

JSC Bavarus:

Scaling projects for a small company operating in dynamic environment

Case study on Bachelor level

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Abstract

JSC BAVARUS is small company operating in Lithuania. The company has been engaged in wholesale of textile products such as yarns, fabrics, needles and sewing threads for ten years already. The company exports textiles from foreign countries and sells to local furniture and textile companies. The rapidly changing business environment and the requirements of Industry 4.0 pose new challenges not only for manufacturing companies, but also for all business sectors. JSC BAVARUS face with challenges such as competition, processes digitalization, customers' new expectations and others. Projects drive change in organizations and open and opens up growth opportunities. Therefore, students are introduced to core concepts such as projects, role of the projects aiming the development and growth of the company, the importance of stakeholders and risk identification and risk analysis and planning how to deal with risks. The case focuses on changes that respond changes in the organization's environment.

Keywords

Projects, stakeholders, risk management, internal and external environment, growth of the company.

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Characteristics and history of JSC "Bavarus"

JSC "Bavarus" was established in 2009. The company was founded by person who is managing director currently. It is a family business involving all family members. The company has been engaged in wholesale of textile products for ten years already. That includes wholesale of yarns, fabrics, needles and sewing threads. JSC "Bavarus" is doing business to business and provides that help to operate a furniture industry and haberdashery companies effectively. Over the years of operation, the company with its professional and at the same time innovative solutions has managed to bring together a fair number of loyal customers. The company currently works with more than 50 small and medium-sized companies in Lithuania and abroad.

JSC "Bavarus" is located in the central part of Lithuania (Vijukai, Kaunas district). The company has one administrative unit with 5 employees working there:

- Head of the company - the director - the company's owner, who supervises all employees of the organisation. He is responsible for employees' selection, training, ensuring the proper implementation of the work and functions performed by staff, determines the conditions of payment and working time, plans, organises and controls the activities carried out in the organisation.
- A chief accountant - the person responsible for the company's accountancy. Chief accountant reports to the head of the company. The accountant keeps accounting, documentation, registers economic operations, pays employees' salaries and other amounts due, makes out documents, and provides financial statements.
- Sales managers - the persons responsible for the development of sales. Each sales manager is responsible for different group of clients depending on type of product. They also are under supervision of the company's director. Sales managers maintain direct contact with customers, provide consultations and necessary assistance to customers, conclude contracts, analyse consumers' needs, prepare offers to clients, make proposals to the head of company's on issues of improving performance and efficiency, participate in decision making on the direction of development of the company's activities.

The organisational structure of the company is shown in Fig. 1.

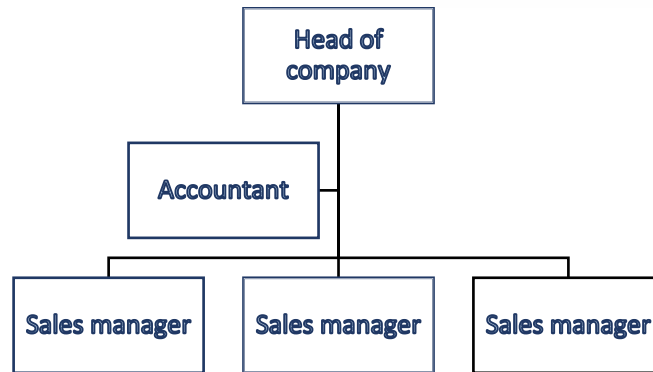


Fig. 1 Organisational structure of “Bavarus” JSC.

Background of SMEs and textile industry

In accordance to OECD SME and Entrepreneurship Outlook 2019¹ SMEs account for 99% of all businesses and between 50% and 60% of value added. It is estimated that in Lithuania this sector makes up as much as 99.7 percent. of all companies. They create about 73 percent of all jobs.²

Industry 4.0 affects SMEs also, poses challenges and opens up new opportunities: use and combine emerging digital technologies to transform their business models and work practices; digital business platforms ease access to markets, strategic resources and networks, by reducing associated costs; At the same time, they reduce structural disadvantages faced by SMEs in achieving economies of scale, allowing them to reach scale without mass. This is the case, for instance, in accessing skills, e.g. through online job recruitment sites, platforms for outsourcing and online task hiring, and interfaces connecting SMEs with knowledge partners. Big data analytics allow greater customisation and product differentiation. Combined with mobile apps, sensors, artificial intelligence, 3D printing, drones etc., they enable new business models that leverage shorter distance and time to markets, which in turn are likely to benefit smaller and more responsive businesses.

Limited financial resources are a barrier to the development of any company. A large proportion of SMEs are unable to enter the growth phase because they simply lack funding. Most common

¹ <https://www.oecd.org/industry/smes/SME-Outlook-Highlights-FINAL.pdf> <https://www.vz.lt/factris/2019/12/03/smulkaus-ir-vidutinio-verslo-finansu-issukiai-kaip-juos-efektyviai-isspresti#ixzz6bsULITBL>

² <https://www.vz.lt/factris/2019/12/03/smulkaus-ir-vidutinio-verslo-finansu-issukiai-kaip-juos-efektyviai-isspresti#ixzz6bsULITBL>

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advantages and disadvantages of SMEs compared to large companies are provided in Table 1.

Table 1. Advantages and disadvantages of SMEs compared to larger companies (Wuest T., Thoben KD. (2012) ³

Advantage	Distavantage
High flexibility	Less financial resources
Less bureaucratic (informal)	Less human resources (e.g. for supporting activities)
Strong ties to customers and suppliers	Often conservative and patriarchal structures
Often low fluctuation	Dependent on few knowledge carriers
Strong focus on customer needs	Strategy often dictated by strong patriarch
Often inimitable knowledge and experience in special area (hard to replace)	Often no strong links to external partners for knowledge transfer (e.g. universities, research institutes)
	No systematic human resource development

Key financial indicators

Key financial indicators reflect the efficiency of companies' activity and activity results. The main financial indices of the companies include such variables as equity, loan capital, assets, obligations, solvency, liability, income, costs, and profit. The main financial indices of JSC "Bavarus" are are presented in Table 2:

Table 2. Main financial indices of JSC „Bavarus“⁴

Financial indices	Financial years		
	2017	2018	2019
Equity	30535	58047	66754,05
Fixed assets	5300	20541	23622,15
Current assets	100741	159542	178687

³ Wuest T., Thoben KD. (2012) Information Management for Manufacturing SMEs. In: Frick J., Laugen B.T. (eds) Advances in Production Management Systems. Value Networks: Innovation, Technologies, and Management. APMS 2011. IFIP Advances in Information and Communication Technology, vol 384. Springer, Berlin, Heidelberg. https://doi.org/10.1007/978-3-642-33980-6_53

⁴ https://rekvizitai.vz.lt/imone/uab_bavarus/

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Obligations	1500	15645	17522,4
Sales income	214634	235447	266055,1
Operating costs	43961	45175	51951,25
Gross profit	72672	74576	85762,4
Net Profit	24415	27512	31638,8
Return on equity (ROE)	79,96	47,40	47,41

JSC Bavarus environment

Description of external environment

Suppliers. JSC "Bavarus" divides their production suppliers into international and local ones. 60 per cent of production comes from the leading Polish companies that produce threads/yarn: PHZ Mecfibre, Poland Rozmaryn-TEX, Legs Sp. o.o. 40 per cent of production is acquired from Lithuanian companies, such as JSC "PACKMAK", JSC MIDONA", the company A.R. Baumilų TŪB „Klasikinė tekstilė“ and others. Suppliers are chosen based on the appropriate price-quality ratio.

Competitors. In Lithuania, the market of furniture and textile products is widely developed, therefore, when selling threads/yarn, JCS "Bavarus" has a lot of competitors as well. In accordance to Lithuanian Apparel and Textile Industry Association (LATIA) statistic, the Lithuanian clothing and textile sector is an exporting industry. Exports covers about 83 % all output of the sector.⁵ JCS "Bavarus" imports high quality products and contributes to the quality of Lithuanian furniture and textiles.

The main competitors are companies registered abroad and engaged in e-commerce (Table 3).

Table 3. The main competitors of JSC Bavarus

Competitor	Country	Link
GSC Tekstil Dis Tic Ltd Sti	Istanbul/Turkey	http://www.gsc.com.tr/about/
Canan Textile Ltd	Turkey	https://www.canantekstil.com.tr/#contact
Blacker Yarns Ltd	UK	https://www.blackeryarns.co.uk/

⁵ <http://www.latia.lt/stat/15>

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The main JSC Bavarus advantages over the competitors are favourable prices, efficiency, and high quality of goods and services as well as constant innovative decisions and professional customer service. For these reasons, JSC Bavarus attracts a growing number of customers and increases its' market share and profit.

Clients. The main clients of JSC "Bavarus" are business companies and the private sector. Every customer is important for the company. Therefore, the company is considering the needs of customers and not only adapts goods and services to exceptional desires but also offers special prices. During the short time of operation, the company already managed to organise a large circle of loyal customers, which grows every day, because the clients recommend it to each other and thus increase the sales. JSC "Bavarus" pays great attention to its clients, analysis of their needs and satisfaction. The clients of JSC "Bavarus" are business companies that strive to achieve greater functionality of their production, to increase the prestige of the company and save costs by using qualitative yarn/threads. The primary users of production are JSC "Pakaita", JSC "Audimas", JSC "Namų tekstilė", JSC "Trukmė" and others (Table 4).

Table 4. The main clients of JSC "Bavarus"

Client	Website	Sales, %
JSC "Pakaita"	https://www.pakaita.lt/	25
JSC "Audimas"	https://www.audimas.lt/	25
JSC "Namų tekstilė"	https://www.nostra.lt/	10
JSC "Trukmė"	https://www.trukme.lt/	10
Others.		30

Legislation. The development of the small and medium business sector, to which JSC "Bavarus" belongs, is determined by the law on small and medium business development of the Republic of Lithuania. Frequent changes in its provisions have a direct impact on business development. Also, due to the extremely high tax burden (corporate tax, value-added tax, social security taxes (SODRA)), the implementation of technologies is particularly slow.

Table 5. Taxes rates

Tax	2020 year
Corporate tax	15

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Value added tax	21
Income tax	15
Social security taxes (SODRA) ⁶	23,04

Economic. Recently, the economic situation in the country has improved, wages and customers' income have risen, employment (Table 6) and consumer demand have increased, but prices of resources and services also had an increasing tendency. The increase in prices of goods/services affected economic indices of JSC "Bavarus" in a positive direction.

Table 6. Salary and long-term unemployment dynamic in Lithuania

	2015	2016	2017	2018	2019
Salary per/month	727,1 EUR	784,4 EUR	849 EUR	932 EUR	1307,6 EUR
Long-term unemployment	3,90%	3%	2,70%	2%	1,90%

Technological. State's investment in the development of science and technologies, the perfection of processes has increased, implementation of innovations in business has been stimulated by different means, great attention has been given to the application of new, modern methods. The state has invested a lot in the processes of computerisation and automation in various fields of activity. It as well paid great attention to increasing technological education of society. Due to the changes in the technological environment, the level of technical development of manufacturing organisations increased. This also positively affected the activity of JSC "Bavarus": the demand for company's goods and services increased as well as its' income and notoriety.

Socio-cultural. In recent years, the balance between work, family, and leisure has changed, population's concentration in cities has increased, more people are educated, and their incomes have grown. Due to an increasing number of educated people, the number of the qualified labour force has also increased. Nevertheless, the extent of emigration is growing, society is aging, and the birth rate has decreased. Because of these tendencies, it was more

difficult for JSC "Bavarus" to find required specialists. Also, the emigration of young people possibly decreased the potential market of customers.

Description of external environment

Participative process of goal setting. The goals in the company are determined considering both conditions of the internal and external environment. Although the head of JSC "Bavarus" is responsible for the exact formulation of goals, the company's attitude prevails that the goals are joint and must be acceptable to all. Based on this, all members of the collective are engaged into the formulation of goals, and their opinion, notes and suggestions are seriously taken into account. Therefore, more clear goals and directions of activities are being formulated, different alternatives to achieve these goals are considered, and the best options are selected. Moreover, every employee contributes to the company activity, and that allows them to feel being an important part of the organisation. The established goals are perceived as joint, and the employees are more motivated to achieve them. This ensures that intended goals are implemented, which in turn leads to better performance s results.

Breakdown of tasks. The head of JSC "Bavarus" is responsible for the distribution of tasks to particular employees. A specific task is assigned to a particular employee depending on the nature of the task and employee's activity field (position) and competencies available. The division of tasks among professionals in their field ensures better task performance and higher productivity. The tasks related to personnel are assigned to the head of company, the chief accountant performs the tasks related to the company's finances, and the tasks related to the provision of goods/services are assigned to the sales managers. Such allocation of functions ensures a better quality and an efficient performance that leads to better activity results of employees and the company itself.

Technology & operational flexibility. As „Bavarus“ is a wholesale company, the company's technologies are oriented towards provision and creation of services. The main technologies that ensure the provision of the service are hardware and software. Each workplace of the company contains a computer with software intended for a particular job, and their maintenance and warranting of proper functioning is a responsibility of the sales manager, who is assigned the functions of IT specialist as well. These technologies are attributable to the category of intense technologies- to ensure a smooth work of employees not only a very good computer literacy is needed, but also special knowledge and skills related to software packages used in the company. Based on the company goals and current technical capacity (state of which is good) it is intended to pay more attention to investment related to innovative

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decisions and planning of required technics, development of technical means and capacities. The use of modern, automated technologies enables optimisation of processes taking place in the company, saving employees' time, better and quicker performance of tasks, saving resources, quick reaction and adaptation to environmental changes.

Organisation culture and staff. Each organisation has its own organizational culture. Organizational culture determines the uniqueness of the company, increases the attachment of employees to the organization, matures their sense of identity. An appropriate organizational culture helps manage the employee, fosters innovation, and increases productivity. Behaviour, norms, standards, values, organizational climate and provisions are the most important elements of organizational culture (Shein, 1992).

All present employees of JSC "Bavarus" are full – time workers. JSC „Bavarus“ employs the people with similar attitudes, provisions and values - this facilitates inter-communication, increases employees' commitment to the company, strengthens the sense of community, reduces the likelihood of conflicts within the company. Acceptable, respectful behaviour and communication for all employees prevails in the company, employees' work culture is based on cooperation and mutual assistance, people working in the company are encouraged to share knowledge and experience, innovative and non-standard solutions are valued, and expression of opinions is encouraged. All this allows employees to work efficiently and continuously improve, increases employee's loyalty to the organisation, employees more feel themselves a part of the organisation. The head of JSC „Bavarus“ is characterised with leader's features, extraordinary organisational capabilities, and is able not only formulate clear goals, but also involve entire collective into the achievement of these goals. To continue with, he shares information on activity results, achievements and intended changes, manages to motivate employees by non-monetary means, and in general gives an impulse to work and constantly improve. All of that ensures a positive work atmosphere, healthy interrelationship between all collective members, and the efficient implementation of goals. Since the current sales manager is well acknowledged with the company activities, he would join the company's projects related to the implementation of innovations and development of new services. The mentioned sales manager would be kept responsible for warranting the proper activity of computer and technical equipment, and managing a newly hired IT specialist.

Company's portfolio of innovative projects under performance

Currently the following innovative projects are being carried out by JSC "Bavarus":

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Project title	Project aim	Activities	Outcomes	Duration (month)	Financial resources, Eur
A platform for clients' needs identification	To develop an innovative platform in order to identify clients' needs faster and clearer	Creating an innovative platform	The platform will allow to increase the productivity of the company's activity and improve the business environment by accurately identifying consumer needs, to shorten the logistics chain CONSUMER – JSC “Bavarus” – SUPPLIER.	1	8000
Expansion to foreign markets	To develop business and perform an expansion of the company's activities by using information technologies (using e-sales platform)	Preparation of a feasibility study	A feasibility study of foreign markets is conducted, an analysis of consumer needs is performed, and offers and sales of goods / services of JSC „Bavarus“ are planned.	6	10 000 Eur

Recommendations

For Bachelor's students, essential information required to work on the case study should be provided in the main text or in the appendix.

For postgraduates, the search for external information essential to the case study may be part of the assignment.

Questions/tasks

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1. Get acquainted with the company's activities and environment. Perform an analysis of the factors of external and internal environment. What scaling projects can be initiated in order to deal with dynamic environment challenges? (Perform analysis of business environment employing SWOT. It will allow to discover strength, weakness, opportunities, and threats; Make a list of problems employing 5 WHY method; Develop tree of problems by determining the interdependencies of the identified problems; Discuss and decide which problems can be solved by JSC Bavarus).
2. What scaling projects can be initiated in order to deal with dynamic environment challenges?
(Make long list of potential projects for problem solving; Analyse what benefits will be created by each project; Prioritize projects based on benefits and make a short list of projects (5 projects); Define five the most important projects: project title, project aim, objectives, activities, outputs, outcomes end financial resources).
3. Make a list of project stakeholders, identify their interests and benefits they expect, evaluate how each project stakeholder can contribute to the project results and success.
4. What risks will the company face when implementing projects? Make a risk management plan.

Teaching Note

Link to case study theme:

Projects, stakeholders, risk management.

Audience: Please select all that apply

UG students

(a) Synopsis and type of the case

[Synopsis] The case was developed in close cooperation with JSC Bavarus owner. JSC Bavarus is doing business to business in the field of textile products. Few interviews were conducted in order to collect qualitative data. In this case, the main financial indicators of the company, collected on the basis of officially available sources, are presented. The description of economic environment is based on official statistic data. This case is about projects as a tool to implement changes and innovations aiming to ensure economic grow of JSC Bavarus as a typical SME. The company and the specifics of its external and internal environment are presented in this case. The case is designed for students who seek to understand how projects are initiated based on an analysis of factors in the company's operating environment.

Type] This case is Exercise Case:

The exercise case allows student to apply a specific concept or technique that has been explained in a traditional lecture. This type of case is used where quantitative analysis is required. The manipulation of numerical data within the context of a real business situation is more challenging and interesting than a purely academic exercise.

{ https://www.fh-dortmund.de/de/fb/9/forschungsprojekte/casem/types_of_cases.php for identification}

Recommendations

Incident case, background case, exercise case are recommended for undergraduates;
situation case, complex case, decision case are recommended for postgraduates

(b) Teaching objectives, target groups and target courses

[Objectives] This case is designed to reach such learning objectives as:

1. To explain the environment of particular small business company and identify barriers and opportunities of its grow;
2. To identify, classify, compare, and analyse scaling projects and its stakeholders.
3. To employ project risk management tools and analyse project risk impact on project results and success.

...

[Target group] The case is written for Bachelor Students (2nd and 3rd + 4th year)

[Target courses] The case is especially intended for courses in Management, Project management and Enterprise management.

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(c) Teaching approach/area and strategy/organisation

[Approach/area] The case is intended to develop project management competencies such as project initiation, project stakeholders analysis and risk management and especially concentrates on the following topics:

- a. Project conception;
- b. Project as a tool to implement changes, create value and ensure growth of the company.
- c. Role of project stakeholders;
- d. The importance of project risk management;

Students are required to study theoretical material related to the role of projects for the growth of company and its strategy, project conception, project benefits (tangible/intangible), tools of project need justification, project stakeholders management, risk management (risk identification, evaluation and analysis, risk response strategies) .

Recommended literature:

1. A Guide to the PROJECT MANAGEMENT BODY OF KNOWLEDGE, 6th edition.
2. Better Practices Of Project Management Based On IPMA Competences, John Hermarij.
3. International project finance: law and practice, J.Dewar .
4. Project management best practices: Achieving global excellence, H Kerzner.

Recommendations

I competencies may be developed for bachelors (narrow, function based)

T competencies may be developed for postgraduates (wide, horizontal managerial and function based)

The case is prepared for teamwork. Therefore, before starting to work on the case students have to organize teams. The team should consist of 3-4 team members. The case can be studied in the classroom or combining homework and work in classroom.

[Strategy/organization] of the case study has been organised as follows [a typical structure may be the following]:

1. **Case Briefing:** First the teacher should present topic, its purpose, time frame and course. After, students should read the case study carefully. A 40-minute time period should be allowed for this. The teacher can ask students to learn case before coming to class. Students should be given time to discuss details of the case study and the associated work assignment with the teacher. A further 30 minutes should be allowed for this.
2. **Case Coaching:** While working on the case, students should have the opportunity to interact with the teacher in the form of coaching sessions. For this purpose, approx. 60 minutes should be scheduled again.

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3. **Upload of analysis results:** After 2 weeks, students should upload their results to the learning platform in the form of a presentation.
4. **Case Presentation:** Participants should be given a period of 8-10 minutes to present the results and 10 minutes discussion.

(d) Evaluation/Grading

[Evaluation criteria] Evaluation shall take place based on the following criteria:

Criteria	Description
Case research	<p>Completeness (<i>disclosure of the substance of the content, use of appropriate terms</i>);</p> <p>Accuracy (<i>deep and complete understanding of the topic, ability to discuss using the information provided</i>);</p> <p>Argumentation (<i>discussion, giving appropriate examples, facts, statistics in comparison with the works of other authors</i>)</p>
Case presentation	<p>Case presentation structure (<i>clarity of the logical sequence, adherence to the sequence during presentation</i>).</p> <p>Answers to questions (<i>detailed, with examples, demonstrating deep and complete knowledge of the topic, ability to discuss</i>).</p> <p>Quality of presentation preparation (<i>volume of the presented text, whether the text is legible, clarity of graphics, absence of grammatical and stylistic errors</i>).</p>
Class participation	<p>Preparation for the class activity (<i>having the necessary material, getting acquainted with it, performing the necessary tasks before the session</i>).</p> <p>Quality of comments (<i>clarity of ideas, consistency, reasoned answer to the questions, use of appropriate terms</i>).</p> <p>Initiative and involvement in task solving, discussions</p>

- [Grading/weights criteria]** Evaluation shall take place based on the following criteria [a typical scheme may be the following]:

Maximum number of points achievable, thereof for 100

- Case research: max. 50 points
- Case presentation: max. 10 points
- Class participation: max. 40 points

...

Final graduation: 50 + 10 + 40 =100

Recommendations

Differences in the level of education and experience, e.g. bachelor students and postgraduates, can be taken into account both in the weighting of the evaluation criteria and in differences in the requirements.

(e) Analysis and solution outline

A detailed case analysis and solution outline cover such steps as follows:

- In accordance to PMBOK 6th projects drive change in organizations. From business perspective, projects are tools that allow organizations to solve problems, implement

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innovations and business strategies moving from one state to another state. Projects create value and benefits for its stakeholders. Organizations initiates projects in response to its environment factors that cause problems or creates new innovative opportunities. Project initiation is the first phase of the project management life cycle and in this stage, organizations decide if the project is needed and how beneficial it will be for them. The most important thing is that projects have to be in line with organizations strategic goals. Based on the analysis of company's activities and environment, students are required to develop **tree of problems**. In order to develop tree of problems students have to employ such methods as *SWOT analysis*, *5 Why*.

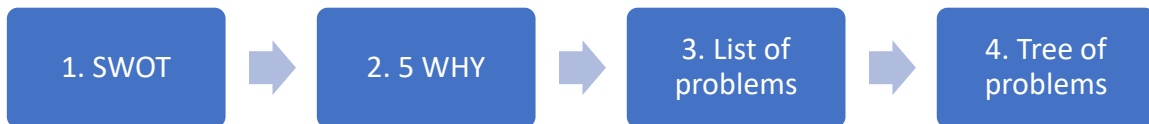


Figure 1. Steps of problem analysis .

In order to complete this task students have to:

- Perform analysis of business environment employing SWOT. It will allow to discover strength, weakness, opportunities, and threats;
- Make a list of problems employing 5 WHY method;
- Develop tree of problems by determining the interdependencies of the identified problems. Use Figure 1.
- Discuss and decide which problems can be solved by JSC Bavarus. Use Table 1.

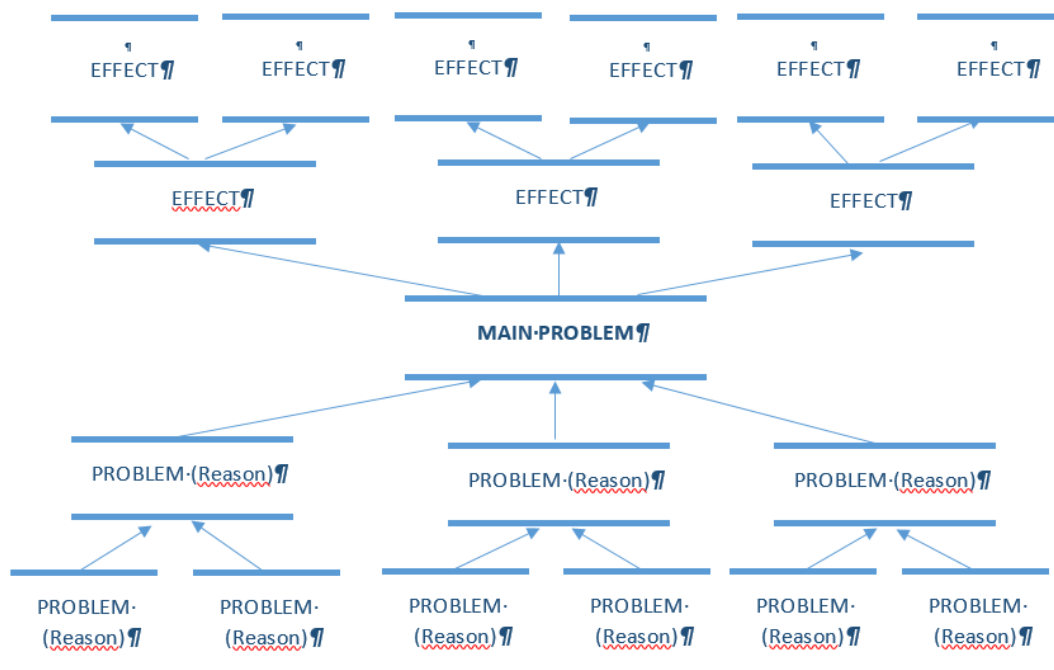


Figure 2. Tree of probelm

Table 1. Problem analysis

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PROBLEM	ORGANIZATION ABLE TO SOLVE	IS	ORGANIZATION IS NOT ABLE TO SOLVE

2. Once a list of problems has been drawn up, potential projects can be identified since projects are a key way to create value and benefits in organizations. Students have to remember project definition provided by PMBOK 6th “A project is a temporary endeavour undertaken to create a unique product, service, or result”. Project benefits are referred to as “the measurable improvement deriving from a result perceived as an advantage by one or more stakeholders, which contributes to the achievement of one or more organizational objectives” In order to complete this task students have to:
 - a. Make long list of potential projects for problem solving; Use Table 2.
 - b. Analyse what benefits will be created by each project; Use Table 2.
 - c. Prioritize projects based on benefits and make a short list of projects (5 projects); Use Table 2.
 - d. Define five the most important projects: project title, project aim, objectives, activities, outputs, outcomes end financial resources. Use Table 2 .

In accordance to PMBOK 6th “a *project benefit is defined as an outcome of actions, behaviors, products, services, or results that provide value to the sponsoring organization as well as to the project’s intended beneficiaries*”.

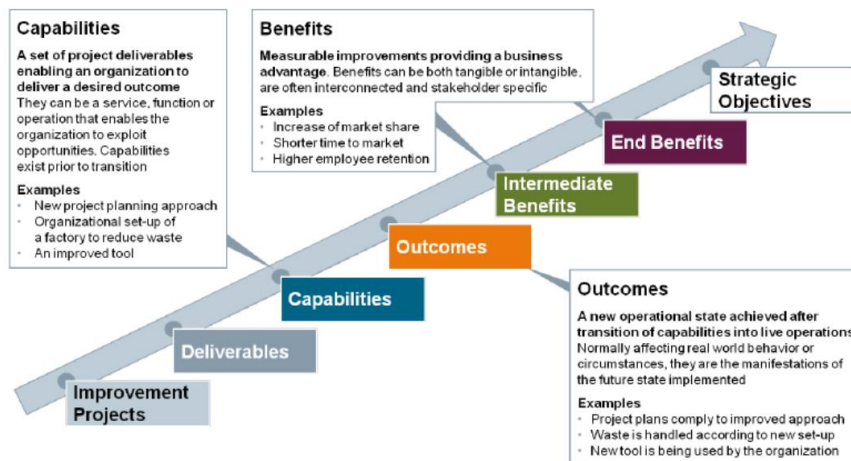


Figure 3. The pathway from projects to strategic objectives⁷

⁷ <https://www.pmi.org/learning/library/benefits-management-accelerate-value-delivery-5959>

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Table 2. Long list of potential projects, benefits and ranking

PROJECT	BENEFITS (tangible/intangible)	Ranking
1.		
2.		
3.		
4.		
5.		

The Ranking Method is the simplest prioritization method and the one that most people are probably familiar with. When you use the Ranking Method, you determine one or possibly two (for example “BENEFITS”) criteria to evaluate a project. Projects are then ranked based solely on that one criteria. If BENEFITS is your evaluation criteria, your #1 ranked project will deliver the biggest BENEFITS and is staffed with resources before all other projects. This doesn’t mean that projects ranked #2 and #3 (and so on) don’t have an impressive BENEFITS; they just don’t have the highest BENEFITS. The remaining projects are staffed in order of rank (from the highest rank to the lowest rank) until there are no more resources available. When resources run out, the remaining projects are put on hold.

One of the biggest advantages of this method is that it forces organizations to make decisions. The process for making decisions is clear and easy to understand. However, the Ranking Method works best when organizations have a small number of projects (ideally less than 20 projects) and when projects are similar in nature making them easy to compare with only one criteria. When organizations grow and begin to take on more projects, they will need evolve their prioritization process.⁸

Table 3. Short list of projects

Project title	Project aim	Activities	Outputs	Durtion	Financial resources

3. Make a list of project stakeholders, identify their interests and benefits they expect, evaluate how each project stakeholder can contribute to the project results and success

In accordance to PMBOK 6th “ *Every project has stakeholders who are impacted by or can impact the project in a positive or negative way. Some stakeholders may have a limited ability to influence the project’s work or outcomes; others may have significant influence on the*

⁸ <https://meisterplan.com/blog/project-prioritization-ranking-scoring/>

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project and its expected outcomes” Once short list of potential projects is clear, students can continue on working on project stakeholders’ analysis:

- a) make a list of stakeholders, define their interests ;Use Table 4.
- b) and group project stakeholders depending on level of authority (power), level of concern about the project’s outcomes (interest). Use Fig.3.

Table 4. Stakeholders’ analysis

Stakeholder	Interests	Impact on the Project
		Positive/negative/neutral



Figure 3. Power/interest grid

4. What risks will the company face when implementing projects? Make a risk management plan.

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- a. What risks does your project include? Please analyse them and place into the risk assessment matrix. Use Fig. 4.
- b. Which risks will you prioritize? Why? Use Table 5.
- c. Please make risk response plan. Use Table 5.

In accordance to PMBOK 6th risk is described as “An uncertain event or condition, that if it occurs, has a positive or negative effect on a project's objective. The key element of this definition is that the effect of the uncertainty, if it occurs, may be positive or negative on the objectives of the planned endeavour”. If something has occurred or you know that the probability of event occurrence is 100 %, it is a fact or an issue.

In order to complete this task, students are required to identify risk (negative or/and positive), assess probability and impact, select risk response strategy and assign responsible persons. Students should employ such risk management tools as risk assessment matrix, probability and impact matrix, risk response plan. Risk response strategies: *Avoidance; Acceptance; Monitor and prepare; Mitigation; Transference*⁹.

Table 5. Risk response plan

Risk	Probability	Impact	Risk response	Responsible person

Probability - Very low, Low, Medium, High, Very high; Impact - Very low, Low, Medium, High, Very high

		Impact				
		Very Low	Low	Medium	High	Very High
Likelihood	Very High					
	High					
	Medium					
	Low					
	Very Low					

Figure 4. Probability and impact matrix

⁹ <http://www.projectengineer.net/5-risk-response-strategies/>

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