**Proposal**

**Sample Only**

This document was submitted by students in a previous class. Their requirements were different from yours. We offer it only as a sample of what a project was for that class. Copying this document, in whole or in part, and submitting the result as your own work, would be a violation of the honor code.

**Revision 1**

**SOLAR**

**1. Overview**

Sun Corp is a young fast growing company that sells and installs solar energy systems for residential and commercial use in New England. Recently, there has been a growing concern amongst the company’s executives that their current pricing strategy will not allow them to sustain the target profit margin.

Solar will develop a model to help Sun Corp executives know when and by how much to change product and service pricing so that the company maintains at least a 20% gross profit margin. The main model users are Sun Corp’s executive team, other users include the corporate finance department, audit department and the strategy planning office. The model will use an increasing fuel price scenario and then a decreasing fuel price scenario to observe the business systems financial behavior and generate a pricing strategy for the following quarters.

**2. Budget**

**Planning**
20 hours. Each team member is expected to contribute 5 hours brainstorming and planning how to address the business objectives of Sun Corp.

**Modeling**
24 hours. We expect that generating the models and their respective components will take a total of 24 hours.

**Documents**
38 hours. About 20 pages of documents are required for all items: Midpoint status report, final report, reference guide and user guide. Since a lot of analysis, writing and formatting is required, we expect the hours per document will be as follows: Midpoint status report: 2 hours, Final report: 16 hours, Reference and user guides: 20 hours.

**Execution**

8 hours. Our models will be used to explore the two scenarios: a market in which there are increasing fuel prices, and a market with decreasing fuel prices. As a result of our observations, our model behavior will allow recommendation strategies to apply in one of the possible scenarios.

The total hours for the project is estimated to be 90 hours.

**3. Team**

Our team consists of the following members:

**4. Input, Parameters and Output:**

**Input streams:**

1. Fuel price – This is the predicted fuel price used to determine product cost and demand.
2. Demand – Derived from changes in fuel price and used to forecast sales volume (specified in units).
3. Component Cost – Derived from changes in fuel price and used to determine product price.

**Parameters:**

1. Gross Profit Margin – Will be maintained at 20% to calculate price.
2. Product Overhead Cost – Indirect Product Cost to calculate price.
3. Installation Cost – Cost of Solar Energy installation in home or business.
4. Warranty Cost – Set cost for servicing and repair.
5. Operation Costs – Warehousing Associated Costs.
6. Administrative Costs – Overhead Cost.

 **Output streams:**

1. Price – Sale price of solar energy installation for home customer.
2. Price – Sale price of solar energy installation for business customer.

**5. Schedule and Milestones**
**MILESTONES DETAILS SCHEDULE**

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| **MILESTONE 1 – Idea generation and proposition-**  | The business objective of the Sun Corp will be discussed in order to identify the inputs, the parameters and the output. The deliverable is the project proposal. | October 9- October 23 |
| **MILESTONE 2 – Data collection and Analysis-**  | Data will be collected in order to analyze Sun Corp.’s costs, expenses and the demand for solar energy system installations. The deliverable is the midpoint status report. | October 23- November 6 |
| **MILESTONE 3 - Model Creation and Testing**-  | The model will be created using excel workbook and it will be tested.  | November 6-December 4 |
| **MILESTONE 4 – Project Integration**-  | The user guide and the reference guide will be created. Recommendations will be made. | December 4- December 18 |
| **MILESTONE 5 – Final Presentation**-  | The model will be ready for final presentation. Other deliverables will be the final report, finalized user and reference guides, and the project model.  | December 18- January 13 |