Project Super Juice
Part 4

Team 1 (Fantastic Four)
Bobryk-Ozaki, Cross, Gregory, Kong

Management Memorandum

DATE: March 31st, 2012

TO: John Berry, CEO, Big Kola Company

FROM: Special Task Force - Fantastic 4: Super Juice

SUBJECT: Super Juice Project Status Update

Dear John,

This memo concerns progress on the Super Juice project, where we are working to produce a new pomegranate drink. This document outlines the project's current status as of March 31st, 2012, including schedule, cost, and activity updates.

How is the project progressing in terms of cost and schedule?
The overall end date has slipped 1 week from 7/19/12 to 7/26/12.

What activities have gone well?
1.1.3 Shelf Life Report finished on time in 10 days.
1.1.4 Nutrition Report finished 1 day early, from 5 to 4 days.

What activities have not gone well?
1.1.1 Needs Survey took 2 days longer - from 20 to 22 days.
1.1.2 Establish Product Specs took 3 days longer - duration from 15-18 days.
1.3.1 Equipment Rehab is ongoing and is expected to be completed in 35 days rather than 30.

What does the PCIB (Percent Complete Index Budget) and PCIC (Percent Complete Index Actual Costs) indicate in terms of how much the project has been accomplished to date?
PCIB: $497,368 / $1,728,000 = 28.78%
PCIC: $571,200 / $1,984,508 = 28.78%

Since PCIB = PCIC, the rate we are completing work matches the rate we are spending money relative to the total budget and total expected cost. In other words, we are on track, but only if the EAC projection remains accurate. However, since EAC > BAC, the project is still projected to finish over budget.

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What is the estimated cost at completion (EAC)? What is the predicted VAC (cost variance at completion)
EAC: $1,984,508.36
VAC: - $256,508.36

The EAC is $1,984,508.36, which shows that the project is expected to cost more than originally planned. The predicted VAC is - $256,508.36, indicating that the project is projected to finish over budget by $256,508.36. The negative VAC confirms that, based on current trends, we will not meet the original budget.

Report and interpret the TCPI (To Complete Performance Index)
TCPI = ($1,728,000 - $497,368.33) / ($1,728,000 - $571,200) = 1.06
Each remaining dollar in the budget must earn $1.06 in value for the project to stay within budget. → There is more work to be done than there is budget.

The TCPI is 1.06. This means that to complete the project within the original budget of $1,728,000, we must now work at 106% efficiency for the remainder of the project to stay on budget. A TCPI greater than 1.0 signals that improved performance is necessary to meet the budget target.

What is the estimated date of completion?
The estimated date of completion is July 26, 2012, with the project now expected to take 145 total working days. This represents a delay of 10 working days compared to the original plan, which had a completion date of July 12, 2012 and a duration of 135 working days.

How well is the project doing in terms of its priorities?
Cost: We are currently over budget, which is a major risk.
Scope: All deliverables are being met, with some exceeded early.
Time: Minor delay of one week is acceptable.