**Project Midpoint**

**Sample Only**

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 **Status Report**

**Revision 4**

**Dynamo**

1. **Problem Definition:**

The objective of the Dynamo team is to develop a business model that will help the company’s senior leadership and financial managers determine which strategy will maximize profits for the magazine company. In order to accomplish this, the team will model the following two scenarios which were described in the project proposal: Scenario 1 - The company pursues a 70% retail operation, and a 30% Distribution operation. A retail operation provides a 10% profit margin on inventory, but overhead costs are higher. Scenario 2 - The company pursues a 30% retail operation and a 70% distribution operation. A distribution operation provides a 5% profit margin on inventory, and overhead costs are lower than running a retail operation.

In the initial proposal, we listed very broad definitions of the type of inputs, parameters and outputs the team would develop to determine the company’s net profits. Since then the team has worked to better define the specific inputs streams, parameters and parameter blocks as well as the outputs that will be used to develop the model. This has enabled us to get a better sense of the structure for the model and identify specific components that will be assigned to team members. The specific inputs, parameters and parameter blocks, outputs as well as team member assignments are listed below in section 2 (who does what).

Due to the revisions that were required for the proposal, we’ve also had to refine our budget and timeline for the project. The revised schedule and budget are listed in section 3 below. These revisions have given us a better sense of components we need to focus on. This ensures that we are meeting our stated objective of developing a business model that helps the magazine company’s leaders make informed strategic decisions regarding profitability.

1. **Who Does What:**

**Develop the 3 input Streams** – Team Member

Number of Store opened per quarter

Number of Warehouses opened per quarter

Number of customers per store over twelve quarters

**Create Parameters and Parameter Blocks**

Average Cost of goods sold – Team Member

Labor Cost for employees – Team Member

Cost of running a retail facility, in dollars – Team Member

Cost of running a distribution operation, in dollars – Team Member

Profit Margin on the cost of goods sold expressed as a percentage – Team Member

**Project Model**

Dynamo-Scenario1 – Team Member – Develop model for scenario one where the company pursues a 70% retail operation, and a 30% Distribution operation. The retail operation provides a 10% profit margin on inventory, but overhead costs are higher.

Dynamo-Scenario2 – Team Member – Develop model for scenario two where the company pursues a 30% retail operation and a 70% distribute on operation. The distribution operation provides a 5% profit margin on inventory, and overhead costs are lower than running a retail operation.

**User’s Guide** – Team Member

Dynamo-User – Will give a step by step guide of how to use model and test a scenario.

**Reference Guide** – Team Member

Dynamo-Reference – Will describe what the model does, how it does, how to make changes and maintain the model.

**Final Report** – Each member will put together a section of the report as listed below:

Dynamo-final – Will include: 1) Statement of problem and approach – Team Member, 2) Description of scenarios – Team Member, 3) Conclusions of the study – Team Member, 4) Budget and schedule of performance and lessons learned – Team Member.

**Project Coordinator** – Team Member – Reviews the overall structure of model, final report and tests the 2 scenarios to ensure all the report requirements are being met.

1. **Refined Schedule and Budget:**

**Revised Schedule**

**Week of 10/19 –** Team prepares and submits project proposal.

**Week of 11/2 –** Team revises proposal based on instructor feedback. Review model input, parameters and outputs to ensure the proposal requirements are being met.

**Week of 11/9 –** Team resubmits project proposal. Assess progress to date, prepare and submit midpoint status report. This will help the team determine which areas need additional focus and adjust course as needed.

**Week of 11/16** – Once the proposal is approved, team will begin to develop model and assign various components such as developing the input streams, creating the parameters and parameter blocks and model scenarios etc. to team members.

**Week of 11/23** – Continue to refine the model and determine the framework and structure for the final product.

**Week of 12/7** – Team will start to formulate a conclusion for the project and work on preparing the final report. Project Coordinator will work with the group to ensure all the report requirements are being met.

**Week of 12/14** – Begin putting the user’s guide and reference guide.

**Week of 1/04 –** Team meets to review the final product and make any necessary changes before the work is submitted for the 1/15/09 deadline.

**Revised Budget**

Planning: 30 hours in total for the entire team (this includes the re-work of the Project Proposal)

Modeling: 80 hours – this total is estimated and is for the entire team and this total may exceed 70 hours based on the complexity of the financial model

Documents: 24 hours – this total for the entire team is estimated and may be over-budgeted if more work goes in to the planning/modeling phase

Execution: 8 hours – this total is for the entire team and is a ballpark estimate which may require more time

Total: 142 hours for the entire team – the hours per person will vary per section but should be approximately equal

Note: each of the sections includes a 20% time contingency and then the hours are rounded up.