Office Relocation Project

BUSINESS BENEFIT ANALYSIS

Approvals: This document requires the following approvals. Signed approval forms are filed in the Quality directory.

Name	Signature	Title	Date approved	Version
Ellen Foster		Captain in Charge	20 February, 2013	1.0

// Document control

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// Revision history

Version	Revision date	Summary of charges

// Document purpose

The Business benefit analysis is a one-off, start-up document used by senior management to assess the justification of a proposed project, as the basis for comparison of a number of projects competing for limited funds, or to assess the options for a project that has already received funding. If approved, it confirms senior management support and/or resourcing for a recommended course of action (option).

A Business benefit analysis is developed to:

- Gain approval to proceed with one or more projects
- Obtain resourcing for a project or projects through internal departmental processes, or the budget committee process
- Where resourcing is already available, document what the project can accomplish for the funding and how, e.g. a project as a result of a ministerial decision.

The document enables those approving the resources to analyse the rationale for the project, assess the economics of the project (both financial and strategic), analyse the impact of the project and compare these against other factors, such as major risks and the prevailing political environment.

What you need before you start:

- Agreement to proceed with the development of the Business benefit analysis from the Project Sponsor or Proposer
- Project brief, outline or scope document establishing the proposed scope of the Business benefit analysis.

Contents

1. Executive summary 4
2. Background 4
3. Overview 5
   3.1 Project title 5
   3.2 Vision 5
   3.3 Organisational objective 5
4. The business case 5
   4.1 Purpose of the Business benefit analysis 5
   4.2 Project sponsor/s 5
   4.3 Intended audience 5
5. Situational assessment and problem statement 6
6. Critical assumptions and constraints 6
7. Analysis of options 7
   7.1 Recommended option 7
8. Benefit/cost/risk analysis 9
   8.1 Benefits 9
   8.2 Dis-benefits 10
   8.3 Costs 11
   8.4 Key risk issues 12
   8.5 Summary of benefit/cost/risk analysis 13
9. Implementation strategy 14
   9.1 Project phases 14
   9.2 Project milestones 14
   9.3 Project outputs 15
   9.4 Related projects 15
   9.5 Resources 15
   9.6 Project management framework 17
   9.7 Quality reviews 17
   9.8 Quality tools/techniques 17

1. Executive summary

Plan2go is experiencing significant growth. It is vital to company operations to move to larger premises to meet WHS standards for staff accommodation and to meet client needs.

Plan2go is well known and has a reputation for high quality project outcomes. Plan2go would like to ensure that it's company premises and corporate image match this reputation.

Plan2go has considered several options for relocating to different premises however the most viable option is to relocate to local readily available leasable office space, including fit out and refurbishment of the available space.

2. Background

The Plan2go office location is no longer of a size capable to cope with the increasing workload and size of the company and notification has been received that the existing premises must be vacated by January 2014. This provides an excellent opportunity to relocate to larger, more suitable premises so our cloud based crew have a place to meet and work when they are visiting Melbourne.

It is vital to the company to maintain full operational mode during the establishment of new premises and the subsequent relocation. Human resource staffing and workload levels may need to be reviewed given the company is tendering for a number of new projects.

Plan2go would like to use this opportunity to improve working environments for staff. Plan2go also has an opportunity to improve its professional business presence.

Plan2go has previously considered three different options to improve its Head Office facilities:

1. Relocation to local readily available leasable office space, including fit out and refurbishment of the available space.
2. Design and construction of brand new office premises on the existing site.
3. Takeover of existing **80 Days** company office space (Plan2go is currently considering absorbing this existing company).

The preferred option identified in the Feasibility report is **Option 1** – relocation to a local readily available leasable office space, including fit out and refurbishment of the available space.

This Business Benefit Analysis is based on this option.

3. Overview

3.1 Project title

Plan2go Office Relocation Project

3.2 Vision

Plan2go is a well-respected and well established corporate travel and event solutions company experiencing expansion and wanting to increase business presence. It's corporate office space should accurately reflect and enhance that.

3.3 Organisational objective

Plan2go is experiencing substantial business growth. Its current office location is no longer of a size that complies with WHS standards, nor is it able to cope with upcoming expansion and increasing workload. Plan2go have also been notified they need to vacate.

Plan2go would like to use this opportunity to improve working environments for staff along with its professional business presence. This will also give our cloud based crew somewhere to meet and work when they come to visit in Melbourne.

4. The business case

4.1 Purpose of the Business benefit analysis

The purpose of this Business benefit analysis is to:

- Identify costs, benefits and risks of the office relocation project
- Obtain approval to proceed with project planning and funding

4.2 Project sponsor/s

Ellen Foster – Captain in Charge, Plan2go.

4.3 Intended audience

The intended audience for this Business benefit analysis is Ellen Foster, CEO, Plan2go. The CEO may present this document to any statutory, governing or financing authorities.

5. Situational assessment and problem statement

Plan2go is experiencing substantial business growth, its current office location is no longer of a size that complies with WHS standards, nor is it able to cope with upcoming expansion and increasing workload and equipment.

Cramped office space is leading to lowered efficiency rates, lower productivity levels, and increasing stress levels which could lead to potential workplace injuries.

Staff are unable to access and store essential equipment, files and other resources without constantly moving these objects around.

The current office space is inadequate for conducting private meetings with clients and potential clients. The lack of private meeting space impacts on confidentiality of clients, staff and management meetings/ discussions.

Plan2go prides itself on the ability to provide high quality project deliverables, innovative design and modern technological solutions. The current office accommodation is dated and does not accurately reflect Plan2go company style or culture.

Relocation to new refurbished premises would allow Plan2go to project an image that is consistent with the Company's ethos and facilitate further growth.

6. Critical assumptions and constraints

Identified assumptions and constraints include:

- The company must remain fully operational during the relocation project. Any disruption to service would have a detrimental impact on a number of current client projects.
- It is assumed that a number of key staff will be required to work on other critical projects at the same time as the office relocation project.
- It is also assumed that recent delays in transferring phone lines due to local telecommunications work (installation of NBN) will continue.

7. Analysis of options

7.1 Recommended option

The preferred option after the feasibility study was **OPTION 1:** Relocation to locally available leasable office space, including potential refurbishment of available space.

Option evaluation criteria	Notes/comments
Alignment with desired business objectives and enterprise architecture	This option aligns significantly with desired business objectives for the following reasons: • Opportunity to improve staff work spaces • Opportunity to improve business professional street presence including corporate signage • Timing considered appropriate to reorganise and re-image office space • Readily available in-house design services and resources • Readily available established office space in appropriate location
Costs	Budget of $300,000 to $400,000
Cost benefit	Dedicated office premises that will satisfy anticipated future company needs for next 8 to 10 years. Capital expenditure requirements readily available to company through existing resources.
Legal/regulatory fit	Existing professional business relationship with owner of existing potential new premises. No problems anticipated with lease terms and conditions negotiation process.
Impact	Opportunity to have new premises operational simultaneously with old premises – allowing for smooth transition.
Potential risks that impact the ability to deliver desired business outcomes	Delays with Internet and phone connections due to current regional capacity shortage issues. Possible contractor shortages due to Christmas/holiday period shutdown. Some key project personnel involved in other projects. Any interruption to company operations could have flow on effect to other projects currently under company management.
Rationale for rejection or for recommending further analysis	Recommend further analysis. This option meets the majority of the company's requirements.
Overall viability	**VIABLE OPTION**

For the purpose of the office relocation Business benefit analysis, the benefits, dis-benefits, costs and risks are presented in summary format in the table below.

Criteria	**Option 1 –** Relocate to leasable office space	**Option 2 –** Design and construct entirely new premises	**Option 3 –** Takeover existing 80 Days company premises
Benefits: • Plan2go Business Owners • Plan2go Crew • Plan2go clientele of current projects	★★★★★	★★★★	★★★
Dis-benefits: • Plan2go Business Owners • Plan2go Crew • Plan2go clientele of current projects	★★★	★★★★★	★★★★★
Budget costs	$300,000 to $400,000	$1,000,000 to $1,800,000	$300,000 to $400,000
Risks: Likelihood/rating	14/45	25/85	17/63
Comments	Most viable option	Less viable option	Least viable option

8. Benefit/cost/risk analysis

8.1 Benefits

Benefits	Business impact
Improvements to staff work spaces	• Increase in productivity • Increase in staff morale • Private meeting spaces for Crew, clients and management teams
Increased business professional presence including corporate signage	• Increase company professional presence to match company image and culture • Expected increase in client base as a result of increased exposure – resulting in expected increase in revenue
Merging with new staff from **80 Days** if takeover proceeds	• Once off disruption to work and staff for longer term benefit • Opportunity to integrate new staff into new workspace • Opportunity to start new image as a new team and to establish professional company culture
Retention of capital resources	• Reduced cost and shorter timeframe compared to other options – ability to locate capital to other company improvements • Reduced maintenance costs • Lease expenses claimable as operational cost
Central office location	• Convenience of nearby services • Convenience of parking spaces for visitors • Increased service to clients • Greater exposure of Plan2go image with street front signage

8.2 Dis-benefits

Dis-benefits	Business impact
Delays with Internet and phone connections due to current regional capacity shortage issues	• Negative impact on customer service • Communications team could be located temporarily at existing office to handle communications if any delays experienced • Risk reduced by advance ordering of telephone and Internet services
Possible contractor shortages due to Christmas/holiday period shutdown	• Contractor contract will include specific clauses relating to project milestone completion dates and penalties for failure to meet dates • Risk reduced by project management ensuring advanced ordering or supplies/contractors
Some project key personnel involved in other competing projects	• Staff involved will be undertaking roles already familiar to the – no cross training required • Risk reduced by Crew and Project Manager advance planning of work flow systems and identification of peak milestone dates that may require additional labour hire
Interruption to company operations	• Potential time delay penalties and negative impact on ability to provide customer service
Perception to client base of fee increases due to expansion	• Customers may “assume” that expansion and change of image will translate into increase of standard fees • Risk mitigated by communicating clearly with clients that capital works are self-funded
Staff stress and morale due to change processes	• Temporary issues with staff unclear on change processes, work spaces and workloads • Risk reduced by People and Culture Crew proactive implementation of change management education program

8.3 Costs

A summary of the draft budget is provided below (for more detail see Appendix B). The budget will need to be fully developed after the Project brief is approved. Absolute quotes from suppliers/contractors will give us more realistic costing.

Project	Description	Estimate
Project management	Planning, meetings, on-going controls and management, project close and review	$135,722
Moving costs and fees	Old premises termination, disconnection, clean-up, relocation services and insurance, staff costs, mail, stationery, address updated on website, etc.	$68,350
New premises set-up	Initial clean-up/repairs, fit-out, insurance, communication system relocation, cabling and expansion, new IT equipment, new security system, new furniture and office equipment, signage and installation, office supplies and groceries	$137,507
Move-in/Launch	Protection materials, staff costs, WHS compliance inspection, launch (marketing and advertising, launch party for clients), basic security and phone system run-through	$29,918
Contingency/Risk	General 5% contingency of subtotal so far	$18,574.85
	TOTAL ESTIMATED COST	$390,071.85

Standard recurrent costs such as human resource costs, ongoing leasing fees and normal operating costs are covered in the Plan2go Operational budget as they are outside the cost and scope of this project.

All project funds are readily available and sourced from Plan2go Future Business Investment Cash Reserve.

8.4 Key risk issues

Option 1: Relocation to locally available leasable office space, including potential refurbishment of available space.

Threat source	Threat	Risk likelihood	Risk impact	Risk rating	Risk management measure
Local phone and internet provider	Delays with internet and phone connections due to current regional capacity shortage issues.	3	Moderate	9	Effective advanced planning of order for phone and internet relocation.
Contractor holiday shutdown	Possible contractor shortages due to Christmas/holiday period shutdown.	4	Moderate	12	Effective advanced planning of contractor requirements in lead up to and during holiday shutdown period. Contractor contracts to include penalties for time delays.
Key project staff involved in other critical Plan2go projects	Some project key personnel unavailable.	5	Major	16	Effective allocation of project personnel.
Disruption to company operations due to project delays	Disruption to company's ability to continue to operate during relocation process.	2	Major	8	Effective advanced planning and allocation of project tasks.
TOTAL RISK RATING		**14**		**45**	

8.5 Summary of benefit/cost/risk analysis

The benefits of the office relocation project include:

- Plan2go increased capacity to adequately cater for visiting cloud based crew members and ability to meet Section 21 of the *Work Health and Safety Act 2011 (WHS Act)* – workspaces for staff. The successful completion of this project will satisfy the business needs of Plan2go for the next 8 to 10 years.
- Plan2go is a well-known and reputable company. Successful completion of this project will allow Plan2go to project a professional image in a convenient and centrally located professional business space; consistent with its established reputation for quality project outcomes.
- The costs associated with the preferred **Option 1: Relocation to locally available leasable office space, including potential refurbishment of available space** – are reasonable and within Plan2go operational budgets and Future Business Investment Cash reserve allocations.
- Project risks and risk reduction strategies have been identified in advance. All risk reduction strategies are within the current capacities of Plan2go and would not require further significant investment.

9. Implementation strategy

9.1 Project phases

Phase	Start date	Completion date	Deliverables
Initiation phase	4/03/2014	28/03/2013	Project brief
Planning phase	1/04/2013	1/06/2013	Project plan
Implementation phase	1/06/2013	10/01/2014	Project controls Updated plans
Completion phase	10/01/2014	7/02/2014	End project report Updated Lessons learned log and Continuous improvement register

9.2 Project milestones

Phase	Milestone	Date due
Initiation phase	Establish project team	4 March, 2013
	Project brief acceptance	28 March, 2013
Planning phase	Complete project plan	31 May, 2013
	Project plan acceptance	1 June, 2013
Implementation phase	Contractors/suppliers secured	17 June, 2013
	New location fit-out complete	30 October, 2013
	Receive furniture and equipment into new location (including signage)	6 November, 2013
	Set-up of new location	14 November, 2013
	Signage installation	14 December, 2013
	Office move-in date for all staff	10 January, 2014
Completion phase	Acceptance of project completion	17 January, 2014
	End of project report approval	5 February, 2014
	Project closure	7 February, 2014

9.3 Project outputs

Project deliverable
Establishment of new premises with separate reception area as required
Layout of new offices will be larger than in the existing office to meet required Work, Health and Safety standards
Location of new premises will be closer in proximity to the central business district
Procure and install new office furniture and equipment as per plan
Procure and install security system
Procure and install business signs. 8 signs in total – 1 x moulded exterior sign; 1 x exterior sign for the front of the building; 1 x exterior door sign; 1 x interior sign for the reception area and; 4 x door signs for Crew Leader offices and amenities
Relocation of existing office files, furniture and equipment to new premises
Plan2go will be fully operational in their new larger premises

9.4 Related projects

Plan2 go will continue to remain operational during the office relocation project – servicing client project s as per normal.

Plan2go will be undertaking a number of other key projects as the same time as the office relocation project. This will require resources to be adequately managed across a number of projects.

9.5 Resources

See the following page for a DRAFT Project budget:

DRAFT Project budget

Plan2go™

Project Name: Office relocation project
Project Manager: Ros Inkle
Project Completion date: 07-February-2014

	PROJECT TASKS	ABOUR HOURS	ABOUR COST ($)	MATERIAL COST ($)	RAVEL COST ($)	THER COST ($)	TOTAL PER TASK
PROJECT MANAGEMENT	Develop Project Proposal	10.0	$1,200.00	$0.00	$0.00	$0.00	$1,200.00
	Develop Project Plan	14.0	$1,680.00	$0.00	$0.00	$0.00	$1,680.00
	Develop Project Budget	14.0	$1,680.00	$0.00	$0.00	$0.00	$1,680.00
	Exec Progress Meetings/Reports (apx 4 peopl	4.0	$500.00	$0.00	$0.00	$0.00	$500.00
	Project Team meetings (apx 6 people)	288.0	$23,040.00	$0.00	$0.00	$0.00	$23,040.00
	Internal Status Meetings/Reports (apx 6 peop	60.0	$4,800.00	$0.00	$0.00	$0.00	$4,800.00
	Project admin/Document library	144.0	$9,360.00	$0.00	$0.00	$0.00	$9,360.00
	Quality Assurance	48.0	$5,760.00	$0.00	$0.00	$0.00	$5,760.00
	Overall Project Management	720.0	$86,400.00	$0.00	$0.00	$0.00	$86,400.00
	Subtotal	1,302.0	$134,420.00	$0.00	$0.00	$0.00	$134,420.00
MOVING COSTS & FEES	Lease termination costs	0.0	$0.00	$0.00	$0.00	$1,800.00	$1,800.00
	Disconnection costs	0.0	$0.00	$0.00	$0.00	$250.00	$250.00
	Cleaning fees	0.0	$0.00	$0.00	$0.00	$700.00	$700.00
	Store/Purge/Archive old files	7.0	$420.00	$0.00	$0.00	$0.00	$420.00
	Rubbish removal	0.0	$0.00	$0.00	$0.00	$150.00	$150.00
	Removalist packing/moving (label, protect, IT	0.0	$0.00	$0.00	$0.00	$2,360.00	$2,360.00
	Lease cost for six months (incl. GST)	0.0	$0.00	$0.00	$0.00	$41,250.00	$41,250.00
	Moving insurance	0.0	$0.00	$0.00	$0.00	$1,000.00	$1,000.00
	Commercial Real Estate legals	0.0	$0.00	$0.00	$0.00	$5,000.00	$5,000.00
	New equip/furniture procurement tasks	10.0	$750.00	$0.00	$0.00	$0.00	$750.00
	Parking/loading fees	0.0	$0.00	$0.00	$0.00	$75.00	$75.00
	Staff costs	63.0	$5,040.00	$0.00	$0.00	$0.00	$5,040.00
	Mail redirection costs	0.0	$0.00	$0.00	$0.00	$50.00	$50.00
	New office stationery & business cards	0.0	$0.00	$0.00	$0.00	$570.00	$570.00
	Update company website	0.0	$0.00	$0.00	$0.00	$350.00	$350.00
	Contingency (business interuption costs)	105.0	$8,400.00	$0.00	$0.00	$0.00	$8,400.00
	Subtotal	185.0	$14,610.00	$0.00	$0.00	$53,555.00	$68,165.00
NEW PREMISES SET-UP	New premises clean/rubbish removal	0.0	$0.00	$0.00	$0.00	$700.00	$700.00
	Premises damage/repairs	0.0	$0.00	$0.00	$0.00	$1,000.00	$1,000.00
	Premises fit-out/contractor	0.0	$0.00	$0.00	$0.00	$95,000.00	$95,000.00
	Office insurance (annual)	0.0	$0.00	$0.00	$0.00	$1,845.00	$1,845.00
	Comms equip relocation/instal/cabling/exp	0.0	$0.00	$0.00	$0.00	$3,750.00	$3,750.00
	New IT equipment and installation	0.0	$0.00	$0.00	$0.00	$5,000.00	$5,000.00
	New furniture and equipment	0.0	$0.00	$0.00	$0.00	$15,000.00	$15,000.00
	Security system & inst. (incl keys & access car	0.0	$0.00	$0.00	$0.00	$3,604.00	$3,604.00
	New signage & installation	0.0	$0.00	$0.00	$0.00	$1,977.00	$1,977.00
	Connection costs (electricity & water)	0.0	$0.00	$0.00	$0.00	$500.00	$500.00
	Office artwork & plants (living wall garden)	0.0	$0.00	$0.00	$0.00	$3,550.00	$3,550.00
	Arrange new services (cleaners/maintenance	1.0	$60.00	$0.00	$0.00	$0.00	$60.00
	Groceries (bathroom/kitchen)	1.0	$60.00	$0.00	$0.00	$278.00	$338.00
	Office supply order	1.0	$60.00	$0.00	$0.00	$545.00	$605.00
	Directions (private & public for employees)	1.0	$60.00	$0.00	$0.00	$0.00	$60.00
	Staff costs (2 x 5 days)	74.0	$4,440.00	$0.00	$0.00	$0.00	$4,440.00
	Subtotal	78.0	$4,680.00	$0.00	$0.00	$132,749.00	$137,429.00
MOVE IN & TESTING	Protection for main moving paths	0.0	$0.00	$0.00	$0.00	$95.00	$95.00
	Staff costs/employee relocation	140.0	$16,800.00	$0.00	$0.00	$0.00	$16,800.00
	WHS Inspection/compliance	7.0	$700.00	$0.00	$0.00	$0.00	$700.00
	New premises launch (marketing/advertising	0.0	$0.00	$0.00	$0.00	$2,500.00	$2,500.00
	New premises launch party (clients)	0.0	$0.00	$0.00	$0.00	$700.00	$700.00
	Overview of phone/security system & trainin	16.0	$960.00	$0.00	$0.00	$0.00	$960.00
	Contingency (damage/repairs)	0.0	$0.00	$0.00	$0.00	$3,000.00	$3,000.00
	Contingency (office designer/architect)	0.0	$0.00	$0.00	$0.00	$5,000.00	$5,000.00
	Subtotal	163.0	$18,460.00	$0.00	$0.00	$11,295.00	$29,755.00
OTHER COSTS	Other cost	0.0	$0.00	$0.00	$0.00	$0.00	$0.00
	Other cost	0.0	$0.00	$0.00	$0.00	$0.00	$0.00
	Other cost	0.0	$0.00	$0.00	$0.00	$0.00	$0.00
	Subtotal	0.0	$0.00	$0.00	$0.00	$0.00	$0.00
	Subtotals	1728.0	$172,170.00	$0.00	$0.00	$197,599.00	$369,769.00
	Risk (Contingency)	0.0	$0.00	$0.00	$0.00	$25,000.00	$18,488.45
	Total (Scheduled)	1728.0	$172,170.00	$0.00	$0.00	$222,599.00	$388,257.45

9.6 Project management framework

Role	Name	Responsibilities
Project Executive	Ellen Foster – Captain in Charge	Project Sponsorship
Project Manager	Ros Inkle – Leader Project Office	Project Management
Project Team Member	Jeremy Isis – Project Manager	Assist Project Manager
Project Team Member	Julia Stickler – Leader Cabin Crew	Assist Project Manager
Project Team Member	Yeo Chan – Technical Support Officer	Assist Project Manager
Project Team Member	Natalia Simpson – Procurement Officer	Assist Project Manager
Project Administrator	Justin Hart – Admin Officer	Assist Project Manager
Other Stakeholders	Tobias Ukestock – Leader People and Culture Stuart Percel – WHS Officer Herbert Tickle – Green Guru	Advice and consultation

9.7 Quality reviews

Quality reviews will occur regularly throughout the project to ensure the project is going to plan.

9.8 Quality tools/techniques

- Risk log – with suggested mitigation strategies
- Issue log
- Continuous improvement register
- Lessons learned log