



UNIVERSITY EXAMINATIONS: 2013/2014
EXAMINATION FOR THE MASTER OF BUSINESS ADMINISTRATION
(MBA) CORPORATE MANAGEMENT
MGT 6016 PROJECT MANAGEMENT (WEEKEND)

DATE: APRIL, 2014

TIME: 3 HOURS

INSTRUCTIONS: Answer Question One and Any Other Three Questions

QUESTION ONE (31 MARKS)

CASE STUDY - GOLIATH QUARRY PRODUCTS (GQP)

Introduction

Goliath Quarry Products (GQP) was formed in the late 1960's in the UK to supply quarry equipment that required strong, robust machinery capable of crushing and screening 6000 tonnes of quarry rocks per day. As the market developed GQP became a leading global supplier. GQP's production facilities expanded from one factory site to four (4) factory sites in the UK. The main focus for GQP became new product development and ensuring that it maintained the quality and reliability synonymous with its brand. In the last decade new low-cost competitors have entered the market and are starting to reduce GQP's market share. GQP needs to concentrate on costs if it is going to sustain its market share leadership. GQP directors insist that it must maintain its brand image but achieve the same quality product at a lower cost. This may involve the use of low-cost country sourcing. Areas of concern for low-cost country sourcing are as follows:

- Poor quality product
- The passing of title
- Initial prices increasing once a commitment to supply has been made
- Orders not shipping on time and 'premium' transport arrangements having to be made

- Low-cost country suppliers subcontracting work and GQP not being aware that they have done this. This may result in poor quality.

The supply base

Simon Jones is one of GQP’s Supply Chain Managers and is responsible for the procurement of the fabrications for his site. The fabrications supplier base for GQP is mainly local. Simon realizes that if he is to reduce costs he needs to expand his supply base, introduce competition and consider procurement from lower cost countries. Simon needs to review the range of fabrications and find product lines that would be suitable for low-cost country sourcing. Simon decides that the best way to do this is with the next planned new product introduction in 6 months’ time. Simon drafts a sourcing plan outlined in **Table 1**.

Table 1

Activity	Activity description	Estimate duration (weeks)	Preceding activity
A	Identify a product line suitable of sourcing globally	2	
B	Gather drawings, material and finish specification	1	A
C	Determine the volumes over a medium/long-term period	2	A
D	Analyze the supplier market locally and internationally	3	A
E	Review international sourcing options and select	3	D
F	Send tender enquiry	2	B, C & F
G	Visit potential suppliers	2	F
H	Receive tenders	4	F
I	Select potential suppliers	1	G & H
J	Prototype build	6	I
K	Airfreight prototype for approval	1	J
L	Gain Quality approval	1	K
M	If approved then Final Negotiation and contract award	2	L

Sourcing from low cost countries

GQP has a set time-frame of 6 months for the launch of its new product and needs to ensure no risk of failing to meet this deadline. The local fabrication suppliers to GQP are very financially dependent on GQP with GQP being 80% of most of the local fabricators business. Simon believes that there may be collusion between the local suppliers when pricing. It is time for change and Simon believes that low-cost country sourcing may remove some of the complacency GQP feels they are experiencing with the local suppliers. Simon must ensure that any change to low-cost country sourcing must be seamless.

Required:

- (a) Based on the information in **Table 1**:
 - (i) Draw the network diagram and identify the critical path for the project. (15 Marks)
 - (ii) Determine the planned duration for the sourcing project (5 Marks)
- (b) Calculate the maximum time saving that could be made on Task H in order to reduce the overall duration of the project (taking into account the fact that all other task durations will remain as in Table 1). Show your calculations. (8 Marks)
- (c) If the maximum time saving on Task H is achieved (and Task D is reduced by 2 weeks as suggested by GQP Managing Director) calculate: The revised overall planned duration of the project. (3 Marks)

QUESTION TWO

- (a) You are a project manager for a new project in your firm. The firm requires you to organize the project according to project phases common to programming projects (Initiation, Planning, Execution, and Closer). Once requirements are gathered, the major deliverables of the project can be finalized. You're in the Initiation Stage, what would you include during this stage? (10 Marks)
- (b) Discuss FIVE reasons that would make you undertake Cost Benefit Analysis during the initiation stage of the project in (2a above) (13 Marks)

QUESTION TWO

- (a) As the team leader of a project your organization intends to implement, you have been tasked to use Logical Framework Approach (LFA) in planning and analyzing the project components. Discuss FIVE reasons for using LFA instead of other approaches. (13 Marks)

- (b) Explain FIVE benefits of using qualitative research method to gather data for a project as opposed to using the quantitative method. (10 Marks)

QUESTION THREE

- (a) Discuss THREE benefits and TWO limitations of participatory approach to project management. (10 Marks)
- (b) Analyze FIVE challenges that a project manager may face in the process of managing a project, and for each challenge mentioned, propose a possible solution. (13 Marks)

QUESTION FOUR

4. You are in charge of a departmental project that has just been completed and you have been asked to give a report of the project impact on organizational business activities. Discuss FIVE principles that you should consider in the projects' impact assessment. (23 Marks)

QUESTION FIVE

- (i) Evaluate the steps an organization is expected to follow in project risk analysis. (15 Marks)
- (ii) Explain how following these steps enhances effectiveness in project management. (8 Marks)

QUESTION SIX

- (a) Discuss the tools and techniques that project managers can use to ensure knowledge and lessons learned from previous projects are not lost, and can be shared for the benefit of future projects. (15 Marks)
- (b) Explain FIVE challenges of achieving effective Communication in project management. (8 Marks)