CASE STUDY 10.1

Project Scheduling at Blanque Cheque Construction (A)

Joe has worked for Blanque Cheque Construction (BCC) for five years, mainly in administrative positions. Three months ago, he was informed that he was being transferred to the firm's project management group. Joe was excited because he realized that project management was typically the career path to the top in BCC, and everyone had to demonstrate the ability to "get their feet wet" by successfully running projects.

Joe has just left a meeting with his superior, Jill, who has assigned him project management responsibilities for a new construction project the company has successfully bid. The project consists of developing a small commercial property that the owners hope to turn into a strip mall, directly across the street from a suburban college campus. The size of the property and building costs make it prudent to develop the property for four stores of roughly equal size. Beyond that desire, the owners have made it clear to BCC that all project management associated with developing the site is BCC's responsibility.

Joe is sitting in his office at BCC trying to develop a reasonable project plan, including laying out some of the important project activities. At this point, he is content to stick with general levels of activities; that is, he does not want to get too specific yet regarding the various construction steps for developing the site.

Questions

1. Develop a project network consisting of at least 20 steps that should be done to complete the project. As the case suggests, keep the level of detail for these activities general, rather than specific. Be sure to indicate some degree of precedence relationship among the activities.
2. Suppose you now wanted to calculate duration estimates for these activities. How would you make use of the following approaches? Are some more useful than others?
   a. Expert opinion
   b. Past history
   c. Mathematical derivation
3. Joe is trying to decide which scheduling format to employ for his planning: AON or AOA. What are some of the issues that Joe should first consider prior to choosing between these methods?

CASE STUDY 10.2

Project Scheduling at Blanque Cheque Construction (B)

Joe has been managing his project now for more than 12 months and is becoming concerned with how far behind the schedule it is slipping. Through a series of mishaps, late supplier deliveries, bad weather, and other unforeseen circumstances, the project has experienced one delay after another. Although the original plan called for the project to be completed within the next four months, Joe's site supervisor is confident that BCC cannot possibly make that completion date. Late completion of the project has some severe consequences, both for BCC and for Joe. For the company, a series of penalty clauses kicks in for every week the project is late past the contracted completion date. For Joe personally, a late completion to his first project assignment can be very damaging to his career.

Joe has just finished a meeting with his direct supervisor to determine what options he has at this point. The good news is that the BCC bid for the construction project came with some additional profit margin above what is common in the industry, so Joe's boss has given him some "wiggle room" in the form of $30,000 in discretionary budget money if needed. The bad news is that the delivery date for the project is fixed and cannot be altered without incurring substantial penalties, something BCC is not prepared to accept. The message to Joe is clear: You can spend some additional money but you cannot have any extra time.

Joe has just called a meeting with the site supervisor and other key project team members to discuss the possibility of crashing the remaining project activities. He calculates that crashing most of the final activities will bring them in close to the original contracted completion date but at a substantial cost. He needs to weigh these options carefully with his team members to determine if crashing makes sense.

Questions

1. What are some of the issues that weigh in favor of and against crashing the project?
2. Suppose you were the site supervisor for the project. How would you advise Joe to proceed? Before deciding whether or not to crash the project, what questions should you consider and how should you evaluate your options?