**Resource:** Post Graduation Adventure Case in Ch. 5 of *Project Management: The Managerial Process*

**Read** the Post Graduation Adventure case on page 154 in Ch. 5 of *Project Management: The Managerial Process*.

**Complete** a response for each of the 3 subsequent questions in 350 words each.

**Note:**  You need to clearly show me why you selected the outcome you did.  This means getting some dollar figures, data, etc to prove your point (and do not just focus on the airfare cost...other costs are involved in a trip).

For Question 1 I need to clearly see the methodology used....state it/walk me through its use.

Non-cost items mean non-cost for the 3rd question....you already talked cost in question 2...do not repeat it.

**Format** your paper consistent with APA guideline

**Sharp Printing, AG**

Three years ago the Sharp Printing (SP) strategic management group set a goal of having a color laser printer available for the consumer and small business market for less than $200. A few months later the senior management met off-site to discuss the new product. The results of this meeting were a set of general technical specifications along with major deliverables, a product launch date, and a cost estimate based on prior experience.

Shortly afterward, a meeting was arranged for middle management explaining the project goals, major responsibilities, the project start date, and importance of meeting the product launch date within the cost estimate. Members of all departments involved attended the meeting. Excitement was high. Although everyone saw the risks as high, the promised rewards for the company and the personnel were emblazoned in their minds. A few participants questioned the legitimacy of the project duration and cost estimates. A couple of R&D people were worried about the technology required to produce the high-quality product for less than $200. But given the excitement of the moment, everyone agreed the project was worth doing and doable. The color laser printer project was to have the highest project priority in the company.

Lauren was selected to be the project manager. She had 15 years of experience in printer design and manufacture, which included successful management of several projects related to printers for commercial markets. Since she was one of those uncomfortable with the project cost and time estimates, she felt getting good bottom-up time and cost estimates for the deliverables was her first concern. She quickly had a meeting with the significant stakeholders to create a WBS identifying the work packages and organizational unit responsible for implementing the work packages. Lauren stressed she wanted time and cost estimates from those who would do the work or were the most knowledgeable, if possible. Getting estimates from more than one source was encouraged. Estimates were due in two weeks.

The compiled estimates were placed in the WBS/OBS. The corresponding cost estimate seemed to be in error. The cost estimate was $1,250,000 over the senior management estimate; this represents about a 20 percent overrun! The time estimate from the developed project network was only four months over the top management time estimate. Another meeting was scheduled with the significantPage 154stakeholders to check the estimates and to brainstorm for alternative solutions; the cost and time estimates appeared to be reasonable. Some of the suggestions for the brainstorming session are listed below.

* Change scope.
* Outsource technology design.
* Use the priority matrix (found in [Chapter 4](https://jigsaw.vitalsource.com/books/1259822338/epub/OEBPS/14_chapter04.xhtml#chap4)) to get top management to clarify their priorities.
* Partner with another organization or build a research consortium to share costs and to share the newly developed technology and production methods.
* Cancel the project.
* Commission a break-even study for the laser printer.

Very little in the way of concrete savings was identified, although there was consensus that time could be compressed to the market launch date, but at additional costs.

Lauren met with the marketing (Connor), production (Kim), and design (Gage) managers who yielded some ideas for cutting costs, but nothing significant enough to have a large impact. Gage remarked, “I wouldn't want to be the one to deliver the message to top management that their cost estimate is $1,250,000 off! Good luck, Lauren.”

1. At this point, what would you do if you were the project manager?
2. Was top management acting correctly in developing an estimate?
3. What estimating techniques should be used for a mission critical project such as this?

**Case**

**Post Graduation Adventure**

Josh and Mike met each other as roommates during freshmen year at MacAlister College in St. Paul, Minnesota. Despite a rocky start they became best friends. They are planning on going on a two week adventure together to celebrate their graduation in June. Josh has never been to Europe and wants to visit France or Spain. Mike spent a semester abroad in Aarhus, Denmark, and traveled extensively in Northern Europe. Even though he never went to France or Spain, Mike wants to go to some place more exotic like South Africa or Vietnam. For the past week they have been arguing back and forth over where they should go. Josh argues that it will cost too much to fly to South Africa or Vietnam, while Mike counters that it will be much cheaper to travel in Vietnam or South Africa once they are there. Each of them agreed that they can spend no more than $3,500 each on the trip and could be gone for only two weeks.

One evening when they were arguing with each other over beers with friends, Sara said, “Why don't you use what you learned in your project management class to decide what to do?” Josh and Mike looked at each other and agreed that made perfect sense.

1. ***Assume you are either Mike or Josh; how would you go about making a decision using project management methodology?***
2. ***Looking first at only cost, what decision would you make?***
3. ***After cost, what other factors should be considered before making a decision?***