
Business Case

Project Name: Consumer Products International
Project Cost Centre: HR

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<Translated to English>

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1. Definition of Project:

1.1. Description of Problem

Currently, HR has several tools for aiding in the human resource development and training process, such as: PACD¹, The Training Centre, HR, Curriculum Vitae, D&T², FAS-Minus. However, there is no integration of these systems, which has resulted in a great waste of time for users and systems managers. Furthermore, the same information is entered several times into different systems. As a result of this lack of HR tool integration and the various forms of data entry, redundancy of information is constant.

The current environment does not contemplate any integrated tools for self-development support and encouragement, thus contributing to the high costs of training programs.

User difficulties may be listed in the following order:

- **Integration of platforms and systems**
HR management functions is not integrated for our line managers.
Major waste of time in collecting information necessary for every-day decision making.
- **Different platforms for different information**
E.g.: The Training Centre in Lotus Notes, PACD in Visual Basic and Oracle, D&T in Oracle, etc.
Difficulty in identifying the application that contains the information desired.
Need to be acquainted with several different platforms.
Lack of platform integration.
- **System Performance**
Given the current volume of information, the platforms in use can no longer adequately handle system operation, due to the large number of potential users, as well as their geographic dispersion. System performance is much affected in some platforms.
- **Functionality**
Maintenance costs of improving system functionality and performance are high and constant, and expected results have not been attained.
Low Functionality and performance lead to Productivity Loss.
Navigation between current system screens is always one way; i.e., users always have to go through all the screens in the system, even when they know that the information desired is on the last screen.
- **Modelling x Implementation**
The D&T system was conceived with the purpose of organizing and managing the set-up and distribution of Program Development course groups. Nevertheless, since there is no integration with other systems, PACD in particular, the process of course group appointment, organization and management is been done manually; i.e., information on training needs is extracted from PACD, corrected (because course names inputted into the system often fail to correspond to the Company Training and Development Programmes, so that discrepancies have to be eliminated), and only then is D&T system information entered.
- **Meeting Development Demand**
Approximately 50% of the annual demand for PACD and MDC appointments is not met, due to users' work place being too far away to enable them to be away from work and take part in D&T and formal cost reduction programs, which has an impact on the decrease of the number of programmes/year .

Given this situation, it becomes quite apparent that HR is wasting much time with routine tasks that could be optimized by better-integrated tools.

¹ PACD – Performance Assessment and Career Development

² D&T - Development & Training

1.2. Brief Description of Project

The purpose of the project proposed by HR is to encourage employee commitment to an on-going self-development process and to the “Learning Organisation” culture, by making available new learning aids in a single computer environment based on Intranet technology, where services and tools for developing skills are fully integrated.

In order to fully meet skill development requirements, all Company employees should have access to text tips, on-the-job activities, World Wide Web sites, and so on, which they should be able to use at discretion. This new IT environment should offer new pro-active services and help all employees to develop themselves and their managerial skills. In such an environment, there should be a career-development mentor integrated into the new PACD system. This person will be in charge of identifying each executive’s skill-development needs as specified by PACD and of providing him or her with references of books, video tapes, articles, and so on via e-mail, in a direct communications channel.

The Training Center Service should have a pro-active character; i.e., the Training Center Service should provide a “Virtual Publishing Consultant”, updated and reflecting the newest books, video tapes, articles, cases, and so on available in the market, classified according to our managerial skills. The system should keep executives informed via e-mail about such new releases in the market.

In this same environment, executives will be able to obtain information about all company training programs, as well as to make on-line course applications for their subordinates. When in doubt as to the best path for self-development, they may also check the HR knowledge base available in this environment or consult with the career development mentor.

In order to offer greater time flexibility, cost reduction and to ensure the same quality of traditional training programs, this new integrated self-development environment should provide interactive training focused on the managerial skills necessary for new business demands and challenges. In these courses, executives will immediately realise what their development needs are in a given skill, because the courses will offer real-time assessment upon completion of each module and will suggest reference material to improve their development. Once a course is concluded, it will be automatically entered in the executive’s CV.

This new on-line integrated self-development environment will also be extended to newly-hired executives, who will be introduced to the Company and its “Learning Organisation” culture.

The integration of self-development tools and services in a single environment will contribute to better planning and monitoring, as well as to improvement in result measurement and reduction in training costs.

1.3. Project Objectives

Overall Project Objectives	Strategic Objective
To implement a “Learning Organisation” Culture through new alternative policies and techniques in order to encourage self-improvement of employees.	To develop and co-ordinate the means to ensure the availability of trained human resources to tackle current and future business challenges.

Project Objectives	Business Strategies	KPI	Target
To speed up the process of skill absorption.	To ensure that perceived D&T requirements are adequately fulfilled	MDC and PACD forecast vs. achieved	100% within 3 years
Use of new educational technologies	Cost Reduction	% reduction over '98 Budget (TMD)	33%

Technical Objectives of Project	Business Strategies	KPI	Target
One-stop shopping for all HR Systems and Executive Tools, allowing: <ol style="list-style-type: none"> 1. Better performance 2. A user-friendly end-user front end 3. Availability 	Maximization of use of new Learning Techniques	System’s end-user evaluation	90% good and excellent

1.4. Project Scope

The purpose of Intranet-HR is to make available to users all the tools described below in a single environment. With just one password users will be able to access every development tool and service. Because it would be a single, integrated environment, access to any tool or service available would be possible from any point of the Intranet-HR.

PACD – The Performance Assessment and Career Development (PACD) system should be redesigned in order to solve current operational problems and be converted to the Intranet environment, in order to make it more interactive and integrated with the remaining Intranet-HR systems.

Characteristics:

- The Career Development Consultant should help executives to assess their subordinates’ skills by providing references of updated materials.
- PACD physical-attendance course appointments should be automatically entered in the D&T system so that the next course groups may be formed.
- On-line enrolment in physical-attendance and interactive training programs.

Managerial skills – An Intranet managerial page will be created with detailed information on managerial definitions and positive and negative indicators.

Characteristics:

- Page broken down by skill.
- Materials
- Courses
- Interactive Training Programmes
- Tips
- Career Development Consultant
- Interlinked and interrelated matters.
- Word search tool.
- Access to other-HR systems.

Common Technical Skills – The purpose of this system is to make available all Company policies, standards and procedures, as well as topics for developing common technical skills. The Human Resources skills will be made available first, to be followed by other common technical skills.

Characteristics:

- Pages broken down by topics and skills
- Materials
- Courses
- Interactive Training Programmes
- Tips
- Career Development Consultant
- Interlinked and interrelated matters
- Word search tool
- Access to other Intranet-HR system.

Career Development Consultant – This managerial self-development support service will be based on the individual development needs specified in PACD.

Characteristics:

- Career development consultant, which should act through a direct communications channel with executives, always via e-mail.
- Information on individual development skills.
- Personalised self-development guidance.
- Reference to self-development products and services in the Training Center Service or available in the market.
- Information on products, services or on-line courses.

Interactive Training – Interactive training may be understood as encompassing every computer-based program the contents of which is made up of texts, exercises, simulations, learning assessment, and is aimed at conveying or developing a participant's specific skill. Employee course attendance will allow on-line enrolment.

Characteristics:

- Flexibility — the course can be taken at any point in time.
- Modularity — each module is presented separately so that employees can have more detailed information in their area of interest.
- Assessment at the end of each module and upon course completion.
- Automatic Curriculum Vitae entry upon course completion.

The Training Center Service – The purpose of the system is to make available services and an environment favouring self-development, on the basis of managerial, common techniques and business training skills.

Characteristics:

- Dissemination of information on new materials and media, such as books, video tapes, articles, business cases and so on.
- On-line newsletter on new products and services.
- Integration with the remaining Intranet-HR systems.

Corporate Integration – Its main purpose is to present the Company to newly-hired employees, by showing them the business areas, operational units, policies, standards, Learning Organisation culture, systems available for self-development, and so on.

Characteristics:

- Integration flexibility.
- Pages broken down by topic.
- Interlinked and interrelated matters.
- Word search tool.
- Also, search tool for easy research.

Partial Career Development Management – Its main purpose is to provide employees with information about the qualifications to be met in order to further their career in the company.

Characteristics:

- Pages are broken down by topics as listed below
 1. Key Skills by Level
 2. Job Role/Management Challenge
 3. Guidelines
 4. Skill Definitions
 5. Detailed Skill Descriptions
- Interlinked and interrelated matters
- Word tool search

Curriculum Vitae – Its main purpose is to act as a database for employees to enter their development histories, that is, the courses they have taken.

Characteristics:

- PACD integration so that, when defining the skill development plan in the PACD system, the assessing executive may access employees' CV's from PACD in order to check which training programs the employees in question have been engaged in.

HR Training Program – Its main purpose is to make a detailed presentation of Company training programs.

Characteristics:

- Course description.
- Course entry requirements.
- Date of next course group.
- On-line enrolment (to be made solely by the immediate superior of the executive appointed to the course).
- Upon on-line enrolment request in any program, the system will readily show the list of subordinates under the request originator.
- When requesting the enrolment of a given subordinate, the system will automatically check whether the appointed subordinate meets all the entry requirements of the training program in question and will inform the application originator whether or not the operation has been successful.

Other project products/functions –

- **FAQ's (Frequently Asked Questions)**– question-and-answer tips by subject.
- **What's New**(under managerial development) will show some of the latest news in managerial development, HR services and so on.

Processes involved	Changes after implementation	Areas involved	Systems affected
1. Performance Assessment and Career Development	- The performance assessment and career development system will undergo changes including: a direct link with with CVs and the D&T system will improve the process of determining the skills to be achieved and decisions to be made; a complete list of the training programs will be made available; a Virtual Mentor will guide employees in their self-development, on the basis of system-defined individual development needs.	All Company areas.	PACD, The Training Center, Curriculum Vitae, D&T
2. HR information system	- The Electronic Interactive System - HR will be redesigned and redefined as Common Technical Skills, with information on this kind of skills. Under Common Technical Skills - Human Resources, the system will show information from HR.	HR	HR
3. Training and Development	- The changes planned for the training and development process include: - the Virtual Mentor, who will guide and follow up executives in their self-development process (always via e-mail), and will become a permanent learning facilitator. - Interactive Training - breaking away from the classroom training paradigm; the Computer Based Terminal's main advantage is its flexibility, allowing executives to follow their own learning pace, without interfering with their daily tasks. - Appointing and enrolling in company training programs will be on-line processes, thus eliminating the current manual appointment process.	All areas.	D&T, Curriculum Vitae
4. Corporate Integration	- The corporate integration process for newly-hired employees will no longer be induced and will be managed by executives themselves, by means of an interactive hypertext system.	All areas	Integration Kit (brochures, leaflets, etc)
5. Curriculum Vitae	- The Curriculum Vitae system will be a valuable record of courses taken throughout the self-development process. Also, the system will be fully integrated with all other tools in the environment.	All areas	Curriculum Vitae, PACD, D&T, CBT
6. Partial Career Development Management	- This development tool will include fundamental information on qualification requirements for developing a career in the Company.	All areas	

Business requirements not met by this project:

- ◇ MgtWATCH integration.
- ◇ Data updates through MgtWATCH effected by executives themselves.
- ◇ Integration of MgtWATCH and Curriculum Vitae.
- ◇ Intellectual Capital system.
- ◇ D&T system update and/or conversion.

Company units benefited: All business units

Number of users: \cong 2500 people

2. Alternative Solutions

In an attempt to find the best technological and business solution for the current lack of system integration between HR Development services and tools, alternatives are presented as specified below:

- a) The Virtual University
- b) Keeping the current situation unchanged

3. Alternative <A>

3.1. Description

The Virtual University is a single environment which will offer integration of self-development tools and services.

This alternative proposes developing an Intranet technology environment where HR Development systems can be integrated so as to give more efficient support to the skill development process, as well as to facilitate access to self-development systems and enable efficient monitoring of employee learning process.

This alternative will be made up of the systems described under 1.4 Project Scope.

3.2. Impact Analysis

3.2.1. Business Aspects

The purpose of the Virtual University project is to consolidate the “Learning Organisation” concept. In this way, as was shown above, several self-development resources will be made available. Thus employees are being made accountable for their own development and for partial management of their careers.

3.3. Project Costs (including first year of Support)

Resources	US\$(thousand)				
	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
In-House Personnel	0	0	0	0	0
Contracted Personnel	US\$ 202	0	0	0	0
Hardware	0	150	0	0	0
Software	0	0	0	0	0
Support	0	0	0	0	0
Others	0	0	0	0	0

NOTE.: Initial development costs only.

3.4. Quantifiable Benefits

The Virtual University will contribute to increase in productivity, since it will reduce the time spent by employees on physical-attendance training programs. Also relevant is the reduction of costs resulting from the creation of groups for physical-attendance courses.

Below is a table showing the benefits of the Virtual University.

	US\$(thousand)				
Benefits	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
CBT/Mentor/Training Center		US\$ 500	US\$ 500	US\$ 500	US\$ 500*
PACD/CV		US\$ 30	US\$ 30	US\$ 30	US\$ 30

*HR budget savings, according to '98 Budget.

3.5. Non-Quantifiable Benefits

Benefits of this kind may be classified as follows:

- Systems integration
- Encouragement of Self-Development
- More efficient monitoring of skill development process
- Prompter meeting of D&T needs
- Equipment capacity: reduction of upgrading
- Easier and quicker access to HR Systems
- "Learning Organisation" image consolidation

3.6. Risk Analysis

Refer to Risk Analysis spreadsheet.

3.7. Investment Return Period (Payback) and Withholding Tax Calculation

The Payback was calculated using the NPV formula for a five-year period.

NPV: US\$ 1,601.72

3.8. Implications / Implementation Flow

The project will be divided in two major parts:

i) The Virtual University

The Virtual University environment will be developed with the systems that are within the scope of this project.

ii) PACD

The system will be redesigned and implemented in the Intranet environment to allow operation from the Virtual University.

After approval of project, the first stage should be completed within 160 days and the second in 130 days..

4. Alternative

4.1. Description

Should the current situation remain unchanged, the lack of system integration will imply the following drawbacks:

- **PACD** – It currently runs on a platform that no longer meets users' needs. It has no connections with other systems. The PACD-defined D&T plan is accessed via direct database consultations, and D&T course groups are manually appointed.
- **The Training Center** – The current system is insufficiently interactive, which makes access to information somewhat inadequate (e.g. in order to request material, the user has to perform ten operations).
- **Training Programs** – For a long time the Company has been incurring in high physical-attendance training costs, with no methods for checking whether they are efficient or not. The company has always been responsible for the managerial development of its executives. This results in extraordinarily high costs
- **Corporate Integration** – This is a set of institutional materials on HR products, policies and standards sent to newly-hired executives to enable them to learn about the Company. The inconvenience is that employees who are not executives do not have access to this materials kit, and in addition updating them is a slow and expensive process that involves copying graphic materials.

In short, the currently available tools can no longer meet growing corporate HR and Training and Development needs. Tools are not integrated, often leading to the entering of redundant material. Furthermore, the very performance of existing tools is affected, since they do not correspond to the current needs.

4.2. Impact Analysis

4.2.1. Basic Aspects

If the current situation remains unchanged, high maintenance costs, lack of tool integration, and productivity reduction will continue. And as the volume of processed information increases, the problem will grow worse.

4.2.2. Business Aspects

To leave the situation as it is would be totally inconsistent with the “Learning Organisation” strategic plan. In order to avoid this, an IT environment that supports, facilitates and fosters self-development is necessary.

4.3. Current Costs

Resources	US\$(thousand)				
	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
In-House Personnel	0	0	0	0	0
Contracted Personnel	US\$ 15	US\$ 15	US\$ 25	US\$ 35	US\$ 40
Hardware	0	0	0	0	0
Software	0	0	0	0	0
Support	0	0	0	0	0
Others	US\$ 40	US\$ 40	US\$ 50	US\$ 55	US\$ 60

Below is the rationale for the current costs:

PACD Maintenance Costs	US\$	7,000
D&T Maintenance	US\$	5,000
Physical-Attendance Course	US\$	500,000
Reworking: PACDxD&TxCV	US\$	3,000
Total	US\$	515,000

4.4. Current Costs

Non-quantifiable costs of the current platform and its systems are specified as:

- Low Productivity
- No encouragement of Self-Development
- D&T needs remain unmet
- Difficulty in monitoring skill development and assessing performance
- Underutilization of current equipment
- Difficulty in obtaining HR information

5. Recommendations

If business and technical objectives are taken into account, alternative <A> proves to be the one which best meets our needs. We therefore recommend its adoption.

Probability x Impact Matrix

IMPACT / PROBABILITY	Frequent 0.3<P<1.0 Value=3	Probable 0.4<P<0.7 Value=2	Improbable 0.0<P<0.4 Value=1	Impossible 0.0=P Value=0
SEVERE Value=3	Developers' Experience <i>HIGH RISK</i> Resource Availability		Product update/ installation <i>MODERATE RISK</i>	NO RISK
CRITICAL Value=2	Support Experience Personnel	Supplier		
MARGINAL Value=1	<i>LOW RISK</i>			
NEGLIGIBLE Value=1				

RISK ANALYSIS

Probability and impact of drivers adversely affecting impact <A>

Driver Category	Driver	Impossible to Improbable (0.0<p<0.4) Value = 0 or 1	Probable (0.4<p<0.7) Value = 2	Frequent (0.7<p<1.4) Value = 3	Probability (0 to 3)	Impact (0 to 3)	Risk Level
Performance	Size	Small or divisible	Medium or partially available	Large or indivisible	2	2	Medium
Performance	Personnel	Available and skilled	Partially available or skilled	Not available and/or not skilled	2	2	Medium
Performance	Performance	Low degree of change	Medium degree of change	High degree of change	1	1	Low
Performance	Hardware	Sufficient and with backups	Some availability	No backups and use to capacity	1	1	Low
Performance	Tools	Known and assigned	Available, but not configured	Not available or unknown	1	1	Low
Performance	Developers' experience	Over four years	Two to four years	Up to one year	2	3	High
Performance	Support experience	Over four years	Two to four years	Up to one year	2	2	Medium
Performance	Integration	Simple and documented	Medium degree of complexity and knowledge	Complex and hard to manage	2	1	Low
Performance	Hardware availability beyond forecast	Site contingency server use	Machine contingency server use	Upgrade or new server purchase	1	1	Low

Costs	Size	Restricted scope	Restricted or segmented scope	Wide scope	1	2	Low
Costs	Resource availability	Available and sufficient	Subject to approval or partial availability	Insufficient	2	3	High
Costs	Applications	Stable	Some maintenance effort	Under on-going assessment	1	2	Low
Costs	Maintenance breakdown	Known criteria and tools	Criteria defined, but must be customised	No defined criteria	2	0	Low
Support	Environment documentation	Adequate	Some problems	Inadequate	2	1	Low
Support	Integration of areas	Low involvement or well-defined activities	Some indefinite points	High degree of integration	1	0	Low
Support	Initial stability	Low or unchanged	Brief interruption or down time	Quick or uncontrolled changes	1	1	Low
Support	Product update / installation	Low incidence	Some managed incidence	High incidence	2	2	Medium
Support	Technology	Known and Company available	Customisation necessary	Unknown or with no Company support	1	2	Low
Support	Personnel	Sufficient and qualified	Restrictions as to amount and qualifications	Insufficient and unqualified	1	2	Medium

Schedule	Financial resources	Sufficient and on-time budget	Restrictions regarding value and date	Questionable or inaccurate budget	2	2	Medium
Schedule	Suppliers delivery	On time	Some delay	Delayed	2	2	Medium
Schedule	Integration of IT areas	Availability in terms of time and numbers	Restrictions regarding personnel and time gap	Insufficient resources	2	1	Low
Operation	Site contingency	In-house and own resources	Outside site and resource provider	Non-existent	1	1	Low
Organisational	Operation	Available personnel and known operation	Defined accountability, despite some conflicts	Absence of standards and personnel	2	2	Medium

Action Plan for Option <A>

Driver	Risk	Description	Person Responsible	Duration	Risk
Developers' experience	High	Developers' Training on Sapphire: 1. Daily follow up, weekly project meetings 2. Negotiation with Compugraf for technology transfer 3. Contract guarantees as to resources allocated for project (Senior)	Mark White	1 month	Medium
Resource availability Costs	High	Negotiation with supplier	Mark White / Eric Coleman	1 month	Low
Personnel	Medium	Definitive project team allocation and training in development tool	Mark White	15 days	Low
Product update / installation	Medium	Greater incidence on IBT. Manageable situation, without major risks.	Mark White	After project implementation	Low
Supplier delivery	Medium	Definitive allocation of sufficient resources for project teams, development tool training, and weekly project follow-	Mark White	Before project inception and during course of project	Medium

		up meetings			
Support experience	Medium	Expertise acquired throughout project development	Mark White	During course of project	Low