

Background Information for Acme Mexico City

Acme Home Improvements, Inc. was founded in 1982 in Raleigh, North Carolina, USA. By 2016, the company had 125 stores along the US East Coast from Florida to Maine. Its annual sales are currently ~\$5,400,000,000 with \$280,000,000 net income. The average store is about 100,000 square feet with an additional 10,000 square feet of outside garden center. The stores typically carry 40,000 different products from 5,000 vendors worldwide. Major US competitors include Ace, Home Depot, Lowe's, and TruValue. All four competitors operate already in Mexico.

In the interests of seeking greater profits and buffering against downturns in the US market, Acme has determined to follow these and other competitors to Canada and Mexico. In the latter, it has established, in accordance with Mexican law, a joint venture with local interests, known as Acme Home Improvements de México, SA de CV ("Acme de México" or "Acme Mexico City"). (SA de CV = *Sociedad Anónima de Capital Variable*, a Mexican corporate form.)

There are five major product groups within each Acme store: plumbing and electrical supplies, building materials, hardware and tools, seasonal and garden/yard items, and paint, flooring and wall coverings.

Each store has a store manager, assistant store manager, bookkeeper, an information systems manager and an assistant, a manager for each of the five major product groups, customer service employees on the store floor to assist customers with their purchases, cashiers, receiving/stocking employees, and maintenance/janitorial employees.

W3TA. Team Assignment: Preparing a Project Charter and Project Management Plan for Acme Mexico City

Overview

Working in their groups (teams), students will demonstrate competency in project management by preparing an international project management plan for the construction and operation of a substantial retail do-it-yourself store in another country.

The country selected is Mexico. The retail store will be Acme Mexico City.

The team will prepare a project charter and a project management plan.

Optionally and for extra credit, the team will also prepare and present a 20-30-minute business-focused presentation of their plan. At the team's choice, the presentation may be made either online and live, or by video.

The plan should treat each of the 10 project management knowledge areas established in the Project Management Body of Knowledge, 5e, and will be in pdf format accompanied by a work breakdown including critical path prepared with a project management software such as MS-Project in its format (.mpp for MS-Project).

Critical thinking, managerial decision-making, cultural understanding, information literacy, problem solving, systems thinking, and technology fluency are all required.

Assignment

Acme de México has purchased a site on which it intends to build and open a new store in Mexico City [Acme Mexico City (AMC)]. The store will have the Acme average 100,000 square feet of indoor space and 10,000 square feet of exterior space for garden products. In addition, a two-story parking garage will be built directly adjacent to the store. It is desired that the project should take no longer than **12 months**. The store construction and opening processes include **at least** eight major activities. *Hint: one necessary major activity is omitted; which is it? THINK CRITICALLY*

1. Obtain required licenses and permits.
2. Prepare the site and lay the foundation.
3. Build the walls, floor, and roof of the structure.
4. Install electrical and plumbing fixtures.
5. Finish interior and stock inventory.
6. Build the garage.
7. Complete all paving and landscaping.
8. Hire and train employees.

AMC will, it is envisioned, be similar in appearance to this Home Depot store located in Hermosillo, Sonora, Mexico



Photo by Professor (Dr.) Judith L. Forbes

First, each team prepares a **project charter** for the **construction, equipping** and **opening** of the Mexico City store to include a list of major milestones. *This is due as specified in the LEO classroom. The section professor may require revisions to improve this document.*

Each team then prepares a **project management plan**, which also is due as specified in the LEO classroom and includes **at least** the following:

1. An **executive summary** including key projected results
2. A **work breakdown structure** (WBS) using Microsoft Project 2016 or equivalent project management software. *The WBS need not go below the top three levels of tasks.*
3. The establishment of all required **dependencies** for activities.
4. The estimated requirements for **money, materials, and people including local (Mexican) expertise**. *Here also recall what you learned about **budgeting** in AMBA 630 and about meeting **stakeholder needs** in AMBA 610/620.*
5. A **Gantt chart** for project display, **including a complete critical path.**

6. A discussion of the utility of a **project dashboard** for management of this project, to include your judgment of its cost effectiveness. Who would maintain it?
7. A discussion of how knowledge gained from **prior Acme store construction** projects could be applied to this project.

Your section professor may amplify your specific taskings in his or her instructions for this assignment.

Tip: when the **work breakdown structure** is complete, the team, *thinking critically*, will have included at least the **principal topic** of the forthcoming **AMBA 650** course.

Additional Instructions

- **Project Charter** - this will be in **pdf** format, also is due at the end of **Week 2** and is worth **10%** of the **W3TA** grade
 - Use a format of your choice
 - I'll be looking particularly for
 - What is the purpose of the project?
 - Who tasked it and who sponsors it (you should hypothesize a sensible choice of sponsor at Acme headquarters in NC, USA)
 - Why it was tasked (= business need or goal)
 - What key project team assignments have been made
 - What funds have been or should be allocated
 - What deadlines and/or milestones have been imposed - this will complete the AMC project's initial **Triple Constraint**
 - What other starting resources, if any, have been made available
 - **Remember: your project team will be mostly Mexican and all Spanish speaking**
- **Project Management Plan** - due at the end of **Week 3**, this will be in **pdf** and **mpp** formats
 - It should be led off by a meaningful, results-filled **executive summary**
 - **The PMP should be based on the 10 PMBOK Knowledge Areas** and contain at least a/an:
 - Executive summary
 - Scope/quality statement
 - Work breakdown structure (WBS) (**mpp**)*
 - Gantt chart with critical path shown (**mpp**)*
 - Project team organization chart with contacts directory
 - Budget including a contingency amount
 - Risk management, human resources, stakeholder analysis, and communications sections
 - Plan change mechanism
 - **plus**, any other sections that the team deems necessary *or another PM software output format - but **not pdf**

- Remember that this is an international project set in Mexico
- Use the PMP to demonstrate your knowledge of the **Triple Constraint** and of the **10 project management areas found in Schwalbe (2015) and the PMBOK (5e, 2013)**
- *Cultural and legal considerations pertinent to projects and operations in Mexico should also be identified and treated (this is where your mostly-Mexican, all-Spanish-speaking project team will help)*

... and is written in error-free English.

Here, adapted from the PMBOK (2013), pp67ff, is a definition of the **Project Charter**:

A document issued by the project initiator or sponsor that formally authorizes the existence of a project, and which provides the project manager with the authority to apply organizational resources to project activities.

To earn a higher grade, go beyond the above in some meaningful way.

To remind, our TA will assist on questions of software usage.

Remember also:

- The team, not the PM software, comes up with the task list, i.e., the WBS, its interconnections, and the resources assigned to tasks.
- The software then helps in the management of the WBS, calculating the critical path and detecting resource overloading if it has been told of each resources' work limits (such as 40 hours, M-F, per week).
- The team must check the software-generated critical path for completeness and correct the task list as necessary

Required Format:

Except as provided above, use **A Format for Our Text Assignments** found in **Content/General Information**.

*Remember to include a **results-filled executive summary** at the beginning of your report.*

Required Readings:

- Schwalbe, K. (2015). An introduction to project management, 5e. Chapter 1. Reread as necessary
- Writing Center, University of Maryland University College. (2013). Writing Executive Summaries. Retrieved from http://www.umuc.edu/writingcenter/writingresources/exec_summaries.cfm

Additional Readings:

Find them in **Content/Week 2** above (before) the Assignment Instructions that you are now reading.

This week there are informative readings on Mexican corruption, why Target has failed this year in its expansion into Canada, and why "Henry Larsens" exist.

Grading Rubric:

Posted next

Assignment Weighting:

12.5% of the course grade

Let your faculty have any questions.