

A&D HIGH TECH MANAGING SCOPE CHANGE Harvard Case Solution & Analysis

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Company Profile

A&D Tech specialize in selling computer related products and services. They had broken ground with their innovative made to order products and have been growing steadily on a value preposition emphasizing friendly service. They started off as a regional firm, but with aspirations to grab onto any opportunity to distribute nationally.

By 1999, A&D had incorporated information systems into their operations to increase efficiency on customer call back. This had resulted in a decline in customer callbacks from 30% to less than 1% of orders.

A few years later, A&D was going through a slump in a volatile competitive environment and was looking to delve into new segments. Realizing the cost and selling advantages of the internet, A&D decided to focus its attention in that direction.

Addressed Issue

A&D High tech was losing sales potential by not selling online. They wanted to finish implementing the online project before the holiday season and the project, manager Eric that there wasn't enough time to getting up to speed on the project since they were already late.

The loss of potential sales via the internet has led to decreasing margins and a tougher competitive environment due to A&D's loss of a competitive advantage via Web Services.

Missed opportunity of increasing revenues by decreasing costs per internet order.

Objective

The stores sales reach a peak during the holiday season and the CEO wanted to know if the project could be done in time to jump on the holiday sales.

A&D's Methodology

CIO Matt Webb had to decide on whether to buy an off the shelf software, or customize and build one. After conducting a cost benefit analysis, and much deliberation, Webb decided that building one would be more efficient.

To start off, a cross functional team of 6 people was created to plan the project based on the "build" decision. After defining the teams planning components and requirements, the following resources and tools were required to complete the project.

Risk Analysis

	Build Software	Adapt Software
PM	0.6 since it's a new system being implemented and a new software that needs programming from scratch. This is because the year of the project is 2003 and back then the internet was developing and not so common. Thus the experience in online pages and application programming was still developing.	0.3 Minor redesign of an existing software to adapt it to additional features of the company policy
PC	0.4 complexity of the project is nearly moderate. This is because the physical interface is a typical one for any company that uses online commerce.	0.4 complexity of the project is nearly moderate. This is because the physical interface is a typical one for any company that uses online commerce.
PD	0.7: there is Sgnificance in dependency because the market is shifting towards the internet commerce. Thus they would be losing market segments and sales that the internet would provide. The competitor would gain customer base (market share). However, they would still have their normal operations that are independent of the internet but these operations would not bring as much profit. Such a project would be costly to implement and market. In addition, if it fails, more cash is needed to be spent for adjustments. The project is dependent on the finish time as it has to be before the Christmas period so that the company avoids sales losses.	0.5 moderate risk of dependency because the software depends on the company it is bought from. However, the cost may be higher or lower but the risk that rework is needed is less than if the software was developed inhouse. In addition, since the software is being bought, the risk that it would not be completed on time (before Christmas) also diminishes.
Œ	0.7: significant cost consequence of failure as the loss of sales in addition to any rework done will exceed 0.3 of the budgeted cost of the project	0.4: Same analysis if we had taken the project. However, the cost of rework would be excluded because the purchase would be made for a final product.
CS	0.8: the project is already crashed to meet the deadline. Thus, any lag or delay will cause the project to exceed the deadline thus missing the high sales	0.2: there will always be time to fix already bought software because it does not take much time to create it.