eastern shore. What project selection method should the CEO present to the Board that would show the value of one project over the other?

- A. Net present value
- B. Cost-benefit analysis
- C. Economic value added
- D. Scoring Model

ANSWER: D

Course Learning Outcome: analyze the organizational context in which projects are planned, managed, and implemented

Question 1.5

During project planning Marjorie is working with her team to develop a risk management plan. Which of the following should be part of the planning phase documentation?

- A. Prepare a high-level list of project risks in the project charter
- B. Prepare a detailed list of risks including mitigation plans for each risk
- C. Prepare a detailed risk plan as a separate document without mitigation plans
- D. Write a memo to the Board of Trustees detailing all possible risks to the project

ANSWER: A

Course Learning Outcome: appraise project management tools, techniques, and skills

Question 1.18

With her limited project management experience Marjorie will rely on stakeholder involvement and engagement to ensure the project charter contains all relevant information. Which of the following is the most likely benefit to encouraging stakeholder involvement in the planning phase of the project if there are issues later in the project implementation?

- A. Allows room for creative solutions
- B. Leads to higher end-user satisfaction
- C. More efficient stakeholder operations
- D. Less likelihood of an incomplete scope of work

ANSWER: A

Course Learning Outcome: determine strategies and actions that promote productive stakeholder involvement in decision-making and execution of the project

Question 1.23

Marjorie is anticipating some disagreement between the project stakeholders and wants to include project boundaries in the project charter so she has a way to manage these disagreements as the project moves forward. Which of the following describes what she will include in the project boundaries statement?

- A. A triple constraint analysis
- B. A schedule that shows important achievements
- C. A list of key points where she will review several aspects of the project
- D. A detailed breakdown of activities scheduled for the first 60 days of the project

ANSWER: C

Course Learning Outcome: appraise project management tools, techniques, and skills

Question 1.28

When presenting the updated remote access proposal to the Board of Trustees, Johnathan was questioned about whether this is an actual project that requires a project team and dedicated project management software. Johnathan shared a list of criteria of a project as supported by the PMBOK methodology. Which criteria of a project applies to the remote access project and likely convinced the board members to officially define the remote access endeavor as a project?

- A. There are no defined deliverables for the activities
- B. There is no defined end date for the associated activities
- C. There is no additional budget associated with the activities
- D. There will be an end to the activities associated with the proposal

ANSWER: D

Course Learning Outcome: apply methods and best practices in careful time management of project schedules and critical-path dependencies

Conclusion

Check out the video on Case 2 for this exam