

1.5 - Team Deliverable: Chapter Exercise

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### **Abstract**

In this assignment, we were asked to collaborate with our team members by completing exercise 2 on p. 123 found in the Larson and Gray (2014) textbook. In the exercise, we are to identify real life examples of a project that would fit each of the following priority scenarios: Time-constrain, Scope-enhance, cost-accept; time-accept, scope-constrain, cost-accept; time-constrain, scope-accept, cost-enhance.

### **Introduction**

In this assignment, we were asked to collaborate with our team members by completing exercise 2 on p. 123 found in the Larson and Gray (2014) textbook. In the exercise, we are to identify real life examples of a project that would fit each of the following priority scenarios: Time-constrain, Scope-enhance, cost-accept; time-accept, scope-constrain, cost-accept; time-constrain, scope-accept, cost-enhance.

**Time-constrain, Scope-enhance, Cost-accept.** I've personally utilized the following concept when we planned a surprise Birthday party for a family member. The Time-constrain concept was used simply because we reserved the venue on a specified day of the month. We were not able to plan for a date any earlier or later due to no availabilities so there was no time for flexibility. We used scope-enhance, by spending more time to find a cheaper caterer, who offered the same quality of food for \$100 cheaper. Cost-accept was used because we all agreed to go over budget by \$200 (Larson and Gray, 2014).

Another member of the team encountered the Time-constrain, Scope-enhance, Cost-accept priority in a situation when he worked on government development contracts—where the contract was a cost-plus award fee. For this type of contract the government would pay a fee, which was the cost of the product plus an accepted profit to the contractor. If the contractor meet deliverables prior to their scheduled date or exceeded performance criteria, the contractor would also be awarded an incentive based on cost, performance and schedule.

The project was time constrained because the delivery dates had to be met, therefore the contractor would work hard to avoid the potential of late deliveries to avoid final actions (such as

the space shuttle launch) from occurring on schedule. The penalties for missing dates is enormous.

The project was scope enhanced because during the preliminary design phase of the project. An example would be if it was determined that the original design could not meet the required specifications for the project. Further design would be required to enhance this portion of the scope to ensure the required specifications were met—adding further value to the deliverable.

As a result, the overall project cost would be accepted. In order to meet the requirements and schedule, the customer is willing to pay the additional cost.

**Time-accept, Scope-constrain, Cost-accept.** We see many technology companies utilize the concept of time-accept, scope-constrain, cost-accept simply because they are always up against vast completion in their industry. This concept sets the foundation for a successful launch and keeps the company ahead of its competition. For instance, Apple is a company that has often used this method throughout the years.

With respect to accepting time schedule to help with sales, Apple understands how imperative it is take advantage of “crashing” or reducing schedules (Larson and Gray, 2014). They recently had a 16 percent loss in iPhone sales last quarter, which makes using this concept essential to increase their sales (cnn.money.com). “Pre-orders could start September 9 before the phone is put up for retail sale on September 16” (hngn.com).

In regards to scope-constrain it is imperative that Apple does not make any changes to specifications because this will essentially prolong the launch and could risks sales. For

example, Apple will use different versions to launch and then launch later version updates. This helps save the company money and time (Larson and Gray, 2014).

Although the cost-accept concept is the least favorite among companies, Apple was more inclined to use this concept in 2013 due to its \$137 billion in cash reserves in order to launch its products (bloomberg.com).

Another member of the team worked on a software data logging project that would enhance the troubleshooting capability of the device under test. In conjunction with the design effort there was to be a move of the design team to an overseas location. The members of the team were going to either laid off or would make the move.

The project was that we needed more V&V resources in order to qualify the software prior to the move. Management decided not to add the resources and would accept the schedule delays.

This is another example of a cost accept because of the method of accounting. This is also an example of time-accept since management made the determination to go along with the delay. The scope did not change. The project was scope-constrained.

Often more than not, many manufacturing/packaging facilities fall behind on aligning to industry and equipment standards—and allow the priority to be satisfying market demands of the product. In many of these cases—project are established to remediate the facility to update equipment and processes. These projects are perfect examples of time- accept; scope-constrain; cost-accept situations.

**Time-constrain, Scope-accept, Cost-enhance.** The last project from PGMT 501 fits the following concept. We set up 8 regional admission presentations in 8 different cities in

order to increase student recruitment for Embry-Riddle Aeronautical University. The first and last presentations were set on specific dates and could not be changed due to a feedback analysis that was due on a specified date (Larson and Gray, 2014). As far as scope-accept, we were able to mitigate one presentation due to extreme cold weather but still met the presentation completions date by specified times. In regards to the cost-enhance concept, we willing to use 3<sup>rd</sup> party vendors that offered a lower rate, to provide the same quality of audio and visuals for all presentations (Larson and Gray, 2014).

This is the case of when I worked for a project in which overtime was authorized for the engineering team in order to meet schedule. The schedule and scope was agreed to by the customer and the contractor but the contractor could not meet the schedule under ordinary circumstances. The project was time constrained because there could be no relaxation in the schedule. The contract was scope-accept because the schedule was agreed to. The budget was cost-enhanced due to authorization of overtime for engineers. Overtime for engineers is a very rare occurrence in the industry.

Shutdowns are common in industry—the need to perform routine maintenance, cleanings, and general repairs are accepted. Most facilities plan for spring shutdowns and winter shutdowns—week long periods which all required work will be completed. Shutdowns are examples of time-constrain; scope-accept; and cost-enhance projects.

In shutdowns, time is fixed—facilities plan for a specific number of days down. By doing this, production is ramped up before, and after to balance out the demand of the market. Scope is always accepted—when performing routine maintenance/required work, occasionally more effort and additional actions are required. However, these additional actions (scope additions) are

accounted for by enhancing cost. Planning sessions are held to develop specific action plans for delivery of the required work during shutdowns. Generally these action plans are inclusive of budget—to ensure the most value is added. Overhead is calculated at +/- 20%, leaving little room for surprises—but providing a level of protection for scope acceptance. During shutdowns the facility is willing to enhance (and accept) additional costs to allow for a fixed timeline.

### **Conclusion**

When leading out on projects, knowing priorities is important because the priorities have a direct impact in decisions that have to be made. The three pillars of a project are time, scope, and cost. If a project is Time-constrain, Scope-enhance, cost-accept, it may be ok to request funding to increase the scope. This situation normally comes up in design contracts. If the project is time-accept, scope-constrain, cost-accept is may be ok to go to the owner request schedule relief due to materials or not request expedited rates. If the project is time-constrain, scope-accept, cost-enhance, it is best to do whatever necessary to meet schedule. The project manager must always be aware of the constraints.

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