# Strategic Project Management Practice Exam Review
## Case 2

# Case 2 - 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 2 – Project Approval, Budget, & Schedule
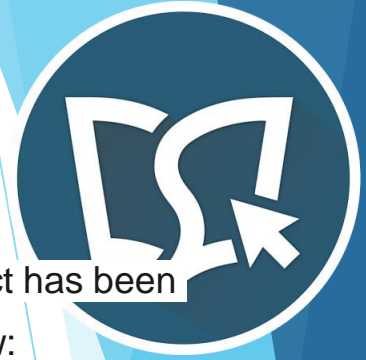
## Project Approval

Marjorie has completed the project charter for the remote access project and the project has been approved by the Board of Trustees. The details from the project charter are listed below:

## Budget and Schedule

The preliminary budget is $250,000 including infrastructure and 1 year of staffing and maintenance.

The preliminary schedule is 9 months to complete all remote kiosks and hire new staff.

# Case 2 - Scope

The scope of work has been defined as follows:

1. Conduct an analysis of available locations within each of the major population hubs on the eastern shore of Maryland: Berlin, Cambridge, Crisfield, Easton, Ocean City, Pocomoke, Princess Anne, Salisbury, and Snow Hill and secure those locations (purchase or lease).
2. Select a vendor for the kiosk build. Prepare contracts and manage the contractors.
3. Select a vendor for the kiosk installation. Prepare contracts and manage the contractors.
4. Arrange for dedicated and secure Wi-Fi for video teller access.
5. Fully test one location as it comes online to be used as a template for the remaining kiosks.
6. Hire additional teller(s) to staff the virtual teller station.
7. Create a remote maintenance position and hire staff to complete the daily rounds to each kiosk.
8. Install the remaining kiosks.

# Case 2 – Milestone Schedule

The milestone schedule has been defined as follows:

1. 1 – 2 months. Location analysis and arrange lease agreement or purchase, select vendors for kiosk build and installation, arrange Secure Wi-Fi
2. 3 - 4 months. Fully test one location
3. 4 – 5 months. Develop position description for daily maintenance, arrange bonding and secure vehicle.
4. 5 - 6 months. Hire maintenance staff and additional tellers as kiosks come online
5. 4 – 9 months. Build and install remaining kiosks.

# Case 2 - Risks

The preliminary risks have been defined as follows:

1. Unable to obtain hardware within the budgeted allowance.
2. Hardware vendors fail to provide hardware on schedule.
3. Unable to secure a contractor for hardware installation within the budgeted allowance.
4. Contractor fails to perform as expected.
5. Unable to secure suitable locations in each population hub
6. Unable to arrange secure Wi-Fi access in remote locations
7. Unable to find qualified staff

# Case 2 - Stakeholders

The preliminary list of stakeholders includes the following:

1. Chief Executive Officer
2. Branch Operations Director
3. Current employees
4. Cooperative members
5. Suppliers, vendors, and contractors
6. Customers that will use the new system

# Case 2 – Planning and Organizational chart

## Planning Phase

During the planning phase, Marjorie will prepare formal project management plans which will include a scope management plan, schedule management plan, and a cost management plan to support the project. Additionally, Marjorie will need to decompose the deliverables and create the work breakdown structure using the cooperative's approved project management software, Microsoft Project.
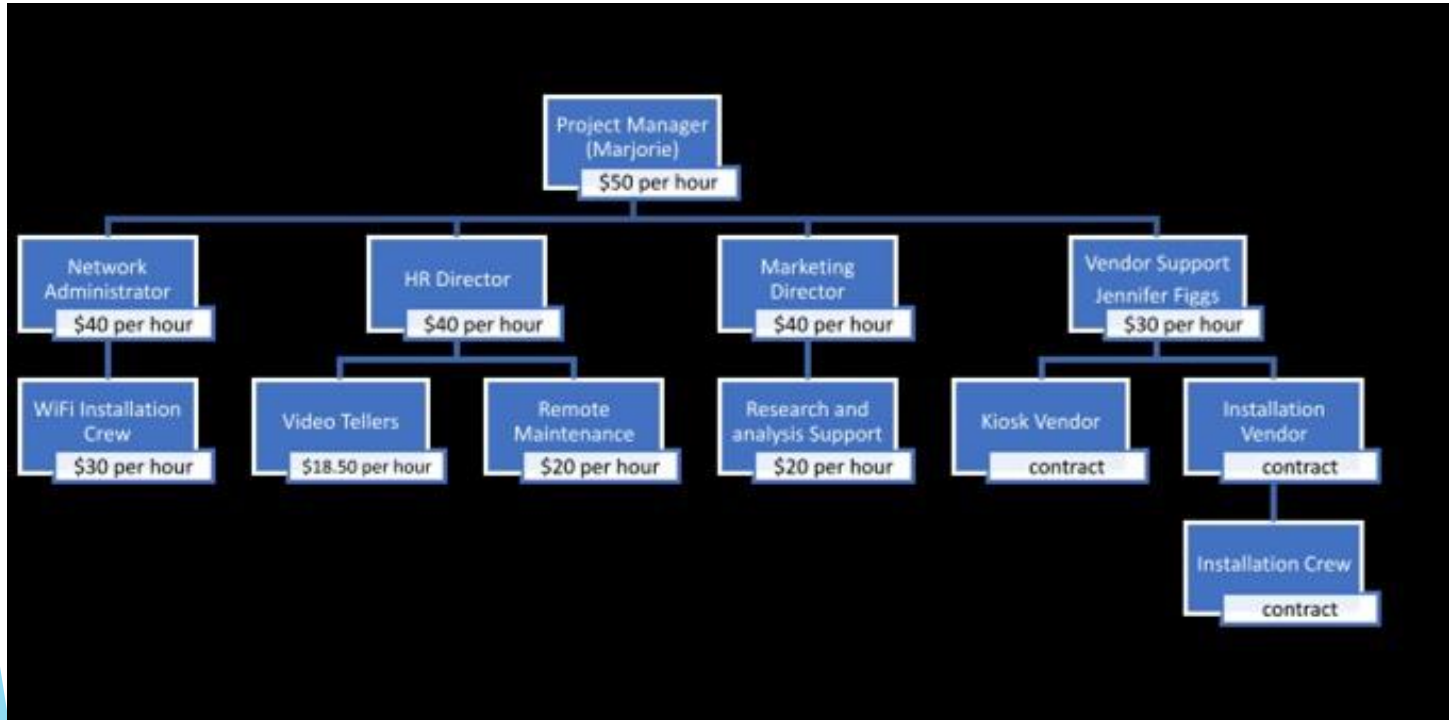
## Project Team Organizational Chart

Also, during planning Marjorie will pull together the project team for their kick-off meeting. Below is an organizational chart of the project team members:

# Case 2 – Organizational chart

# Case 2 – Details of Deliverables

Below is a table that identifies the locations of all remote access kiosks needed for this project as well as information about purchase or lease and concerns about the location:

| Area | Location | Purchase or lease | Concerns |
|---|---|---|---|
| Berlin | Kiosk inside Atlantic Hotel in the downtown area | Lease | High cost of lease |
| Cambridge | Old M&T bank | Purchase | None |
| Crisfield | Mini building near dock | Lease land | Remote area, not as many customers, spotty Wi-Fi access |
| Easton | Hunters Tavern in the Tidewater Inn | Lease | High cost of lease |
| Ocean City | Boardwalk kiosk near pier | Purchase | Security |
| Pocomoke | Added to outside of current building ATM lane | Purchase | None |
| Princess Anne | Standalone near courthouse | Lease land | Traffic from UMES |
| Salisbury | Salisbury Mall kiosk near Boscov's | Lease space | Decreasing mall traffic |
| Snow Hill | Added to outside of Snow Hill library | Lease space | Create drive through access |

# Case 2 – Anticipated Costs

Marjorie needs to prepare accurate estimates of the costs of materials as well as labor and yearly budget additions for this project. She will work closely with the Marketing and HR Directors as well as the Network Administrator for the Cooperative. She will hire an assistant who will be responsible for managing the vendors. The team members are carefully researching infrastructure costs for the various formats the remote access kiosks will employ. The following table represents the anticipated costs for some of the materials needed:

| | Cost to Build | Cost for Installation | Purchase/Lease |
|---|---|---|---|
| Building Add on Kiosk (2) | $5,000 | $15,000 | Lease: $800 per month |
| Internal building kiosk (3) | $15,000 | $15,000 | Lease: $500 per month |
| Repurposed kiosk (1) | $5,000 | $15,000 | Purchase: $150,000 |
| Outside building kiosk (3) | $45,000 | $15,000 | Purchase land: $30,000 |

# Case 2 – Kick-off Meeting

During the kick-off meeting, the project team members bring up the following concerns:

1. There will be access for foot traffic as well as drive through traffic at each of the locations.
2. Availability of secure high-speed internet compatible with video hardware so there is no lag in communication
3. Security of kiosks and maintenance person while loading and unloading money from kiosks
4. Emergency maintenance for remote kiosks.

# Question 2.4

Marjorie realizes estimating costs for the remote access project is critical, however, neither she nor her team has much experience in project estimation. Which estimating technique should Marjorie use, given that the project is in the early stages and has many unknowns?

A. Analogous estimating
B. Three-point estimating
C. Top-down estimation
D. Parameter estimating

ANSWER: C

Course learning outcome::  evaluate project cost, quality, and delivery.

# Question 2.6

Marjorie wants to be forward thinking when preparing the budget for the remote access project. She understands there may be unforeseen costs to the project and wants to have enough money in the budget to handle these situations without going back to the project sponsor to secure additional funds. In which of the following instances might she need to use these contingency funds?

A. To order office supplies

B. To process payroll every week

C. If there is a delay due to weather

D. To buy the completed remote access kiosks

ANSWER: C

Course learning outcome: assess the schedule, cost, and scope elements in projects to develop different techniques for managing risks.

# Question 2.10

Marjorie has been informed by the Information Officer at PCSL that more powerful computers will need to be purchased for the virtual tellers to use to interact with customers remotely. Marjorie is not that concerned as the cost will only add $10,000 to the project. Which type of reserves would be appropriate for this situation?

A. Risk reserves

B. Budget reserves

C. Contingency reserves

D. Management reserves

ANSWER: C

Course learning outcome: identify risk mitigations for risk to schedule, scope and budget via documentation, risk reporting tools, and risk response/mitigation planning

# Question 2.15

Johnathan Perdue, the PCSL CEO has walked into the conference room Marjorie and her team are using to coordinate the remote access project. He expressed his concern that as an inexperienced project manager she may not have a handle on who is responsible for which aspects of the project. Marjorie assures him that she is on top of both the project elements and those who are responsible. Which of the following should she show to Jonathan to prove her point?

A. RACI chart
B. Gantt Chart
C. Critical path chart
D. Resource management plan

ANSWER: A

Course learning outcome: select and prioritize critical resources for effective project implementation.

# Question 2.29

During the kick-off meeting members of Marjorie's remote access project team expressed several concerns. Which of the following would be a major concern of the finance department?

A. Security of kiosks
B. Access for foot traffic
C. Emergency maintenance
D. High speed internet availability

ANSWER: A

Course learning outcome:: determine strategies and actions that promote productive stakeholder involvement in decision-making and execution of the project.

# Conclusion

## Good luck on the Practice exam!

Doing well on the practice exam and reviewing the study guides will help you do well on the exam!