

PROJECT MANAGEMENT BUSINESS PLAN: CONCLUSION

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Course

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Date

City

Project Management Business Plan

Conclusion

This project is a sustainable logistic project for FOWADS LOGISTICS Company that deals with freight transportation, inventory management, storage, material handling and information processing. The aim of this project is to start out a brand new sustainable logistics company with headquarters in Rochester, NY. The branches of the business will be established in Buffalo and Syracuse cities.

The Company will primarily be aimed at decreasing the carbon foot print reduction, saving money and time resources, and keeping the construction and operations environmentally friendly. The company is going to adopt the fuel efficient transportation, electricity management along with the solar energy systems. The following practical implications will be introduced: the business administration will be aware of the environmental effect of all the logistics operations, and the benefits of fuel-efficient vehicles, technologies and other environmentally friendly practices will be clarified and understandable (Butcher, 2010). There are several reasons why the focus is made on sustainability of the operations: the market demands the use of more efficient fuels and packages that are easy to recycle and reuse, carbon-neutral shipping services along with efficient space use.

The Company will have five corporate divisions including Mail, Express, Freight/Forwarding, Corporate Information Solutions/Supply Chain, and Financial Services Division. Mail Delivery division will be responsible for offering mail services for both individual and corporate clients in the area (Rochester, Syracuse and Buffalo). It will be divided into the following business units: parcels, dialogue marketing, mail communication and print services. Express division will focus on courier transportation, parcel and express

mail that should be delivered in the coverage area under the name of Fowads Logistics. The subdivision will be conducted according to area divisions. The goods will be carried with the help of automobile transport in Forwarding and Freight division. Supply Chain division will provide contract logistics and information customized for the customers. The Financial division will provide banking and financial services using the Bank of America.

The customer service branches in Buffalo and Syracuse will be concentrated upon receiving calls from customers and pick the orders online as well. The authority in the Company will be divided in the following way: Mr. Mike Jeffrys will be named as the Project Manager that is majorly responsible for the overall project completion. There will be four drivers and four package workers responsible for packing and delivering goods to all destinations in the area. The package delivery service will rely upon the outright employees instead of independent contractor, and this approach is chosen because it is more appropriate for a long-term strategy and unsustainable.

The Project Manager will get reports from Functional Operations Manager, Technical Operations Manager, Administrator and Legal. The Functional Operations will include Procurement, Warehouse Operations and Architectural Works, the Administrative Operations include Finance, Accounts and Employees Coordination, and the Law Cases are resolved by the Legal Assignments. For each of the operations it is clearly defined who exactly is going to carry out the task, who is accountable for its completion, who has professional knowledge in the field (must or may be consulted) and who must be informed about the work but not necessarily consulted.

The Project is expected to result in the following deliverables: project management, materials selection and purchase as it was agreed with the general contractor and engineer, weekly reports on the construction and purchasing process received from the corresponding

departments and teams, cleaning up the construction area, mounting construction equipment, selecting and buying materials according to the decision of the general contractor and engineer, inspection, procedures and certificate that are related to risk management. The chosen contactors for electrical equipment are Captre Electrical Supply (purchased materials delivery), City Electrical Co. (design), Maynards Electric Supply (set-up). The lawyers along with all other specialists are interviewed and hired by the Project Manager.

The project is expected to be successful due to the following characteristics:

- Quick scheduling and movements of orders or specifications will be enabled by the up-to-date advanced technologies;
- The delivery process will be enhanced by the introduction of a redesigned container with higher cost efficiency and environmental friendliness;
- High quality accompanied by timely performance that will result in a strong base of loyal customers;
- Aggressive pricing-targeted model that is competitive compared to FedEx, UPS and other world famous logistics companies, so that exceptional profit margins can be attained;
- The conservation of natural resources will lead to commitment and environmental responsibility that will eventually lead to development and promotion of the best industry practices.

The Project will start out on May 1st, 2013 and is expected to be completed by July 16th, 2015. The budget limit of the project is \$6.2 million. The project deliverables will include project management, administration, legal team, architectural design and procurement. In order to get accepted the project has to fit the budget and schedule, have 7% of efficient purchased materials utilization, have a recording system for all purchases, the electrical, water

and plumbing systems that correspond to the standard, the offices fitting into the industry standards, a team of professionals including a lawyer, a risk manager, a team of contractors, engineers, purchases director and an authoritative realtor with good experience. One of the primary goals on completing the project is to reduce the number of construction-related injuries down to 3 while no workers are expected to die during the construction.

The Project does not include the construction of the office because these facilities will be leased. No advertisement, whether television, newspaper or radio broadcast, is included into this project. The exact sequence of the required tasks along with the specific dates of start and completion is provided.

It is still undecided how the repair of broken furniture, damaged office's equipment and telephone damage is going to be funded. The same is relevant for maintenance costs in the offices and equipment. The risks of working with exposed wires exist. However, as these costs have not been included into the total budget, it is assumed that these costs will be covered by the budget in order to make the project feasible and complete. The person that is going to take the final decision is Mr. Ronald Coth.

When the Project closes down, the area of coverage (including Rochester, New York and Syracuse) will be provided with high-quality and sustainable logistics service. The Fowads Logistics Company will primarily focus on the particular needs of the customers but the pollution while construction will be reduced and the re-designed package will allow greater space efficiency at lower costs and higher sustainability which is very important for both individual and corporate clients. Cutting on carbon use will become a valuable part of the corporate responsibility plan of the Fowads Logistics Company aimed at environmental friendliness and sustainability. The Company will contribute to the sustainable development of the entire logistics industry and reduce materials' waste in both construction and logistics

operations. The outputs of the project are going to be handed to the Company's CEO and owner, and in case Mr. Mike Jeffrys won't reject the proposal, he will remain the CEO for the following five years. As for ongoing costs such as software licenses, the responsibility will be shouldered by both the director whose field the costs touch and the financial director of the Company.

The Project will be closed in two years when the construction works will be all over and the Fowads Logistics Company will start winning its positions in the market (the expected market share is 25%). The project will be evaluated by the comparison of the planned indicators and the actual results. Some benchmarking and audit monitoring will be involved. The successful completion of the project will depend on the completion of the corresponding criteria listed above. The main person responsible for the monitoring of the project successful completion is the Project Manager but he may also delegate this responsibility to other leaders in their particular field of work.

Another additional criterion would be customer satisfaction rate that can be calculated with the help of customer questionnaires specifically targeted at the sustainability satisfaction and environmental concerns. The environmental organization of both governmental and private basis may be involved in the evaluation of project success depending on the outcomes (Trunick, 2008). Additional measurements and measures refinements will be involved as necessary.

The lessons learned during the project will be captured in the form of methodological literature that can be presented to any interested parties and analytical findings that will remain data for inner usage. The project is going to give a push for seven major developments in the sustainability of logistics. First, logistics will become not merely a major catalyst of global trade and a vital component determining value creation – it will also move the entire

world business towards low-carbon economy (Trunick, 2008). Technological changes brought up by the companies will gradually get supports from the US government and non-governmental social organizations along with the company's peers and financial institutions. Collaboration will gradually become an effective instrument of achieving sustainability, and even erstwhile competitors will finally realize that close cooperation is necessary. The sustainable innovations will gradually lead to the opening of the new opportunities, and the traditional models of business logistics will change largely (DHL, 2010). The standardization of CO₂ will let the customers compare the environmental friendliness of the products as many customers are concerned about the effects of global warming. Each emission of carbon will gradually acquire a price tag, and as a result the regulatory measures will become a lot more stringent (Siegel, 2011).

This Project may be followed by several additional projects introducing some similar sustainability programs in Fowads Logistics Company including Delivery Information Acquisition Device, idling, Preventive Maintenance Inspections, Package Flow Technologies, Continuous Decent Approach and Lido Program (Siegel, 2011). Another interesting innovation continuing this project may be shifting from automobile to railway transport or switching from gasoline to diesel vehicles (DHL, 2010).

The logistics industry is the key player in promoting comprehensive carbon reduction due to the experience and geographical positioning along the supply chains, and it should not be accepted as a challenge but rather as an opportunity for growth and development. Compared to the other industries, logistics companies have already become leaders in promoting sustainable development and eliminating the effects of global warming (Butcher, 2010). It is essential for all the logistics companies to turn to the problems of sustainability as the conditions of today may make business survival quite difficult. For instance, the global

economics is now under the risks of having no accessible fuel or other petroleum products (Green Logistics, 2010). The huge amounts of paper packages require a lot of trees to be used while plastic packages can pollute the environment if they are not reused properly. The majority of the customers expect the industries to make wise decisions and offer green products that they can pay higher prices for.

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