Ngoc Se

PROJECT MANAGEMENT
Supplier Conference

Bachelor's Thesis
Business Management

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DESCRIPTION

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Abstract

The thesis will cover a literature review and a practical project management plan. The literature review part is theoretical learning about project management. In this theoretical part, I will discuss about the definition of a project and the nature of project management. The main reference for the theory is the book of Guide to the Project Management Body of Knowledge which covers about twelve chapters that go through every perspective of how the project should be managed. However, in this paper, I will discuss about the project lifecycle overview and its relationship with the organization, five project management process groups.

In the practical part of this thesis, the project is subjected to the Supplier Conference which was exhibited by one of the five largest trading companies in the world – Metro Cash & Carry. The event was held in Sai Gon – Vietnam, where Metro C&C has been expanding its business in the nation. The purpose of this Conference is to introduce the concept of business and to establish the business to business relationship between Metro Cash & Carry and its suppliers in Vietnam. The outline of this project will comprehensively cover the executive plan and implemental work for the entire event.

Subject headings, (keywords)

Theoretical review of project management and pratical Supplier Conference Project

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Tutor	**Employer of the bachelor's thesis**
Eila Jussila	Metro Cash and Carry

TABLE OF CONTENT

FIGURES

TABLES

1 OVERVIEW OF PROJECT MANAGEMENT

1.1 Project

"A project is a problem scheduled for solution" a definition by Dr. J.M. Juran. As in any organization, every department is set up and designated with specific functions in order to perform its business or purpose for that organization. Regardless of their structures, according to William R. Ducan –Director of Standards from a Project Management Institute in Pennsylvania, works which are performed in an organization are basically categorized into two characteristics: operations or projects (Duncan 2000, 6). Due to the similarity between the two aspects such as: they are both performed, planned, executed by people in the organization; operations and projects are usually mistaken or named interchangeably. In fact, they are fundamentally different in terms of their nature and time, which is the one of the keys of success in every business. Operations are repetitive and mostly orientating pre-defined, in which their existence goes along with the existence of businesses and their frameworks are specifically pre-programmed for any departments in any businesses. Whereas, projects are classified as temporary with definite start and end dates; they are uniquely different for every product or service. "A project is a temporary endeavor undertaken to create a unique product or service".

Projects play crucial roles in an organization's business strategy. In regard to a project's purposes, they can be established to cover any areas in business dimensions like a correction, problem solving, development, campaign and so forth. Projects are also determined as progressively elaborated. In this context, progressively points to the "proceeding in steps, continuing steadily by increments", and elaborated is when the projects are "worked out with care and details, developed thoroughly" (The American Heritage Dictionary of English Language, 3rd Edition). Therefore, projects are considered as intensifying and detail-oriented.

As mentioned, two special characteristics which differentiate projects from other business practices are: temporariness and uniqueness.

- The nature of temporariness in a project context involves the exact period of time when the project is planned, executed and accomplished. Durations of projects are various depending upon scopes of the projects. The term temporary does not necessarily indicate a short time period, although the projects are meant to have a definite timeline. Unlike others which usually exist along with the business and require constant operating, projects will be terminated by the deadlines when the goals are achieved. Therefore, projects always need special contributions and cares from the project teams, in which their members are specifically assigned dedicating only for the projects.
- Regardless of their goals, projects are planned and developed for purposes which should have not occurred before. Every product or service are unique units; therefore they form unique characteristics for every project. Another aspect of uniqueness is the problem solving orientation of a project. Problems differentiate themselves in relation to their scope, nature and contexts in which they happen. Therefore, every project which is called in for solving a problem, is as unique as the problem is.

1.2 Project Lifecycle and Organization

1.2.1 Project Lifecycle

Project lifecycle is known as a collection of project phases which are divided and assigned for the purpose of appropriate control, management and operation. Project lifecycles are designed variously according to the projects characteristics and their organizations. Despite the differences, all project lifecycles are defined to connect their phases from their definition – the beginning to their completion – end. The transition between the phases could be done through some form of transfer technique, handoff or even the practices of overlapping phases.

- Common outcomes which are defined through a project lifecycle are the following:
    - What technical work to perform in each phase
    - When each phase needs to produce the outcome and how they are reviewed, verified and validated
    - Who should be involved in each phase and what their responsibilities are
    - Inspection, control and approval
- Characteristics of the project lifecycle variously depend on the characteristics of projects, although they do share some of the following things:
    - Phases are sequential. Transitions are made through technical information transfer or technical component handoff.
    - Cost and staffing cycle is at peak during the intermediate phases while they are commonly low at the beginning and the end. Figure 1.1 will generally demonstrate the cost and staffing levels throughout the project lifecycle
    - The level of certainty of completion is ensured higher when the project keeps progressing rather than when it first starts.
    - In contrast, as the cost of changes and correcting errors generally increases as the project continues, the influences made by stakeholders will decrease quite dramatically compared to the start of the project. Figure 1.2 shows the common trend of stakeholders' influence.

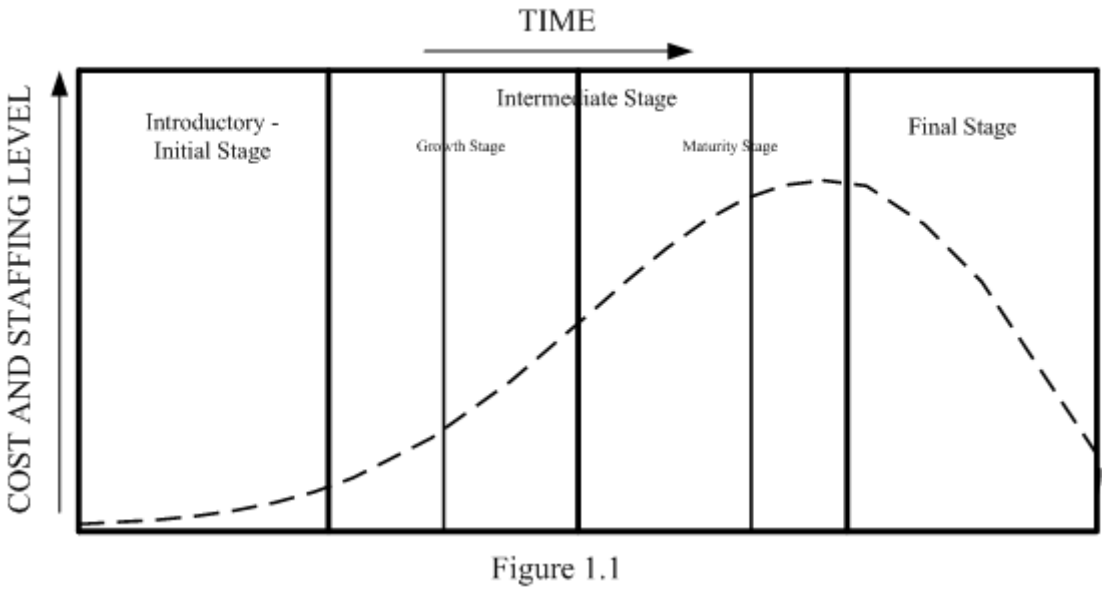

Figure 1.Typical project Cost and Staffing level during the project life cycle

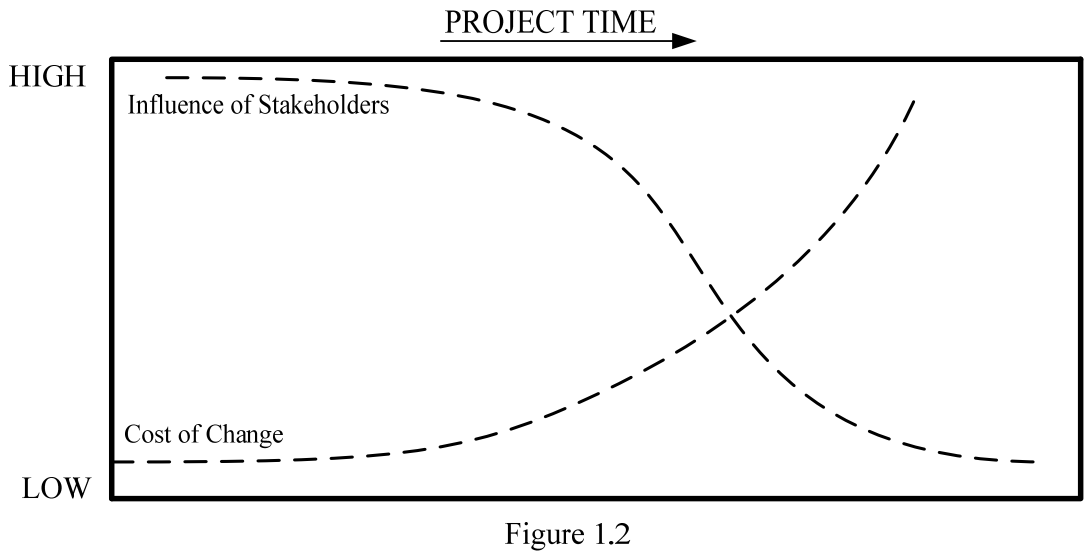

Figure 2. Stakeholder's Influence over time

1.2.2 Relationship with product lifecycle

In connection with the product lifecycle, projects can be established in different stages of the operation works of the product. For example, while Project A can be established as the research and development stage of the product development, Project B can be the marketing plan when the product is accomplished and being ready for the market. In most cases, there can be many forms of the project in a product lifecycle, in which each project might be designed to represent the work of each product development phase.

In assurance the smooth operations of the product lifecycle, the project lifecycle also needs to be identified as the appropriate transitional actions in between the project phases. For instance, after the project of product research and development, the transitional action needs to be taken for the next project – could be product manufacturing project. The transitional action between projects should be prepared carefully in order to assure the effective process of product development. The effectiveness is concerned as cost, time, human resources and so forth.

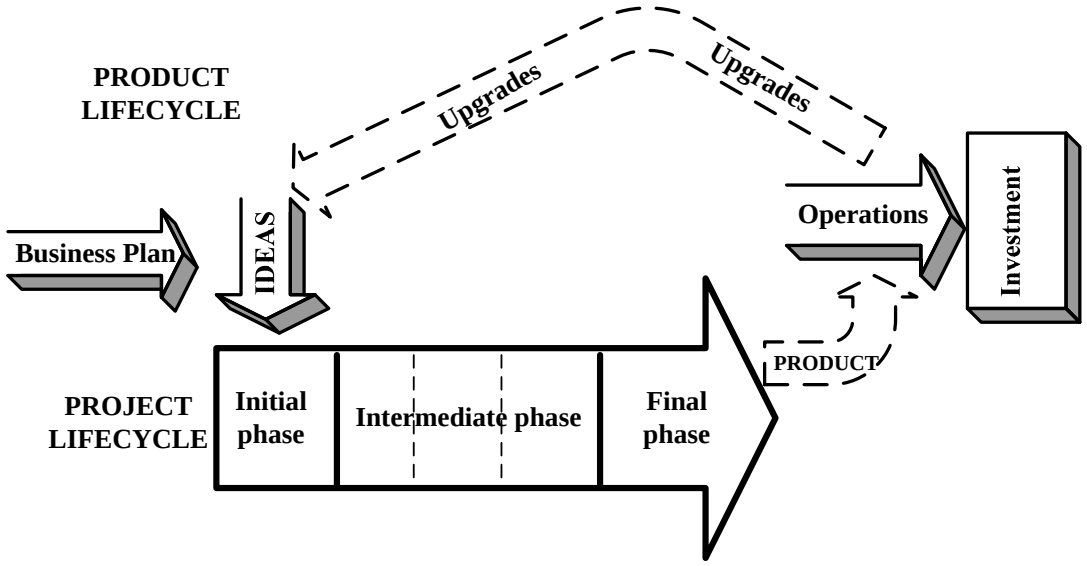

Figure 1.3

Figure 3. Relationship between the Product and Project lifecycle

1.2.3 Project Stakeholders

Project stakeholders are individuals or groups who will be impacted by, or can influence the success or failure of the project's work and its deliverables (Lynda, Stakeholder Relationship Management, 2009). Project stakeholders can be actively involved in the entire process of the project or just in one of the phases of the project lifecycle. Most common key stakeholders involved in a project can be classified as follows:

- Project Manager: the key person who is responsible for and dedicatedly managing the entire project, from the start to the end.

- Customer/Users: the most important group of people who will be using the final services or products of the project. Without this group of stakeholder, the project should not even exist.
- Performing organization: the organization whose employees are directly involved in and perform the work of the project
- Project team members: the employees who perform the work of the project
- Project management team: team members of the project who participate in the project management activities.
- Sponsors: individuals or a group who financially support the project.
- Influencers: individual or a group of people who will indirectly influence the outcome or the process of the project. Their influences can be negative or positive.

Besides these common project stakeholders, there are also other internal and external organizations and individuals such as: the owner of a company, authorities, contractors, investors and so forth. Figure 4 below will illustrate the relationship between a project and its stakeholders.

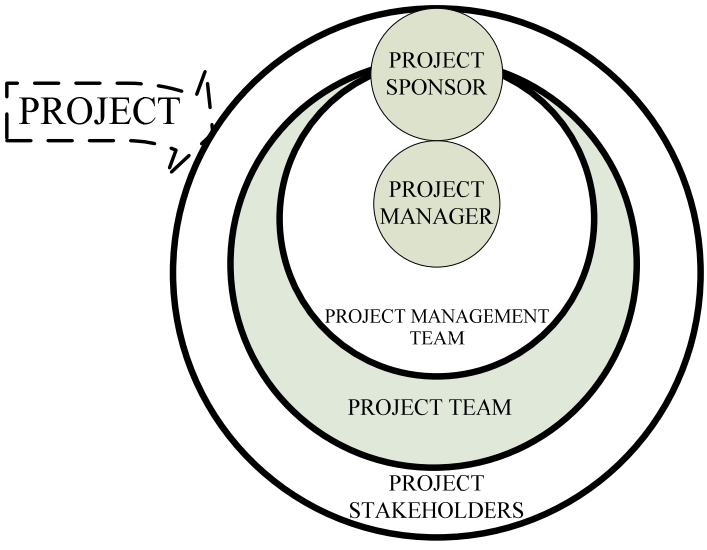

Figure 4. Relationship between the Stakeholder and the Project

1.3 Project Management

Project management involves planning, scheduling and controlling all of the project activities to achieve its objectives. In other words, project management is the application of knowledge, skills, tools and techniques to project activities to meet project requirements. Project management is accomplished through the application and integration of the project management processes of initiating, planning, executing, monitoring, controlling and closing ((Duncan 2000, 8). The tasks of managing a project are as limitless as operational practices; however, they can be summarized in these few key roles:

- Every project differentiates itself by its uniqueness and the purpose of its existence. Therefore, requirements of the project need to be identified and analyzed clearly.
- Objectives of a project need to be established and communicated to all team members. The objects should be achievable and clear, in order for each of the team members to understand and implement efficiently.
- There are three most important elements in project management: quality, scope and cost. A so-called “triple constraint” is the main factor determining the quality and success of the project. They constrain to each other because the relationship between them is mutual in a sense that if there is any change on one of them, the rest will be affected.

1.3.1 Project Management Process

1.3.1.1 Project Management Processes

In a project management process, four primary elements were defined by Dr. Walter Shewhart in the American Society for Quality press in 1999: plan, do, check, act (American Society for Quality Handbook, 2nd Edition). Even though they present themselves as discrete elements, they are performed interactively. More often, in practice, each of these project management processes overlap and they are revised constantly in every project, despite the differences in different projects. However, every project is managed and implemented variously due to the diversity of every factor which may impact on the processes and outcome of the projects. These factors can be any aspects related to the project: size, complexity level of the project; experience, professional level of project team; access to resources; project management organization structure and so forth.

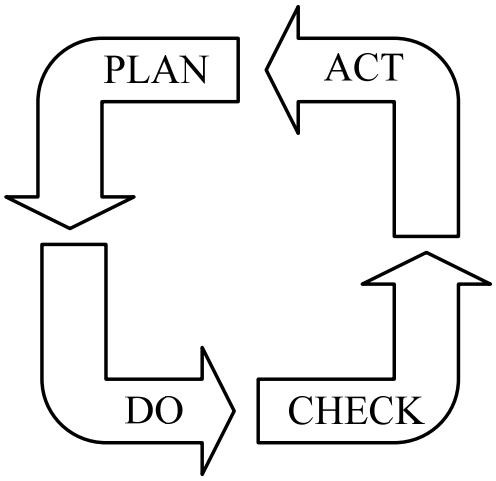

Figure 1.5

Figure 5. The Plan – Do – Act – Check cycle

1.3.1.2 Project Management Groups

The project management process groups diagram is an enhanced version of the basic project management process of Dr. Shewhart. It is slightly more complex, and applies the interrelationship among and the processes group. As we can see, it is still remained the four elements although each one of the elements is elaborated further with its function: the planning component represents the “plan” from the earlier version, executing corresponds to the “do” component, monitoring and controlling respectively represent “check” and “act”.

These two components stay on the outer cycle of the entire process, indicating their repetition works and interact with every aspect throughout the project management process. Monitoring and controlling processes are very crucial as they will be involved interactively in every other process of the group. Their functions are to provide feedback in order to implement corrective or preventive actions to bring the project into compliance with the project plan or appropriately modify the project management plan. Initiating and closing are the two of additional processes which are created according to the determination of the finite characteristic of the project.

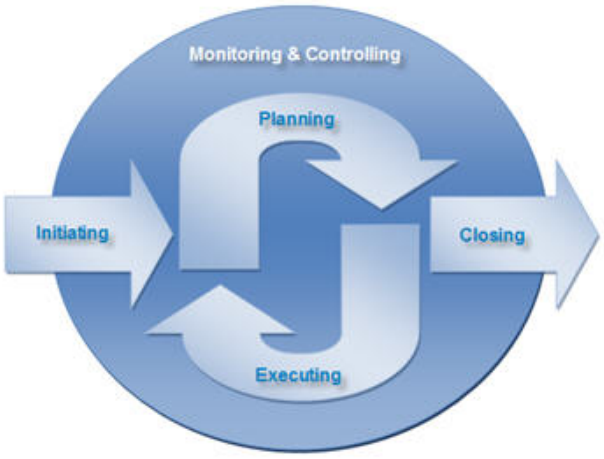

Figure 6. Project managment process groups

1.3.1.2.1 Initiating process group: defines the project and project phases.

An initiating process group is the very first step of starting a new project. It facilitates the formal authorization process to launch a project. Prior to the initiating process, documentation will take place as the research process before the project is decided to be carried out. This pre-step includes the basic description of the project scope, the deliverables, project duration, the forecast of resources for the purpose of investment analysis and so forth.

An initiating process group, which will divide the large complex project into phases, should be reviewed when every new phase starts. After being reviewed, it then is decided if the project is ready to be continued or whether it needs to be revised, delayed or stopped. This short reviewing process is repetitive during the subsequence between project phases. In order

to improve the shared ownership, satisfactory and deliverable acceptance, customers and stakeholders are most often involved during the initiating process group. Outputs of the initiating process group are project's purposes, objectives and authorization toward the start of the project or project phases.

There are two major project management processes presented in the initiating process group:

- Develop project charter: this process is mainly to document business needs and the satisfaction which the project of a new product or service may fulfill. The charter is the bridge between its proposed project and the on going operation of the organization; also, it is to authorize the work and the start of the project or project phases.

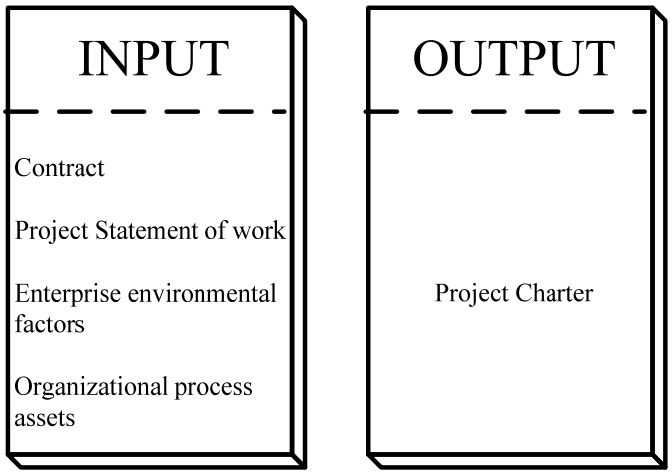

Table 1. Develop project charter

- Develop preliminary project scope statement: is the process following the developing project charter process. Develop preliminary project scope statement process addresses and documents the projects, deliverable requirements, product/service requirement, boundaries of the project, methods of acceptance and scope of control. In regard to the new project phases, this process provides the validation and refining actions to the project scope.

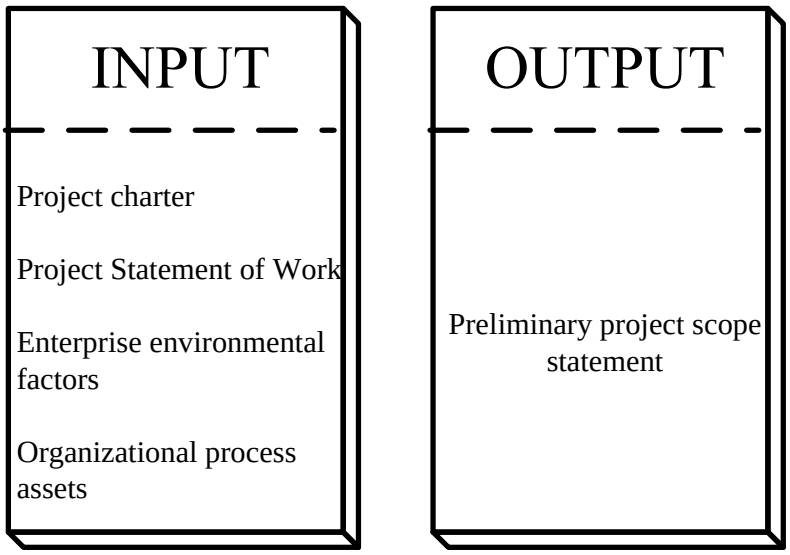

Table 1.2

Table 2. Develop preliminary project scope

1.3.1.2.2 Planning process group: defines and refines objectives for the project, determines the actions need to be taken to achieve the goals.

Planning processes develop the project management planning. This group will be focusing on identifying, defining and maturing the project scope, project cost; also it will help scheduling all activities which may occur throughout the project. As shown in Figure 1.6, planning processes are not only taken at the beginning of the project, but also are they reviewed and revised at any time of the project, due to changes that happen at any point during the project. In order to provide effective and accurate information concerning activities schedule, cost, resource availability, risks, technology and so forth, planning process should be updated about the changes and approvals on changing. The frequencies of interaction in a planning process group are various depending on the nature of the project.

According to the level of influences the stakeholders may impact on the project, they need to be informed and involved appropriately. The project team should include and encourage the appropriate stakeholders in the planning processes as their skills and knowledge may place great contributions into the project planning management.

Planning process group covers the following aspects of project management plan:

- Develop project management plan: defining, preparing, integrating and coordinating all subsidiary plans into the project management plan. Project management plan is the

primary source that provides information for other processes: executing, monitoring and controlling, closing.

- Scope planning: creating project scope management plan which will document the definition, verification, controlling the project scope.
- Scope definition: develop a detailed project scope statement for future decisions.
- Create WBS – Work Breakdown Structure: subdivides major project deliverables and project works into smaller and more manageable groups.
- Activity definition: identifies and defines the specific tasks that need to be performed to produce the product or service.
- Activity sequencing: identifies and documents all dependencies among the schedule activities.
- Activity resource estimating: estimates the types and quantities of resources required to perform schedule activities.
- Activity duration estimating: estimates the amount of time to perform individual schedule activities.
- Schedule development: analyses the load of work, time and resource to create the project schedule
- Cost estimating: develop an estimated cost of resource to complete the project activities.
- Cost budgeting: aggregates cost estimating of every individual activity to produce the cost baseline.
- Quality planning: identifies the appropriate quality standards for the project and determines the approach to fulfill them.
- Human resource planning: identifies the project roles and responsibilities, creates staffing management plan
- Communication planning: determines the information to communicate with stakeholders
- Risk management training: determines methods to approach, plan and execute project risk management
- Risk identification: determines and documents risks which might affect the project
- Qualitative risk analysis: assesses and combines the occurrence probability of risks, prioritizes them for further analysis
- Quantitative risk analysis: identifies and numerically analyzes potential effects of the risks toward project objectives.

- Risk response planning: develops options and actions to reduce threats toward project objectives.
- Plan purchases and acquisitions: determines time, options and objects which need to be purchased or acquired
- Plan contracting: documents products, services and result requirements to identify potential sellers.

1.3.1.2.3 Executing process group: is the assigning process, in which, staffs will be assigned their specific tasks to carry out the project management plan.

Executing processes executes works which are identified in the project management planning, in order to fulfill project requirements. In accordance to project management planning, this process group coordinates people and resources, integrates and executes the schedule activities. In this process, the project should identify their specific subsequence projects. Throughout the executing processes, there may occur some revises on the project management planning, due to various changes may arise such as: activities durations, resource productivity and availability, risks and so forth. Most often, project baseline is dramatically changed during this process.

Executing processes groups carry out these processes as followings:

- Direct and manage project execution: direct appropriate technology and organization to execute the works and produce outputs which are defined in project management planning. Inputs in this process are information on completion status which also will appear in the performance reporting process.
- Perform quality assurance: applies all necessary plans and systematic quality activities to ensure all the processes meet their requirements.
- Acquire project team: human resource matter need to be fulfilled to accomplish the project.
- Develop project team: improves competencies and interaction of team members to ensure the work performance
- Information distribution: assures information availabilities to stakeholders.
- Request seller responses: acquires information, proposals, bids, offers from potential sellers.

- Select sellers: reviews relevant information from sellers, selects among potentials and composes contracts.

1.3.1.2.4 Monitoring and Controlling process group: is a repetitive process, monitor every progress of the project, identify the gap between the process and the original plan, and determine corrective actions to approach the objectives.

Monitoring and controlling processes observes the project executing processes, promptly identifies problems occur during the executions, determines corrective action and controls all project management processes. These processes constantly monitor the performance of the project, identify the variances from project management planning and provide timely corrections. Also, they perform the controlling processes toward changes and problems, in order to provide necessary preventive actions. Monitoring and controlling processes are constant processes, which will help update stakeholders and team members on how well the project has been doing and what may require reviewing, revising or more attention. These processes monitor and control the entire project, interactively provide feedbacks between project phases.

Monitoring and controlling process group performs these processes as follows:

- Monitor and control project work: collects, measures and disseminates performance information of the project. The process will monitor a project's scope, schedules, cost, resource and quality. Risk is one of the most concerned throughout the process. It needs to be timely identified, measured and reported, in order for the project management team attain prompt corrective actions or revise the project management planning.
- Integrated change control: creates, manages and controls changes which should bring benefits and improvements into the project. This process is carried out repeatedly from the initiating to the closure process group.
- Scope verification: formalizes acceptances toward completed project deliverables.
- Scope control: controls changes to the project scope
- Schedule control: controls changes to project schedule.
- Cost control: influences factors that create variance and controls changes to the project budget.

- Perform quality control: monitors the specific results according to quality standard and provides actions to eliminate unsatisfactory performance.
- Manage project team: manages project team members' performance, provides feedback and resolution, coordinates changes to improve their performance.
- Performing reporting: collects and distributes project performance, progress, measurement and forecasts.
- Manage stakeholders: manages communication to satisfy requirements of stakeholders as well as to provide resolutions with them.
- Risk monitoring control: identifies new risks, monitors residual risks, implements risk control reaction plans and evaluates their effectiveness through out project lifecycle.
- Contract administration: manages contracts and relationship with buyers and sellers, reviews their performance.

1.3.1.2.5 Closing process group: finalize the output of the project, deliver the products/services to the end users and close the project.

Closing process group verifies and delivers completed product or service, terminate project or project phases. Closing process group includes the following processes:

- Closing project: finalize all activities to close the project or project phases
- Contract closure: completes and settles all contracts with suppliers, buyers

1.3.1.3 Project Interactions

Project management process groups are connected to one another through the objectives they produce. Outputs which are achieved by one process group, will become inputs for the following project management process groups. One of the typical characteristics of project management process group is that all process groups are identified as discrete work but in practice, they overlap and interact very closely to each other at all times during the project. If project is divided into phases, process groups may interact within one phase or even across phases. As described, every project is different based on its purpose, characteristics, organizations and so forth, therefore, project management process groups are operated variously depending on their attributes.

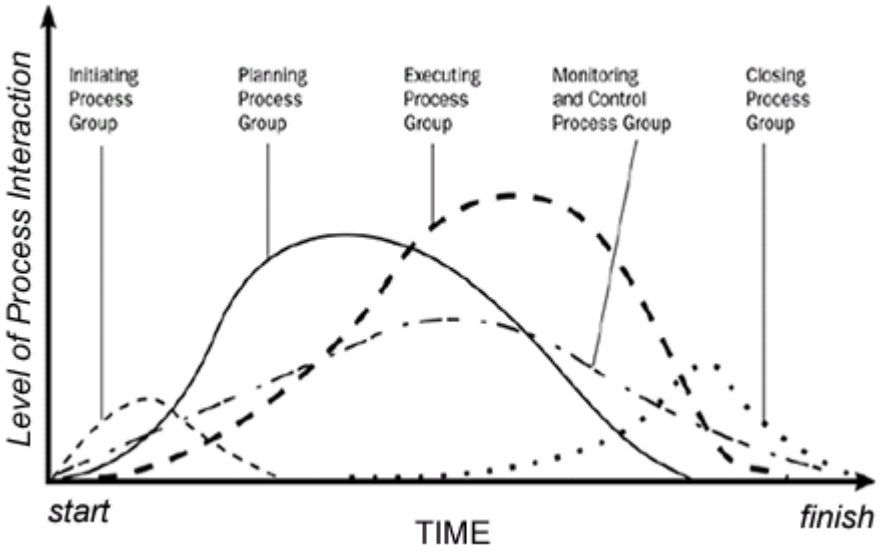

Figure 7. Process groups interact in a project

1.3.1.4 Project Management Process Mapping

Project management process mapping will demonstrate the correlation and the workforces among five project management process groups and nine project management knowledge areas.

Knowledge Area Process	Project Management Process Group				
	Initiating Process Group	**Planning Process Group**	**Executing Process Group**	**Monitoring & Controlling Process Group**	**Closing Process Group**
Project Management Integration	Develop project charter. Develop preliminary project scope statement	Develop Project Management Plan	Direct and Management Project Execution	Monitor and Control project work. Integrated change control	Close project
Project Scope Management		Scope planning. Scope definition. Create WBS		Scope verification. Scope control	
Projecy Time Managament		Activity Definition. Activity Sequencing. Activity Resource Estimating. Activity Duration Estimating. Schedule Development		Schedule Control	
Project Cost Management		Cost Estimating. Cost Budgeting		Cost Control	
Project Quality Management		Quality Planning	Perform Quality Assurance	Perform Quality Control	
Project Human Resource Management		Human Resouce Planning	Acquire Project Team. Develop Project Team	Manage Project Team	
Project Communication Management		Communications Planning	Information Distribution	Performance Reporting. Manage Stakeholders	
Project Risk Management		Risk Management Planning. Risk Identification. Qualitative Risk Analysis. Quantative Risk Analysis. Risk Response Planning		Risk Monitoring & Control	
Project Procedure Management		Plan Purchases & Acquisitions. Plan Contracting	Request Seller Responses. Select Sellers	Contract Administration	Contract Closure

Table 3. Mapping of project management processes to the project management process groups and the knowledge areas

2 PROJECT MANAGEMENT – METRO CASH & CARRY

2.1 Introduction

METRO Cash & Carry is the leader in modern trade wholesale distribution in Vietnam. In Metro Centers, there are more than 15,000 products (food and non-food) in one roof, targeted to professional customers of hotels, restaurants, traders and retailers.

METRO Cash & Carry Vietnam (MCCVN) builds a win-win relationship with its 1,000 suppliers who provide an abundant and stable source of products. The company has just completed its investment plan by setting 8 centers in major cities of Vietnam: Hanoi, Ho Chi Minh City, Can Tho, Da Nang and Hai Phong. To close this period and bring to a new level the mutual benefit relations with suppliers, MCCVN conducted the first and ever largest Supplier Conference in June 2008 *(the date is a make up date since it has been established variously each year)*. There are a lot of things that have to be put in order for a successful organizing, such as:

1. Decoration – Design and decorate the venue, communication tools of invitation, presentations, folders, brochures, gifts, etc
2. Invitation – List of guests, invitation and follow up
3. Presentations, Speeches
4. Gifts – Thanks giving gifts
5. Venue – Meeting Hall, Facilities, IT, Menu

2.2 Project Definition

This project was to organize successfully the METRO CASH & CARRY VIETNAM ‘s Supplier Conference in June 2008. This conference would gather all top managers representing for 1,000 current suppliers of the company and more than 200 invited potential suppliers nationwide in Vietnam. The Conference was conducted in one day and in the venue of luxurious 5-star Hotel Sheraton. This is the very helpful and impressive for all the attendees. Furthermore, Metro’s Board Of Manager (BOM) has an ambition to organize the largest ever conference of this kind in Vietnam, which prove the leading position of METRO CASH & CARRY VIETNAM as the biggest wholesale distributor in Vietnam.

In order to reach that goal, the logistic works are really important. All the advanced preparations had great impact on the events. That’s why METRO Cash & Carry Vietnam BOM appoint an organizing team leading the project called *“Supplier Conference 2008”*

1. **Decorations:**

- Design an appropriate logo, which can present the purpose of the Conference and be unique.
- Design all the communication tools such as folders, brochures, invitations, presentations, gifts with the integrated conference logo and company logo
- Production in time with high quality to show the professional image of company
- Decorations with the clear theme accordingly with METRO Cash & Carry operations

2. **Venue:**

- Arrange enough space as well as suitable seats for a large number of attendees
- Ensure that the event is held without any technical problems
- Show out exact hospitable and professional image of METRO Cash & Carry Vietnam

3. **Invitation:**

- To ensure the right contact of more than 1,000 invitees not to miss any invitation
- Make sure the target suppliers are invited (VIP, biggest and important suppliers, key product suppliers)
- To confirm the exact number of attendees by a follow up process

4. **Presentation and Speeches:**

- Presentations and speeches are prepared carefully to transfer the right message to suppliers – the strong, long-term and mutual benefit relations between METRO CASH & CARRY VIETNAM and suppliers
- Translation between Vietnamese and English must be done properly, make no change for format so that consistency will be maintained when English and Vietnamese screens run simultaneously.

5. Gift:

- Prepare the gifts with nice decoration and thank you letter.
- Arrange to distribute gifts well when all the guests will come out at the same time at the closing time.

To display the relative importance of each element in organizing the conference, the organizing team uses *pareto diagram* - bar chart showing major factors contributing to a result.[1] Thus, the organizing team can target these "major causes"**,** identifying the factors that have the greatest influential resources to direct the efforts.

The factors are arranged from left to right, from the highest estimated cost to the least. The *pareto* principle states that 20% of the causes lead to 80% of the problems[2].

No	Category	Cost USD ('000)	Total %	Cumulative %
1	Decorations	25	35.71%	35.71%
2	Venue	20	28.57%	64.29%
3	Gifts	12	17.14%	81.43%
4	Invitations	8	11.43%	92.86%
5	Presentation	5	7.14%	100.00%

[1] http://curiouscat.com/management/paretodiagram.cfm
[2] http://mot.vuse.vanderbilt.edu/mt322/Pareto.htm

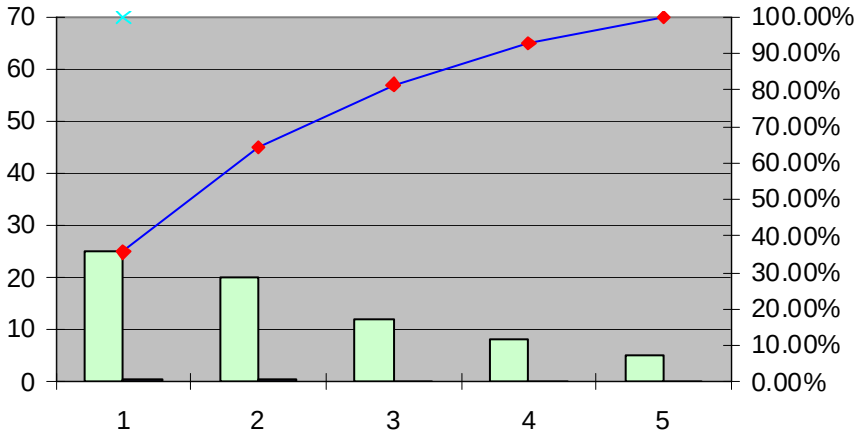

Table 4. The Pareto principle

2.3 Project Charter

This project charter is prepared to begin the preparation process for the METRO Supplier conference 2008. Mainly, the authorization was given to the Project Manager on handling of the project but the releases of financial and certain authority must obtain the approval from the General Director.

Project charter provides the *background of the project* where set out where organization team is now, where the project will be taking team to and what the benefits of the project will be. This information is to make sure there is a clear understanding of what the project is about and that all interested parties share the same aims and objectives (Projectability – [reffered 26.03.2008]). This also answers for all the questions why the project is being initiated or what the required outcome is, which is more specified in *Project Scope and Objectives*

The general objectives of the project which is to organize successfully the ever-held 1,000 participant Supplier Conference 2008 of METRO CASH & CARRY VIETNAM within the budget of 70,000 USD, while it also provides the specific reasons of organizing is the strengthen win-win relationship with suppliers and bring the relations to higher stance. In addition, the project descriptions are specified through the main works to be carried out for the invitation, decoration, estimation of the cost and the duration of the whole project and others.

However, there are factors which limit or have an impact upon the project and planning, such financial resources, time constraint, authority limit. Therefore, in the project charter, the Project Manager identifies all factors impacting on the plans and the steps that have to be taken to accommodate them.

Furthermore, in this project charter, the project manager also defines some *Criteria of Success* to show the team the journey so that the team knows when they arrive. Besides, the *Consequences Of Failure* is to focus people on what the downside may let competitor to consign METRO CASH & CARRY VIETNAM's business to second place or even worse.

2.4 Organization Chart

The key to successfully building a new project is to have clearly specified, defined and communicated responsibilities and the organizational relationships. For the organisation team, a project organization chart is a graphic display of project reporting relationships. It may be formal or informal, highly detailed or broadly framed, based on the need of the project (Duncan, 2000, 97).

"Supplier Conference 2008" is a simple five-person internal service project, so its organization chart is also clear and simple as shown in Figure 8**.**

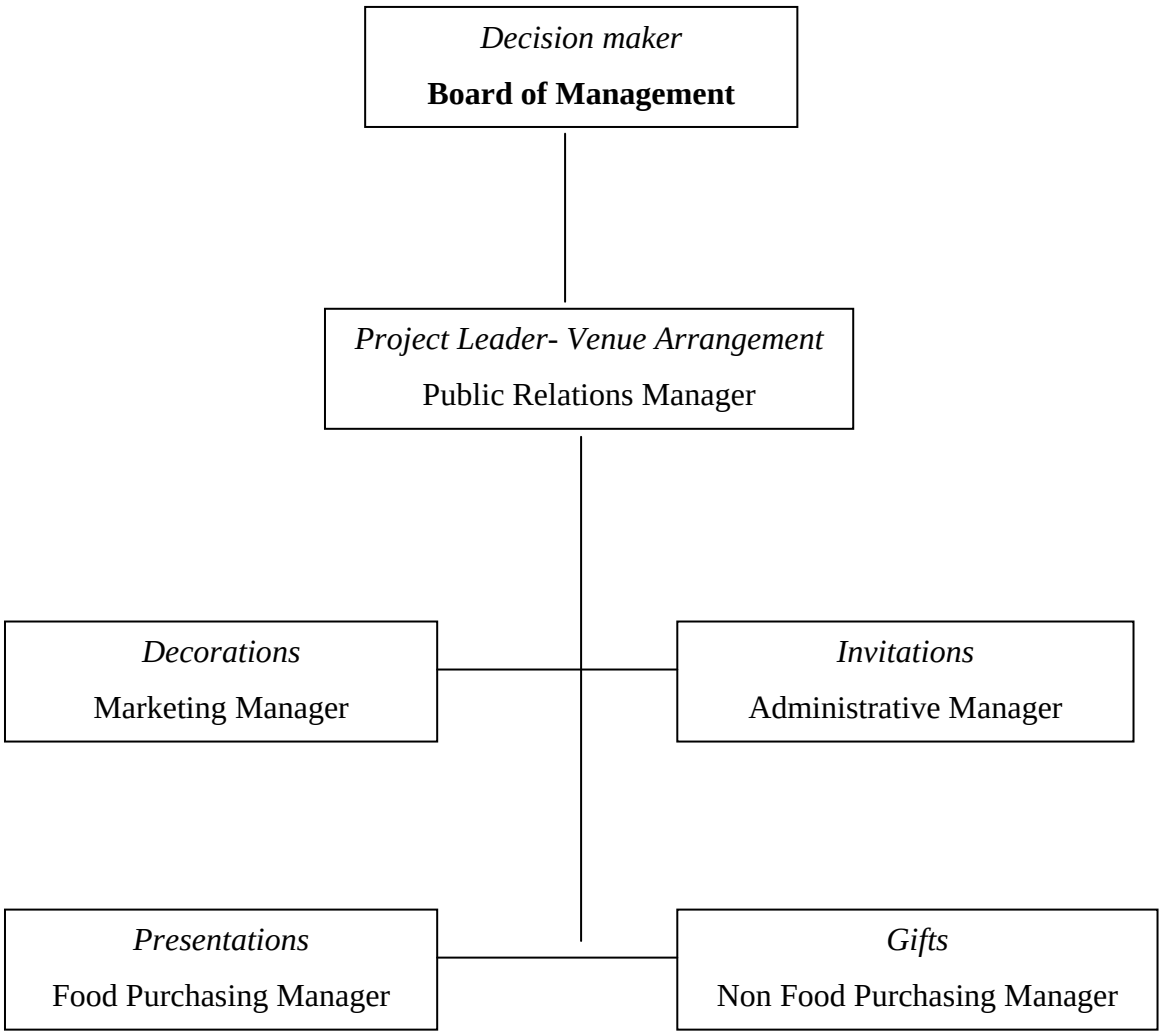

Figure 8. Organization Chart

2.5 WBS (Work Breakdown Structure)

The basic consideration in the project planning is the Work Breakdown Structure (WBS). This step is to determine what work elements, or activities, need to be performed to accomplish the project and to develop a list of all activities (Gido & Clement, 2nd Edition, 103).

As the Project Manager, I let the entire team member to brainstorm this list first, and then we discuss and finalize it to create a WBS. First of all, we identify all the major categories of work that constitute the project. In other words, every element of work required for the Conference will fit into one of these five subgroups. (level 1). Since we believe this is the case, we can proceed to the next level of detail (levels 2 and 3).

Therefore, WBS for Supplier Conference 2008 breaks the project down into items to help to ensure the completion, compatibility and continuity of all works that are required for the successful completion of the project. This WBS also indicates the individuals that are responsible for each task item.

2.6 Responsibility matrix

The responsibility matrix is a tool that identifies how project member interacts with the activities of the project. I use the most common type of interaction is responsibility for completing an activity (Heerkens, 2002, 119).

This matrix is very useful for me because it emphasizes who is responsible for which work items and show each individual's role in supporting the overall project. I use a P to designate primary responsibility and a S to indicate support responsibility for a specific task item. I find it very helpful to show only one individual as the lead, or primary, avoiding the risk that certain work may "fall through the cracks" because each person assumes that the other person is going to do it (Gido & Clements, 2nd Edition, 106).

WBS Item	Work Item	Minh	Huong	Tuan	Hoa	Long	Tam	Dang	Bill	Phong	Thu	Nguyet
	Supplier Conference	**P**	S	S	S	S						
1	**Decoration**			**P**				S				
1.1	***Designing*** (for invitation, gifts, brochures, presentation formats, venue backdrops, banners, etc)			S				**P**				
1.2	***Production*** (Invitation, gift box, brochures, venue backdrops, banners, etc)			**P**				S				
2	**Invitations and Registration**		**P**		S		S					
2.1	***Invitation***		**P**				S					
2.1.1	Check the database		**P**									
2.1.2	Print the labels						**P**					
2.2	***Registration***		S		**P**							
2.2.1	RPSP						**P**					
2.2.2	Nametags				**P**							
3	**Presentation and Speeches**					**P**				S		
3.1	***Integrate content to designed format***					**P**						S
3.2	***Translation***					S						**P**
4	**Gift and Brochures**				**P**				S			
4.1	***Assemble gift (put in designed box)***				**P**							
4.2	***Transportation to venue***								**P**			
5	**Venue**	**P**							S	S	S	
5.1	***Reservation***	S									**P**	
5.1.1	Seat in Meeting Hall	**P**										
5.1.2	Menu										**P**	
5.2	***Set up***	**P**							S	S		
5.2.1	Facilities	**P**										
5.2.2	IT									**P**		
5.2.3	Security								**P**			

KEY: P = Primary responsibility; S = Support responsibility

Table 5. Project responsible matrix

2.7 Communication paths

Communication is the process by which information is exchanged between the people responsible in the project. Communication flows more easily in small teams than in large teams. As the number of people in a project increases, however, so does the number of communication paths. It doesn't increase additively, it increases multiplicatively, in proportion to the *square* of the number of people.

As for the communication paths for this project, the project manager is the important person that holds the responsibilities. The project manager is responsible for Board of Management,

Purchasing Department, Marketing Department, to suppliers of the company and also to all that have a stake in the project's performance or outcomes.

The project manager stands in the center of the communication path to manage the project in the face of all the often-conflicting interests. Referring to the Chart below, the solid lines indicate the project manager's communication channels while the dotted lines show the communication paths for the other parties-at-interest in the project. If there is any problem occurs that may affect or mislead other parties, then it is the responsibility of the project manager to resolve or to introduce orders into the communication mess.

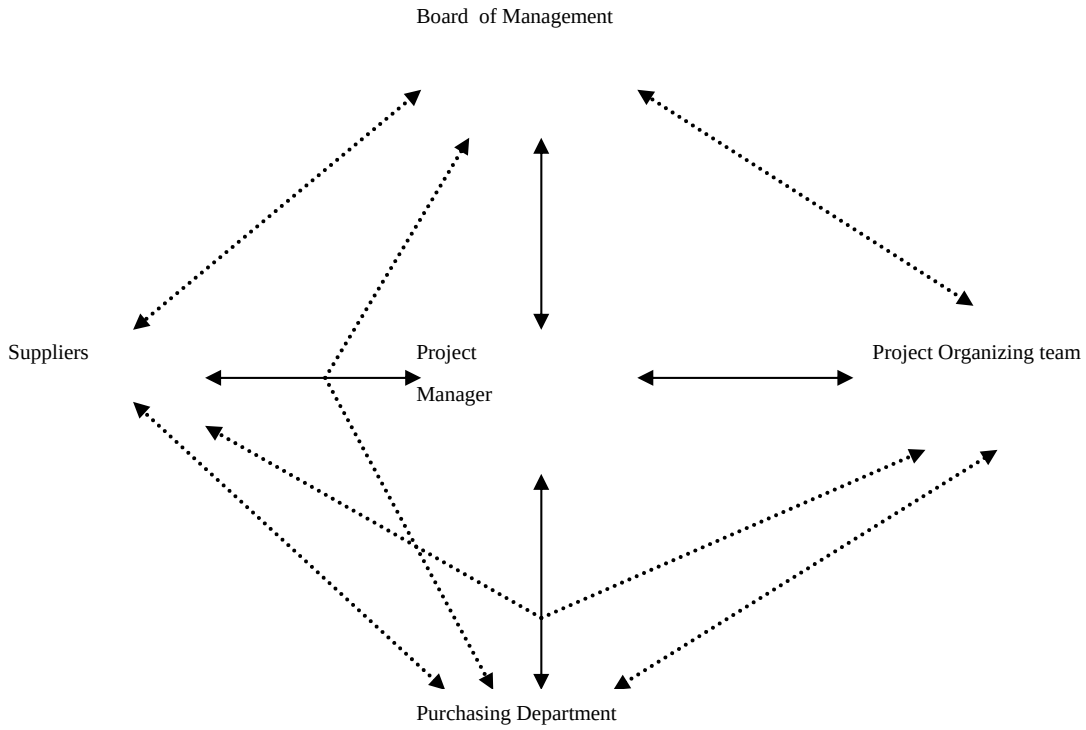

Figure 9. Project organisation communication path

2.8 Critical path method

In controlling the schedule and planning of the Project, I use a network planning technique which is known popularly Critical Path Method (Gido & Clements, 2nd Edition, 451).By finding out the earliest start and earliest finish, latest start and latest finish, I can define the Critical Path of the project – the longest (most time-consuming) path activities (Gido & Clements, 2nd Edition, 157).

ID	Activities	Responsibility	Immediate Predecessors	Duration Est.	Early		Late	
					Start	Finish	Start	Finish
1	**Designing** *(for invitation, gifts, brochures, presentation formats, venue backdrops, banners, etc)*	**Dang**	-	**15**	**0**	**15**	**0**	**15**
2	**Production Invitation**	**Tuan**	**1**	**07**	**15**	**22**	**15**	**22**
3	**Integrate content of presentation to designed format**	**Long**	**1**	**15**	**15**	**30**	**31**	**46**
4	**Gift box production**	**Tuan**	**1**	**07**	**15**	**22**	**41**	**48**
5	**Venue facility production**	**Tuan**	**1**	**12**	**15**	**27**	**38**	**53**
6	**Invitation sending**	**Huong**	**2**	**05**	**22**	**27**	**22**	**27**
7	**Translation content of presentation**	**Nguyet**	**3**	**07**	**30**	**37**	**46**	**53**
8	**Gift assemble into box**	**Hoa**	**4**	**05**	**22**	**27**	**48**	**53**
9	**Registration**	**Tam**	**6**	**15**	**27**	**42**	**27**	**42**
10	**Reservation**	**Thu**	**9**	**11**	**42**	**53**	**42**	**53**
11	**Transportation to venue**	**Bill**	**5,8,10**	**01**	**53**	**54**	**53**	**54**
12	**Venue setting**	**Minh**	**5,7,10,11**	**01**	**54**	**55**	**54**	**55**
13	**Conference**	**Minh**	**12**	**01**	**55**	**56**	**55**	**56**

Table 6. Critical path

2.9 Project cost management

To manage this project well, I pay much attention to project cost management. Firstly, I prepare a budget plan for how and when funds will be spent over the duration of the project. Once the project starts, I monitor actual costs and work performance to ensure that everything within the budgets by taking the corrective actions.

Actually, even though this is the first time such a big Supplier Conference is held by MCCVN, it has performed a lot of other events. Therefore, I have records of the actual costs for various items and use these historical data as guides in estimating costs. Then, I can set up Total Budgeted Cost (TBC) (Gido & Clements, 2nd Edition, 256) for each work package and budget allocation for each activity over the duration of the work package (here I allocate the budget by weekly). This is the base to help me to refer the actual cost and draw to chart of cumulative budgeted cost (CBC) and cumulative actual costs (CAC) to have visual and strict control for each week and each process.

The budgeting structure of this project can be presented as below:

Items	**Weekly Budgeted Cost ('000 USD)**		**Weekly Actual Expense ('000 USD)**

	TBC	1	2	3	4	5	6	7	8		1	2	3	4	5	6	7	8	Actual
Decorations	25		5		20						5			5	25				35
Venue	20								20									20	20
Gifts	12			2		10										10			10
Invitation	8			3	5									5					5
Presentation	5		5															4	4
Total	70	0	10	5	25	10	0	0	20		5	0	0	10	25	10	0	24	74
Cumulative		**0**	**10**	**15**	**40**	**50**	**50**	**50**	**70**		**5**	**5**	**5**	**15**	**40**	**50**	**50**	**74**	

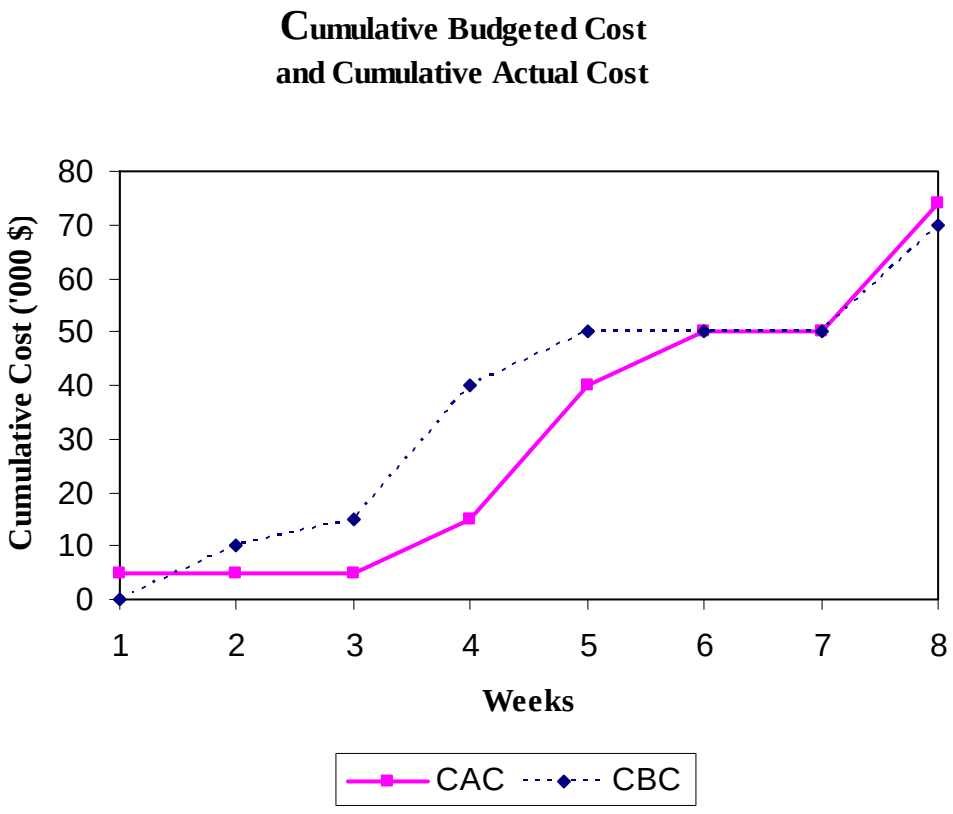

Figure 10. Cost Management

2.10 Risk management

Project risk management includes the process concerned with identifying, analyzing and responding to project risks. It includes maximizing the results of positive events and minimizing the consequences of the adverse events.

Studying risks for this Project, I follow four major steps of the process (Duncan, 2000, 111). Firstly, the *risk identification* determines which risks are likely to affect the project and documents the characteristics of each. For example, in this project, the major risk is the absence of the suppliers. Secondly, *risk qualification* evaluates risks and risk interaction to assess the range of possible project outcomes. It is obvious that when not enough suppliers turn in, the reserved venue will be affected a lot, from seat arrangements to buffet sets as well as the prime purpose of the conference cannot be fulfilled. Then, *risk response development* defines enhancement steps for opportunities and responses to threats. This process decides which risks should be prepared for and which ignored or simply accepted as potential threats. The main preparation for a risk is the development of **a risk management plan**. It provides an indicator on the priority of the risks that have to be solved first. In this project, I propose the strategy to prevent will be close and two-way communications follow up of attendance confirmation. A hot line will be set up with one lady to receive confirmation calls and the normal line will help her to chase to each invited supplier and ask for their confirmation. Finally, *risk response control* responds to changes in risk over the course of the project.

Besides, I also use PERT calculations to determine the schedule durations. This approach recognizes the variability inherent in each activity and applies rudimentary statistics in a was that accommodates the variability (Heerkens, 2002, 152). The risk-adjusted durations of each activity will be equal with the result of (O+4E+P)/6 in which O stands for Optimistic duration if things go very smoothly, E is our Expected duration and P stands for Pessimistic duration if things go poorly.

Risk Log					
Risk ID	Risk Identification	PIC	Priority	Risk Response	Remark
1	Suppliers Absence	Administrative Manager	1	Follow up closely, call for chasing up and incoming call receipt.	
2	Limitation of decoration in venue	Marketing Manager	3	Plan a detail decoration marquette and communicate clearly with PIC in Hotel	
3	Overload suppliers attendance	Project Manager	5	Close following up process and reserve seats 15% more than the confirmed figures	
4	Technical issues of facilities during the Conference	Technical Manager	2	Rehearsal one day before conference and prepare back up facilities	
5	Large portion of suppliers will leave after lunch	Project Manager	4	Set a clear MC script and compose with more interesting agenda in the afternoon	

Table 7. Risk Management

2.11 Project communication management

To manage successfully this project, I also spend partly my effort on communication management. This includes the processes required to ensure timely and appropriate generation, collection, dissemination, etc of the project information (Duncan, 2000, 103). Communication takes place among project members, between the project team with upper management and with outside suppliers.

All the common methods of communication are utilized. For us, effective and frequent personal communications is crucial to keep the project moving. The senior buyers contact with Marketing Manager, Administrative Manager and Public Relations Manager orally via telephone or face to face and in written form of e-mails. They identify potential problems and solicit suggestions for improving project performance (Gido & Clements, 2nd Edition, 356).

Notably, we conduct weekly meetings to foster team building, and to reinforce team member's expectations, roles and commitment to the project objectives. Most of them are status review meetings while only one or two time problem-solving meetings are held to identify and resolve the problems

2.12 Rehearsal

On the day of setting up, the rehearsal activities are carried out. This helps to check one more time the whole process as well as to correct mistakes. More effort is paid to the technical

equipments and systems, for example the LC, slide show, laptops, micro, etc are checked carefully with ready back up solutions. Other activities of speeches and presentations are also rehearsed carefully.

2.13 Issues and problems

However, there are still some issues and problems that we can withdraw experience for the next event.

Firstly, the supplier's reception. A large number of suppliers (more than 1,000) turn in within only 30 minutes before opening. This cause difficulties for receptionists to find out the right printed nametags for suppliers. The long time of reception causes a traffic jam at the reception area. At that time, to solve the problem, blank nametags are distributed for suppliers to write their names themselves.

Secondly, the prolonged presentation time. Suppliers pay much attention to the subject of MCCVN's presentations so they raise a lot of questions. The Question and Answer session is longer than planned causing the delay in the next sessions. However, on the other hand, this issue means that the Conference is really a success which attracts a lot of attention from suppliers.

2.14 Evaluation

Although there is still some issue, in general, the Supplier Conference is a great success. It has met the objectives set by the MCCVN's Board of Management: it is held one time (3 June) and is the ever largest Supplier Conference in Vietnam with the attendance of 1,050 suppliers of MCCVN. Besides, the professional image of MCCVN is highlighted with the high quality organization, wide and positive feedback from media and most importantly, the suppliers understand the message of the Conference about their long-term win-win relations with MCCVN.

The budget of Conference is also followed strictly. With the tight budget, the internal strength is highly mobilized. Therefore, the budget for presentations is reduced and reallocated to decorations – the item we have to use outside service. Furthermore, the 4,000 overrun compared to the total budgeted cost is from the new risen item. After finishing the

Conference, BOM decides to send a CD containing the content of the Conference to the attendees as a souvenir and this cost was not counted in the budget.

In sum, the project is considered a success as it meets four constraining factors of scope, cost, schedule and customer satisfaction (Gido & Clements, 2nd Edition, 7).

2.15 Conclusion

The most important factor help the Supplier Conference be a success is the Project Management. Thanks to a well-thought-out plan with detail of WBS, Responsibility Matrix, Project Charter, Communication Paths, …. and good monitoring process of Cost Management, Risk Management, Project Monitoring, Rehearsal, the implementation of the Project is done well.

Together, all of the efforts result in accomplishment of the Project objective, leaving the management satisfied that full scope of work is completed in a quality manner, within budget and on time.

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