

CASE STUDY: FINANCIAL SERVICES

Syndicated Community Bank: Core Banking Systems Replacement Project

"Conversion of a bank system is like going to a dentist; you really don't want to go there unless you are in unbearable pain."

—CTO, SCB

Project scheduling for a complex project such as the CBS project of SCB is always. The CIO and the CTO knew that well and had put together a team to bring the scheduling together. The bank and vendor had to integrate their roles, responsibilities, and jobs to

bring this project to fruition. The executive team was convinced that detailed, in-depth planning, utilizing as many experts as possible from within SCB and VendorB, will ensure the success of the core conversion. SCB completed the schedule (which shows the overall project plan) that is illustrated below with the help of VendorB. The complex project schedule shown in the figure has more than 830 activities. A detailed view of one of the Level 3 activities, Desktop Sales, Teller and Contact Management, is shown below.

(continued)

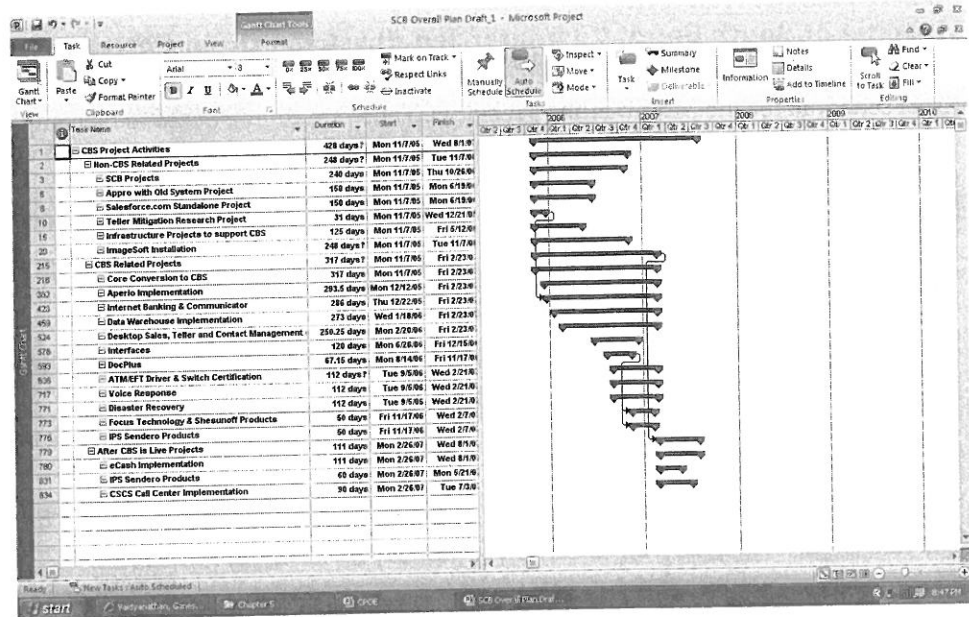


TABLE 8-6 Project Schedule

Description	Duration (Days)	Start	Finish	Predecessor	Resources
Kickoff Preparations	10	Mon 11/7/05	Fri 11/18/05		
Create and Send Draft Project Plan	3	Mon 11/7/05	Wed 11/9/05		VendorB
Create and Send Desktop Charter	3	Thu 11/10/05	Mon 11/14/05	2	VendorB
Send Pre-Install Workbooks	1	Tue 11/15/05	Tue 11/15/05	3	VendorB
Send Communicator Pre-Installation Overview	1	Wed 11/16/05	Wed 11/16/05	4	VendorB
Send VPN Access Questionnaire	1	Thu 11/17/05	Thu 11/17/05	5	VendorB
Send Desktop Configuration Diagrams	1	Fri 11/18/05	Fri 11/18/05	6	VendorB
Desktop Kickoff	1	Mon 11/21/05	Mon 11/21/05	1	
Project Meeting	0.5	Mon 11/21/05	Mon 11/21/05		Bank, VendorB
Infrastructure Meeting (Hardware, Network, Firewall & VPN)	0.5	Mon 11/21/05	Mon 11/21/05	9	Bank, VendorB
Pre-Installation	44	Tue 11/22/05	Fri 1/20/06	8	

TABLE 8-6 continued

Description	Duration (Days)	Start	Finish	Predecessor	Resources
Send Desktop Documentation	1	Tue 11/22/05	Tue 11/22/05		VendorB
Order/Receive Servers	15	Wed 11/23/05	Tue 12/13/05	12	Bank
Send Final Teller Check Design to Fiserv (Teller)	1	Wed 12/14/05	Wed 12/14/05	13	Bank
Code Teller Checks (Teller)	5	Mon 12/26/05	Fri 12/30/05	14	VendorB
Complete Pre-Install Workbooks	1	Mon 1/2/06	Fri 1/20/06	15	Bank
Custom Document Tasks	23	Mon 1/23/06	Wed 2/22/06	11	
Convert Word documents to .pdf	2	Mon 1/23/06	Tue 1/24/06		Bank
Add Fields to Documents	3	Wed 1/25/06	Fri 1/27/06	18	Bank
Create .pdf Files	5	Mon 1/30/06	Fri 2/3/06	19	Bank, VendorB
Test and Edit as Needed	13	Mon 2/6/06	Wed 2/22/06	20	Bank, VendorB
AS/400 Host Installation	6	Thu 2/23/06	Thu 3/2/06	17	
Apply All CBS Alerts Including HSP Alerts	1	Thu 2/23/06	Thu 2/23/06		Bank
Create A and B Profiles for Host Service Provider	1	Fri 2/24/06	Fri 2/24/06	23	Bank
Setup Host Teller	1	Mon 2/27/06	Mon 2/27/06	24	VendorB
Setup Host Service Provider	1	Tue 2/28/06	Tue 2/28/06	25	VendorB
Create User Profiles for Training and Enroll Users	1	Thu 3/2/06	Thu 3/2/06	26	Bank
Front-End Remote Installation	7	Fri 3/3/06	Mon 3/13/06	22	
Install Hardware/OS	1	Fri 3/3/06	Fri 3/3/06		Bank
Configure Domain	1	Mon 3/6/06	Mon 3/6/06	29	Bank
Install CBS Desktop Application on Production Servers	2	Tue 3/7/06	Wed 3/8/06	30	VendorB
Install CBS Plus Application	1	Thu 3/9/06	Thu 3/9/06	31	VendorB
Test Connectivity	1	Fri 3/10/06	Fri 3/10/06	32	VendorB
Load Teller Check Programs (Teller)	1	Mon 3/13/06	Mon 3/13/06	33	VendorB
On-Site Training—Train-the-Trainer	5	Tue 3/14/06	Mon 3/20/06	28	

(continued)

TABLE 8-6 continued

Description	Duration (Days)	Start	Finish	Predecessor	Resources
Host Service Provider	0.5	Tue 3/14/06	Tue 3/14/06		VendorB
Host Teller	0.5	Tue 3/14/06	Tue 3/14/06	36	VendorB
Desktop Administration	2	Wed 3/15/06	Thu 3/16/06	37	VendorB
Desktop Sales	1	Fri 3/17/06	Fri 3/17/06	38	VendorB
Desktop Teller	1	Mon 3/20/06	Mon 3/20/06	39	VendorB
User Acceptance Testing	75	Tue 3/21/06	Mon 7/3/06	35	
Meeting to Discuss UAT	1	Tue 3/21/06	Tue 3/21/06		
Server/Network Acceptance	5	Tue 3/21/06	Mon 3/27/06	40	Bank
Test Admin, Sales and Teller	35	Tue 3/28/06	Mon 5/15/06	40, 43	Bank
Test and Analyze Sales Documents	35	Tue 5/16/06	Mon 7/3/06	40, 44	Bank
User Training	66	Tue 7/4/06	Tue 10/3/06	41	
Populate Training Servers	1	Tue 7/4/06	Tue 7/4/06		VendorB
Prepare Training Materials	5	Wed 7/5/06	Tue 7/11/06	47	Bank
Roll-out Training to Users (Based on Number of Users)	60	Wed 7/12/06	Tue 10/3/06	48	Bank
Live	4	Wed 10/4/06	Mon 10/9/06		
Live Support of CBS Desktop (On-site)	4	Wed 10/4/06	Mon 10/9/06	49	VendorB
Turnover to Customer Support	0.25	Tue 10/10/06	Tue 10/10/06		
Review and Turnover Meeting	0.25	Tue 10/10/06	Tue 10/10/06	51	Bank

Case Questions

1. Input the above table for the Level 3 activity, Desktop Sales, Teller and Contact Management, into MS Project.
2. What is the critical path of this subproject?
3. What are the criteria and drivers to ensure project completion for this Level 3 activity?
4. VendorB charges \$3,200 per hour with eight people working full time and the bank's cost is about \$120 per hour per person with about 12 people working

full time. If SCB wants to involve 10 more people at the same rate as others in the bank and push the project back by a week, what is the crash cost?

5. How can you fast track this project? How many days can you save by fast tracking?

CASE STUDY: CONSTRUCTION**Craig Construction: Home Improvement Project**

Having completed the quality planning of the project, Nash wanted to set the expectations of schedule performance with Craig. He asked Craig, "What is the order in which you are planning to do the job?"

Craig answered, "Let's see... I will write down the activities for you."

Nash asked Craig to let him know the order in which the activities had to be completed. Craig took out paper and started writing down the activities with their durations. He wrote which of the activities would take precedence over the others.

Nash looked at the list and asked Craig, "So the only activities that can be done at the same time are the window installation and the roof and skylight installation?"

Craig replied, "Yes."

Nash entered all this information into Microsoft Project.

Case Questions

1. Input all the information provided by Craig into Microsoft Project.
2. Do a network diagram and a PDM for this project.
3. Do a scenario analysis for the installation of windows lasting four days.
4. If Craig hires one more person for \$80 a day and tries to bring back the installation to three days, what is the crash cost?
5. How can you fast-track this project? How many days can you save by fast tracking?

TABLE 8-7 Project Schedule

Activity	Description	Duration (Days)	Event Predecessor
A	Site preparation	2	
B	Install posts	2	A
C	Build base and frame	4	B
D	Install roof and skylights	3	C
E	Install windows	3	C
F	Install siding	2	D
G	Interior wood work	3	E, F
H	Lighting and HVAC	3	G
I	Interior dry wall	3	H
J	Painting	1.5	I
K	Flooring	1.5	J
L	Cleanup	1	K