

Project Charter

Market extension for New Plant Construction in ACT, Australia

Project Name

Queensland Food Corp's yogurt and ice-cream – ACT Branch

Project Purpose

The purpose of this project is to develop a new yogurt and ice-cream plant at the ACT, Australia Branch. As per the data provided, the southeastern region of the company has a market that has surpassed the requirements and they at present cannot be met by their newest facility in Darwin, Australia due to high shipping charges. Also, the older facility in Sydney does not offer enough capacity for the new requirements for the southeastern region. Due to growing market and increasing costs at other locations, it seems to be a great opportunity to expand the base business wise and also meet customer needs at a shipping fee to improve customer relations.

Measurable Project Objectives and related success criteria:

Category*	Objective	Related Success Criteria
Schedule	Select on a location and start the process to purchase a new plant and setup the new plant by allocating resources by 1, Nov 2004. Begin the operational process fully functional by 1, Feb 2004. Lastly, start selling the yogurts and ice-cream through this facility by 1, May 2005	The plant success depends on: The FDA standards regulations being met. The plant being purchased and Becoming fully operational and match the quality and taste provided at the Sydney plant location. Also, the location to set the plant where the marketing team is able to find maximum revenue.
Budget	Set a total budget of \$3 million at the maximum	Receive the approval from the project sponsor and keep track each \$ amount allocation and monitor the cost put against the milestones.
Performance - Quality	Ensure that the same quality of yogurt and ice-cream are produced and packaged as the Sydney plant. Ensure that the Australian equivalent of US FDA approves the facility.	Follow the same policies that employees in Sydney use. Also, document the procedure to copy the same at all times
Performance - Scope	Find the best area in ACT, Australia where there is a lot of demand for yogurts and ice-creams.	Find the market area with the help of marketing where there is highest probability of gaining the maximum profitability.

Overall Project Risk

Category	No Tolerance	Some Tolerance	High Tolerance
Schedule		x	
Budget			x
Performance - Scope	x		

Performance - Quality	x		
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When looking at high level risks, it is important to note that the 'New Plant Construction' is dependent on multiple variables. The total cost of the plant is estimated to be \$3 million (\$2.5 million cost of plant + \$500,000 working capital) and the project completion is scheduled for 12 months after the start of the project (check the rest of paper). Plant efficiency is top priority, in order to improve overall operations and increase sales, which is why there is no tolerance/flexibility regarding performance scope or quality. Given that the construction of the new plant is highly dependent on external factors (e.g. weather can have impact on construction progress) and involves multiple stakeholders (e.g. material shipping delays), there is some tolerance in schedule. Construction delays and changes in schedule can, and most likely will, result in budgetary changes. The sponsor is flexible and will keep in mind that the project could exceed the estimated project costs of \$ 3 million.

Summary Milestone Schedule

PROJECT MILESTONE	COMPLETION DATE
Project Start	11/1/2004
Project Plan Approved	12/1/2004
Business Name and Company Registration	1/1/2005
Business Permits and Application	2/1/2005
Yogurt/Ice Cream Plant Building	3/1/2005
Employee Training and Marketing	3/1/2005
Inspection and Test Run	4/1/2005
Plant Running and Project Complete	5/1/2005

Pre Approved Financial Resources

The following is the cost estimate for this project: The total estimate to complete this project is \$3,000,000

Cost Category	Estimate Cost
Licenses	\$100,000
Equipment	\$700,000
Material	\$200,000
Marketing	\$35,000
Labor	\$500,000
Yogurt/Ice Cream plant building construction	\$400,000

Installation	\$450,000
Developers	\$100,000
Professional Service	\$10,000
Total Estimate Cost	\$2,495,000

Key Stakeholder List

Key Stakeholder List	
Stakeholder	Impact on the project success
Board of directors	Overview the progress of the project
Food and Drug Administration	Important for completing federal required regulations
The chief executive officer (CEO)	Assists the project team in the business procedure and plans of the project
The chief finance officer (CFO)	Provide and executive financial aspect of the project
Project Sponsor	Responsible for overlooking the project is functional
Project Manager	Executives day to day project activities

Project Approval Requirements

Scope : The demand for yogurt & ice-cream products has been rising, commensurate with increase in the purchasing power of people, increasing urbanization, changing food habits & life-styles and demographic growth. With these increasing demand drivers, the plant targets to cover about 60% of the market demand by 2005-2006 in the region saving majority of shipping costs.

Finance :The project components are to be financed under the Government scheme of improving the commercial value of the dairy products with 80% as loan and 20% beared by the plant's founder.

Security :The state government will provide the guarantee for the proposed loan and only Queensland Food corp company would be responsible for any defaults.

Marketing Strategy: In addition to the existing marketing and sales promotion activities, following Strategies for increasing the sales of the adopted.

- The company is planning to increase its presence in 150 more retail outlets and tie-up with 100 restaurants nearby.
- The company plans to encourage people purchase the products via mobile apps with 10% discount on their next purchase.

- Arranging programmes for housewives, school & college students' visits to yogurt and ice-cream plant to be viewed as an ultimate experience and slowly add merchandises to create brand awareness.

Site development: The location has been fenced with barbed wire with a gate opening towards the road. The land has to be levelled before establishment of plant and internal road and drainage facilities have to be constructed under the project. It should also have a front end area where customers can see the entire yogurt and ice-cream making process and buy the products and buy all the merchandises that company has to provide.

Expected Outcome:

The plant will be completely set-up by March 2005 and project starts producing by May 2005.

Project Exit Criteria

Criteria	Yes	No	May be
Quarterly plant Inspection			
FDA approval			
20% growth in sales in year 1 and 30% beyond year 1			
Environmental and safety board approval			
License renewal			
Positive feedback from customers.			

Venkata Mamidi Rama

(Assigned Project Manager)

Reference:

Project Management Institute. (2004). A guide to the project management body of knowledge (PMBOK guide). Newtown Square, Pa: Project Management Institute.