

Project management and its role in the supermarket and retail sphere

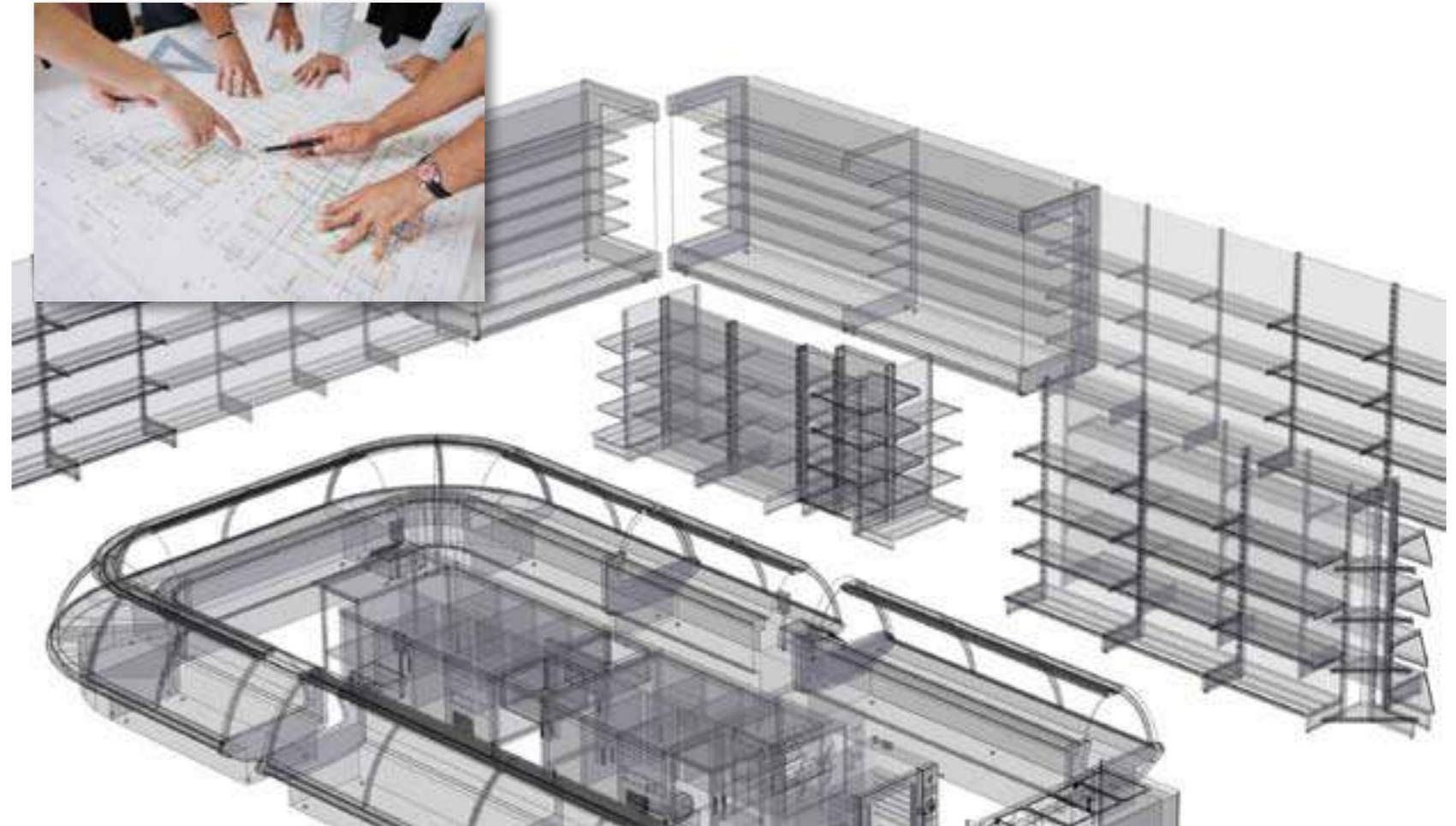
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ABSOLUT DESIGNS

Project management is the practice of managing people, cost, risk, quality, time, procurement quality and scope in order to achieve a certain deliverable. You tend to find many project managers are OCD by nature and thrive on organisation. Being a project manager is a high pressure job with a bucket load of stress, however the reward is all worth it.

When it comes to supermarkets, there are a lot of moving parts involved in a new store and even more challenges in managing a revamp as we cannot expect a retailer to close his/her store completely for a period of up to six months to a year in order to complete a revamp. Generally, when managing a revamp we do a 'live revamp' whereby we phase out the works and hoard off sections of the store at a time in order to allow for trade while we work.

In my experience, it is important to have a project manager involved in the build of a new store, but even more important to have a project manager involved in your revamp.



For optimal results, it is best to have two project managers. An 'in-house' project manager and 'principal agent' project manager. The in-house project manager will handle projects and tasks within the organisation or client/retailer and is employed by the client/retailer.

Examples of in-house project manager tasks and projects would be, but not limited to, security and

cctv measures, software and pos, staff training, PABX.

Examples of tasks/projects handled by a principal agent project manager would be, but not limited to, such tasks as managing the main contractor, electrician, plumber, equipment supplier, design team, shopfitter, refrigeration and HVAC contractors.

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I am a principal agent project manager and a store design consultant so I will focus on these rolls. For the balance of the article I will refer to the principal agent project manager as PAPM. The responsibility handled by the PAPM is determined by negotiations between the project manager and their client before appointment and this will determine the fee that the project manager will charge the client/retailer.

Generally the PAPM will charge either a m² rate or a percentage of total project cost and a payment plan is agreed on during these negotiations. Turnkey will be full responsibility for the project and a lot of risk is put on the project manager and therefore he will require a high fee for his or her services.

The first task of the PAPM once appointed would be to determine if the client/retailer has got a comprehensive store design done. If not he/she will assist in sourcing a store designer and be present in design meetings in order to finalise a store layout. A store design pack will assist greatly



Existing Supermarket Check List

> All Fields in grey pertain to the department in question.

| Front Of Shop | | | | | |
|--|-----|----------|--------|------|----------------|
| Sub-Department | Y/N | Comments | Amount | Feet | m ² |
| Kiosk | | | | | |
| Money Market | | | | | |
| Parcel Counter | | | | | |
| Managers Pulpit | | | | | |
| Cash Office | | | | | |
| Tills | | | | | |
| > Standard | | | | | |
| >Express | | | | | |
| >Bulk | | | | | |
| Trolley Bay | | | | | |
| Groceries | | | | | |
| Standard Shelving | | | | | |
| Bulk Shelving | | | | | |
| Types of Ends | | | | | |
| Refrigeration | | | | | |
| >AHT | | | | | |
| >Jumbos | | | | | |
| >Jumbo Ends | | | | | |
| >Dairy Up Rights | | | | | |
| >Cooldrinks (Rear Loading Coldroom or Up Rights?) | | | | | |
| >Ice Cream (AHT? In Jumbo Run? In Up Right Freezer?) | | | | | |
| Other | | | | | |

with costing the project and gathering quotations from all contractors and subcontractors involved. It is best practice to get three quotes for each field and present these to your client and discuss, not only price, but value added service provided by the bidders.

Once your client has made his/her choice, its time to send out letters of appointment to the successful bidder and negotiate deposits. At this point the PAPM will also present a full project cost sheet to your client. The PAPM will also discuss

with all appointed contractors, subcontractors and suppliers their manufacturing times should there be any and request them to submit a timeline of works, with details of their scope included to confirm not only your project schedule, but to also make sure there is no confusion about each contractor, subcontractor or suppliers scope of works.

The PAPM will now be able to draw up a Project Schedule or Critical Path Analysis and present this to the client for sign off.

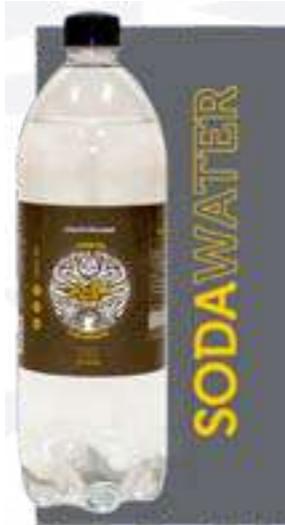


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The next step is to determine the start date and the PAPM will distribute the project schedule to all contractors, subcontractors and suppliers and confirm they understand their start dates. During the project the PAPM will be managing the contractors, the risk, the cost and report back to the client by way of minutes from bi-weekly site meetings where you will track project progress. This is how the PAPM will foresee any issues or delays which will affect the cost of the project and raise these items with the client/retailer thereby managing risk and cost.

During the project, it is also important that the PAPM monitors the quality of workmanship by the contractors and reports any defects to the client/retailer. When contractors complete their works, it's important that the PAPM walks the job and snags the work with the relevant contractor, the PAPM will issue a snag list and a completion date

for the snags. Once snags are complete, the PAPM will sign off the works in order to process final invoices and payments.

When the project is complete the PAPM will do a final snag with the client/retailer, the PAPM will issue a snag list to the relevant contractors and, once complete and the PAPM has done final site handover, retention payments can be paid and the project close-off is complete.

It's important to plan, especially on large projects as lots of money can

be lost or wasted on a project. By planning, you will save a large amount of money, much more than what you will pay for professional fees of a project manager and store designer.

It's also important to note that, if a retailer got a discount of just 5% from all contractors, subcontractors and suppliers, the retailer would then have funds to cover the fees of a project manager and designer. **SR**



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