## MODULE 4- PREPARATION OF PROJECT

### 4.1 MEANING OF PROJECT

An entrepreneur takes numerous decisions to convert his business idea into a running concern. His/her decision making process starts with project/product selection. The project selection is the first corner stone to be laid down in setting up an enterprise. The success or failure of an enterprise largely depends upon the project. The popular English proverb "well began is half done" applies to project selection also indicates the significant of good beginning.

The dictionary meaning of project is that is a scheme, design a proposal of something intended or devised to be achieved. Newman and his associates define that "a project has typically has a distinct mission that it is designed to achieve and clear termination point, the achievement of the mission. Gillinger defines project "as a whole complex of activities involved in using resources to gain benefits". According to Encyclopaedia of management, "a project is an organized unit dedicated to the attainment of goal—the successful completion of a development project on time, within budget, in conformance with predetermined programme specifications." Now, a project can be defined as a scientifically evolved work plan devised to achieve a specific objective within a specified period of time. Project can differ in their size, nature of objectives, time duration and complexity.

However projects partake of the following three basic attributes:

(i) A course of action

(ii) Specific objectives and

(iii) Definite time perspectives.

Every project has starting point, an end point with specific objectives.

### PROJECT LIFE CYCLE

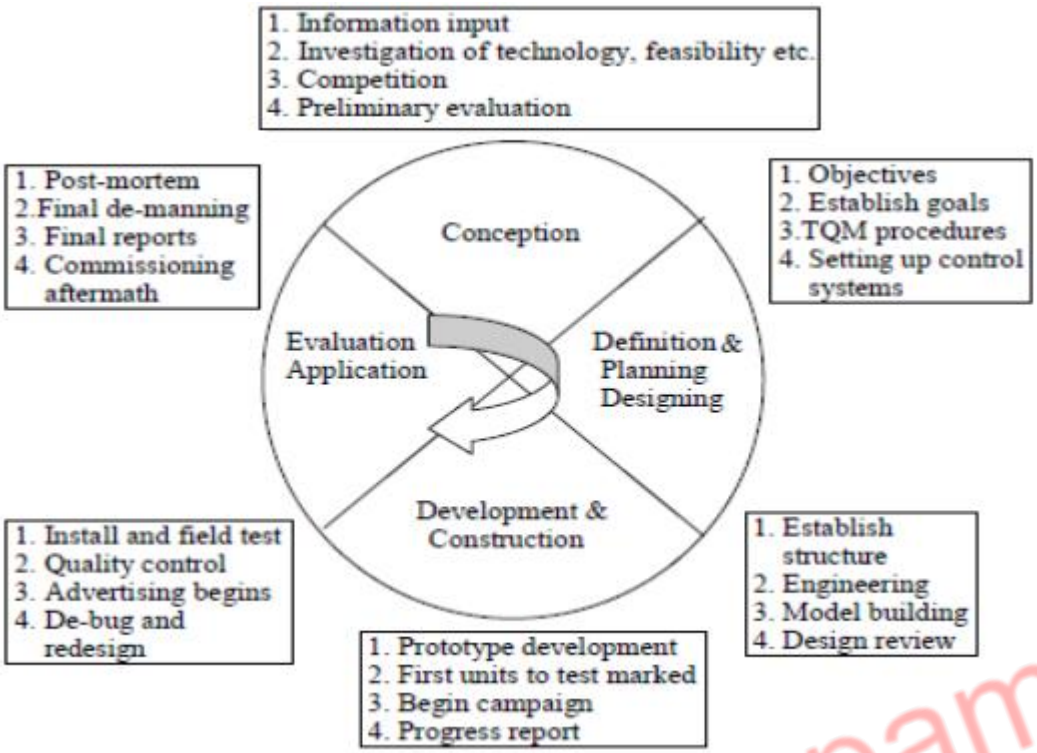


**Figure 4-1: The Project Life Cycle**

## 4.2 PROJECT IDENTIFICATION

Often indenting entrepreneurs always are in search of project having a good market but how without knowing the product coat they determine market whose market they find out without knowing the item i.e. product? Idea generation about a few projects provides a way to come out of the above tangle.

### Idea Generation

The process of project selection starts with idea generation. In order to select most promising and profitable project, the entrepreneur has to generate large number of ideas about the possible projects he can take. The project ideas can be discovered from various internal and external sources. These may include:

(i) Knowledge of potential customer needs.

(ii) Personal observation of emerging trends in demand for certain products.

(iii) Scope for producing substitute product.

0(iv) Trade and professional magazines which provide a very fertile source of project ideas.

(v) Departmental publications of various departments of the government.

(vi) Success stories of known entrepreneurs or friends or relatives.

(vii) A new product introduced by the competitor.

(viii) Ideas given by knowledgeable persons.

All these sources putting together may give few ideas about the possible projects to be examined among which the project must be selected. After going through these sources if an entrepreneur has been able to get six project ideas, one project idea will be finally selected going through the following selection process.

## 4.3 **PROJECT SELECTION**

Project selection starts once the entrepreneur has generated few ideas of project. After having some ideas, these project ideas are analyzed in the light of existing economic conditions, market conditions, and the government policy and so on. For this purpose a tool is generated used what is called SWOT analysis. The intending entrepreneur analyses his strengths and weaknesses as well as opportunities/competitive advantages and threats/challenges offered by each of the project ideas. In addition the entrepreneur needs to analyze other related aspects also like raw material, potential market, labour, capital, location and forms of ownerships etc. Each of these aspects has to be evaluated independently and in relation to each of these aspects. On the basis of this analysis, the most suitable idea is finally selected to convert it into an enterprise. The process involved in selecting a project out of few projects is also termed as "Zeroing in Process".

| | |
|---|---|
| **S** (Strengths) | **W** **(**Weaknesses) |
| **O** **(**Opportunities) | **T** **(**Threats) |

A few Important Criteria for selection are given below:

***Investment Size***: This is a very important criterion to decide success or failure of the Project. The Entrepreneur should assess the Economical Size of the Plant & the Total Investment required & should assess his Financial Capability to pool in at least about 25 % of the Investment required for the Project. Entrepreneur therefore, ***should select only such Projects which are within his***

***financial resources***. You cannot establish an Enterprise only on borrowed funds & this may lead to severe financial problems in the Initial Stages of the Project Implementation itself.

***Location***: Location chosen should have Good Infrastructural Facilities like Good Approach Road, Transportation Facilities, Communication Facilities, Availability of Power, and Water & required Labor. Also, Location chosen should have good proximity to the Raw Materials as well as to the Market. Entrepreneurs should also examine the Concessions & Incentives offered for a Particular Location as per the Govt. Industrial Policy. It is also advisable to select a location nearer to bigger cities or Industrially Forward Areas rather than setting up an Enterprise in Remote rural or Backward Areas just for the sake of getting better or higher incentives offered by the Govt.

***Technology***: The Project chosen should not be for a Product which requires sophisticated technology, necessitating Foreign Technical Collaboration. It is better to go in for a Product with a proven technology that is ***indigenously*** available & where the Entrepreneur himself is well versed with the required technology.

***Plant & Machineries***: When deciding on a Project, the Entrepreneur should assess the availability of High Quality Plant & Machineries ***indigenously***. As far as possible, a New First Project by the Entrepreneur should not be planned on Imported Plant & Machineries because of the problems & delays invariably associated with Imports. This may lead to Cost Escalation of the Project, & may affect the implementation schedule of the Project. One should remember that one should not compromise on the Quality of the Equipment even if there are little expensive in the beginning, as they will pay back in the Long Run due to uninterrupted working. Cheap Poor Quality equipment leads to frequent breakdowns.

***Marketing***: The Success of any Enterprise finally depends on Marketing Capability of ones Goods / Products / Services. It is not advisable to get into a Project ***particularly the first***, which would mean survival amidst Cut Throat Competition involving Direct Selling to a large number of Ultimate Customers. One should go in for Products with a Limited Number (say 10 or 15) of established Industrial Customers.

This also means that there is a ***Time Interval involved in between Projects Identification & Final Projects Selection***.

## 4.4 CONTENTS OF A PROJECT REPORT

The significance of project report as discussed above makes it clear that there is no substitution for business plan or project report and there are no shortcuts to prepare it. The more concrete and complete project report not only serves as road map but also earns the respect of outsiders who support in making and running an enterprise. Hence project report should be prepared with great care and consideration. A good project report should contain the following.

(1) ***General information*****:** Information on product profile and product details.

(2) ***Promoter*****:** His/her educational qualification, work experience, project related experience.

(3) ***Location*****:** exact location of the project, lease or freehold, location advantages.

(4) ***Land and building*****:** land area, construction area, type of construction, cost of construction, detailed plan and estimate along with plant layout.

(5) ***Plant and machinery*****:** Details of machinery required, capacity, suppliers, cost, various alternatives available, cost of miscellaneous assets.

(6) ***Production process*****:** Description of production process, process chart, technical know-how, technology alternatives available, production programme.

(7) ***Utilities*****:** Water, power, steam, compressed air requirements, cost estimates sources of utilities.

(8) ***Transport and communication*****:** Mode, possibility of getting costs.

(9) ***Raw material*****:** List of raw material required by quality and quantity, sources of procurement, cost of raw material, tie-up arrangements, if any for procurement of raw material, alternative raw material, if any.

(10) ***Man power*****:** Man power requirement by skilled and semi-skilled, sources of manpower supply, cost of procurement, requirement for training and its cost.

(11) ***Products*****:** Product mix, estimated sales distribution channels, competitions and their capacities, product standard, input-output ratio, product substitute.

(12) ***Market*****:** End-users of product, distribution of market as local, national, international, trade practices, sales promotion devices, and proposed market research.

(13) ***Requirement of working capital*****:** Working capital required, sources of working capital, need for collateral security, nature and extent of credit facilities offered and available.

(14) ***Requirement of funds*:** Break-up project cost in terms of costs of land, building machinery, miscellaneous assets, preliminary expenses, contingencies and margin money for working capital, arrangements for meeting the cost of setting up of the project.

(15) ***Cost of production and profitability of first ten years*.**

(16) ***Break-even analysis***.

(17) ***Schedule of implementation.***

## 4.5 FORMULATION OF PROJECT REPORT

A project report is like a road map. It is an operating document. What information and how much information it contain depends upon the size of the enterprise, as well as nature of production. For example small-scale enterprises do not include technology which is used for preparing project reports of large-scale enterprises. Within small-scale enterprises too, all information may not be homogeneous for all units. Vinod Gupta has given a general set of information in his study "Formation of a project report." According to Gupta, project formulation divides the process of project development into eight distinct and sequential stages as below:

(1) General information

(2) Project description

(3) Market potential

(4) Capital costs and sources of finance

(5) Assessment of working capital requirements

(6) Other financial aspects

(7) Economical and social variables

(8) Project implementation

The nature of formation to be collected and furnished under each of these stages has been given below.

**(1) General Information**

The information of general nature given in the project report includes the following:

***Bio-data of promoter*:** Name and address, qualifications, experience and other capabilities of the entrepreneur. Similar information of each partner if any.

***Industry profile*:** A reference analysis of industry to which the project belongs, e.g., past performance; present status, its organization, its problems etc.

***Constitution and organization*:** The constitution and organization structure of the enterprise; in case of partnership firm its registration with registrar of firms, certification from the Directorate of Industries /District Industry Centre.

***Product details*:** Product utility, product range, product design, advantage to be offered by the product over its substitutes if any.

**(2) Project Description**

A brief description of the project covering the following aspects should be made in the project report.

**Site**: Location of the unit; owned, rented or leasehold land; industrial area; no objection certificate from municipal authorities if the enterprise location falls in the residential area.

**Physical Infrastructure**: Availability of the following items of infrastructure should be mentioned in the project report.

(a) ***Raw material*:** Requirement of raw material, whether inland or imported, sources of raw material supply.

(b) ***Skilled labour*:** Availability of skilled labour in the area i.e., arrangements for training labourers in various skills.

(c) ***Utilities***: These include:

(i) ***Power*:** Requirement of power, load sanctioned, availability of power

(ii) ***Fuel*:** Requirement of fuel items such as coal, coke, oil or gas, state of their availability and supply position.

(iii) ***Water*:** The sources of water, quality and quantity available.

(d) ***Pollution control*:** The aspects like scope of dumps, sewage system, sewage treatment plant, infiltration facility etc., should be mentioned.

(e) ***Communication and transportation facility*:** The availability of communication facilities, e.g., telephone, fax, telex, internet etc., should be indicated. Requirements for transport, mode of transport, potential means of transport, approximate distance to be covered, bottlenecks etc., should be stated in the business plan.

(f) ***Production process*:** A mention should be made for process involved in production and period of conversion from raw material into finished goods.

(g) ***Machinery and equipment*:** A complete list of machines and equipment required indicating their size, type, cost and sources of their supply should be enclosed with the project report.

(h) ***Capacity of the plant*:** The installed licensed capacity of the plant along with the shifts should also be mentioned in the project report.

(i) ***Technology selected*:** The selection of technology, arrangements made for acquiring it should be mentioned in the business plan.

(j) ***Other common facilities*:** Availability of common facilities like machine shops, welding shops and electrical repair shops etc should be stated in the project report.

(k) ***Research and development*:** A mention should be made in the project report regarding proposed research and development activities to be undertaken in future.

**(3) Market Potential**

While preparing a project report, the following aspects relating to market potential of the product of the product should be stated in the report.

(a) ***Demand and supply position*:** State the total expected demand for the product and present supply position, what is the gap between demand and supply and how much gap will fill up by the proposed unit.

(b) ***Expected price*:** Expected price of the product to be realized should also be mentioned.

(c) ***Marketing strategy*:** Arrangements made for selling the product should be clearly stated in the project report.

(d) ***After sales service*:** Depending upon the nature of the product, provisions made for after-sales should normally be stated in the project report.

**(4) Capital Costs and Sources of Finance**

An estimate of the various components of capital items like land and buildings, plant and machinery, installation costs, preliminary expenses, margin of working capital should be given in the project report. The sources should indicate the owners funds together with funds raised from financial institutions and banks.

**(5) Assessment of Working Capital**

The requirement for working capital and its sources of supply should clearly be mentioned. It is preferred to prepare working capital requirements in the prescribed formats designed by limits of requirement. It will reduce the objections from banker's side.

**(6) Other Financial Aspects**

To adjudge the profitability of the project to be set up, a projected profit and loss account indicating likely sales revenue, cost of production, allied cost and profit should be prepared. A projected balance sheet and cash flow statement should also be prepared to indicate the financial position and requirements at various stages of the project. In addition to this, the break-even analysis should also be presented. Break-even point is the level of production at which the enterprise shall earn neither profit nor incur loss. Breakdown level indicates the gestation period and the likely moratorium required for repayment of the loans. Break-even point is calculated as

**Break-Even Point (BEP) = F/S–V**

Where F = Fixed Cost

S = Selling Price/Unit

V = Variable Cost/Unit

The break-even point indicates at what level of output the enterprise will break even.

**(7) Economical and Social Variables**

Every enterprise has social responsibility. In view of the social responsibility of business, the abatement costs, i.e., the costs for controlling the environmental damage should be stated in the project. Arrangements made for treating the effluents and emissions should also be mentioned in the report. In addition the following socio-economic benefits should also be stated in the report.

(i) Employment Generation

(ii) Import Substitution

(iii) Ancillaration

(iv) Exports

(v) Local Resource Utilization

(vi) Development of the Area

**(8) Project Implementation**

Every entrepreneur should draw an implementation scheme or a time-table for his project to the timely completion of all activities involved in setting up an enterprise. If there is delay in implementation project cost overrun. Delay in project implementation jeopardizes the financial viability of the project, on one hand, and props up the entrepreneur to drop the idea to set up an enterprise, on the other. Hence there is need to draw up an implementation schedule for the project and then to adhere to it.

## 4.6 PLANNING COMMISSION GUIDELINES

In order to process investment proposals and arrive at investment decisions, the planning Commission has issued guidelines for preparing/formulating industrial projects. The guidelines have been summarized as follows:

**1. *General information*:** The feasibility report should include an analysis of the industry to which the project belongs. It should deal with the past performance of the industry. The description of the type of industry should also be given, i.e., the priority of the industry, increase in production, role of the public sector, allocation of investment of funds, choice of technique, etc. This should contain information about the enterprise submitting the feasibility report.

**2. *Preliminary analysis of alternatives***: This should contain present data on the gap between demand and supply for the outputs which are to be produced, data on the capacity that would be available from projects that are in production or under implementation at the time the report is prepared, a complete list of all existing plants in the industry, giving their capacity and their level of production actually attained, a list of all projects for which letters of intent licenses have been issued and a list of proposed projects. All options that are technically feasible should be considered at this preliminary stage. The location of the project and its implications should also be looked into. An account of the foreign exchange requirement should be taken. The profitability of different options should also be looked into. An account of the foreign exchange requirement should be taken. The profitability of different options shou1d also be given. The rate of return on investment should be calculated and presented in the report. Alternative cost calculations vis-à-vis return should be presented.

**3. *Project description*:** The feasibility report should provide a brief description of the technology/process chosen for the project. Information relevant for determining the optimality of the location chosen should also be included. To assist in the assessment of the environmental effects of a project every feasibility report must present the information on specific points, i.e., population, water, land, air, flora, fauna, effects arising out of the project's pollution, other environmental destruction, etc. The report should contain a list of important items of capital equipment and also the list of the operational requirements of the plant, requirements of water and power, requirements of personnel, organizational structure envisaged, transport costs, activity wise phasing of construction and factors affecting it.

**4. *Marketing plan*:** It should contain the following items: Data on the marketing plan, demand and prospective supply in each of the areas to be served. The methods and the data used for making estimates of domestic supply and selection of the market areas should be presented. Estimates of the degree of price sensitivity should be presented. It should contain an analysis of past trends in prices.

**5. *Capital requirements and cost*:** The estimates should be reasonably complete and properly estimated. Information on all items of costs should be carefully collected and presented.

**6. *Operating requirements and costs*:** Operating costs are essentially those costs which are incurred after the commencement of commercial production. Information about all items of operating cost should be collected. Operating costs relate to cost of raw, materials and intermediaries, fuel, utilities, labour, repair and maintenance, selling expenses and other expenses.

**7. *Financial analysis*:** The purpose of this analysis is to present some measures to asses the financial viability of the project. A Performa balance sheet for the project data should be presented. Depreciation should be allowed for on the basis specified by the Bureau of Public Enterprises. Foreign exchange requirements should be cleared by the Department of Economic Affairs. The feasibility report should take into account income tax rebates for priority industries, incentives for backward areas, accelerated depreciation, etc. The sensitivity analysis should also be presented. The report must analyze the sensitivity of the rate of return on the level and pattern of product prices.

8. ***Economic analysis*:** Social profitability analysis needs some adjustments in the data relating to the costs and return to the enterprise. One important type of adjustment involves a correction in input and cost, to reflect the true value of foreign exchange, labour and capital. The enterprise should try to assess the impact of its operations on foreign, trade. Indirect costs and benefits should also be included in the report. If they cannot be quantified they should be analyzed and their importance emphasized.

### 4.7 MEANING AND SIGNIFICANCE OF PROJECT REPORT (Need and Significance)

A project report or a business plan is a written statement of what an entrepreneur proposes to take up. It is a kind of guide frost or course at action what the entrepreneur hopes to achieve in his business and how is he going to achieve it. A project report serves like a kind of big road map to

reach the destination determined by entrepreneur. Hence a project report can be defined as a well evolved course of action devised to achieve the specified objectives within a specified period of time. It is like an operating document.

The preparation of project report is of great significance for an entrepreneur. The project report serves two essential purposes. The first is the project report is like a road map it describes the direction the enterprise is going in, what its goals are, where it wants to be, and how it is going to get there. In addition it enables the entrepreneur to know that he is proceeding in the right direction. Dan Steinhoff and John F. Burgess hold the view that without well spelled out goals and operational methods, most businesses flounder on the rocks of hard times.

The second purpose of the project report is to attract lenders and investors. The preparation of project report is beneficial for those small scale enterprises which apply for financial assistance from the financial institutions and commercial banks. On the basis of this project report the financial institutes make appraisal and decide whether financial assistance should be given or not. If yes how much. Other organizations which provide various assistance like work shed/land, raw material etc, also make decision on the basis of this project report.

Project report includes information on following aspects:

- Economic Aspects
- Technical Aspects
- Financial Aspects
- Production Aspects
- Managerial Aspects

### 4.8 Enterprise resource planning

**Definition:**

Enterprise resource planning system is a fully integrated business management system covering functional areas of an enterprise like Logistics, Production, Finance, Accounting and Human Resources. It organizes and integrates operation processes and information flows to make optimum use of resources such as men, material, money and machine**.**

**Importance of ERP**

ERP delivers a single database that contains all data for the software modules, which would include:

- ***Manufacturing:*** Engineering, bills of material, scheduling, capacity, workflow management, quality control, cost management, manufacturing process, manufacturing projects, manufacturing flow.
- ***Supply chain management*:** Order to cash, inventory, order entry, purchasing, product configuration, supply chain planning, supplier scheduling, and inspection of goods, claim processing, and commission calculation.
- ***Financials:*** General ledger, cash management, accounts payable, accounts receivable, fixed assets
- ***Project management:*** Costing, billing, time and expense, performance units, activity management.
- ***Human resources*:** Human resources, payroll, training, time and attendance, roistering, benefits.
- ***Customer relationship management*:** Sales and marketing, commissions, service, customer contact and call center support, Data warehouse and various self-service interfaces for customers, suppliers, and employees.
- ***Access control:*** user privilege as per authority levels for process execution. Customization - to meet the extension, addition, change in process flow.

**4.9 Functional areas of Operation/Functional areas of management of ERP**

1. **Marketing and Sales (M/S)**
2. **Supply Chain Management (SCM)**
3. **Accounting and Finance (A/F)**
4. **Human Resources (HR)**

Business functions: Activities specific to a functional area of operation

| Functional area of operation | Marketing and Sales | Supply Chain Management | Accounting and Finance | Human Resources |
|---|---|---|---|---|
| Business functions | Marketing a product | Purchasing goods and raw materials | Financial accounting of payments from customers and to suppliers | Recruiting and hiring |
| | Taking sales orders | Receiving goods and raw materials | Cost allocation and control | Training |
| | Customer support | Transportation and logistics | Planning and budgeting | Payroll |
| | Customer relationship management | Scheduling production runs | Cash-flow management | Benefits |
| | Sales forecasting | Manufacturing goods | | Government compliance |
| | Advertising | Plant maintenance | | |

**Figure 4-2: Examples of functional areas of operation and their business functions**

- Functional areas are interdependent
  - Each requires data from the others
- Better integration of functional areas leads to improvements in communication, workflow, and success of company
- Information system (IS): Computers, people, procedures, and software that store, organize, and deliver information
- Collection of activities that takes one or more kinds of input and creates an output that is of value to customer
  - Customer can be traditional external customer or internal customer
- Thinking in terms of business processes helps managers to look at their organization from the customer's perspective
- Example: A fictitious coffee shop
  - Examine business processes of the coffee shop
  - See why coordination of functional areas helps achieve efficient and effective business processes
  - Look at how integration of the information system improves the business

1. **Marketing and sales**

- **Functions of Marketing and Sales**

  Developing products

  Determining pricing

  Promoting products to customers

  Taking customers' orders

  Helping create a sales forecast

- **Marketing and Sales tasks for the coffee shop**
  - Formal record keeping not required
  - Need to keep track of customers
  - Product development can be done informally
  - Good repeat customers allowed to charge purchases—up to a point
    - Records must show how much each customer owes and his or her available credit

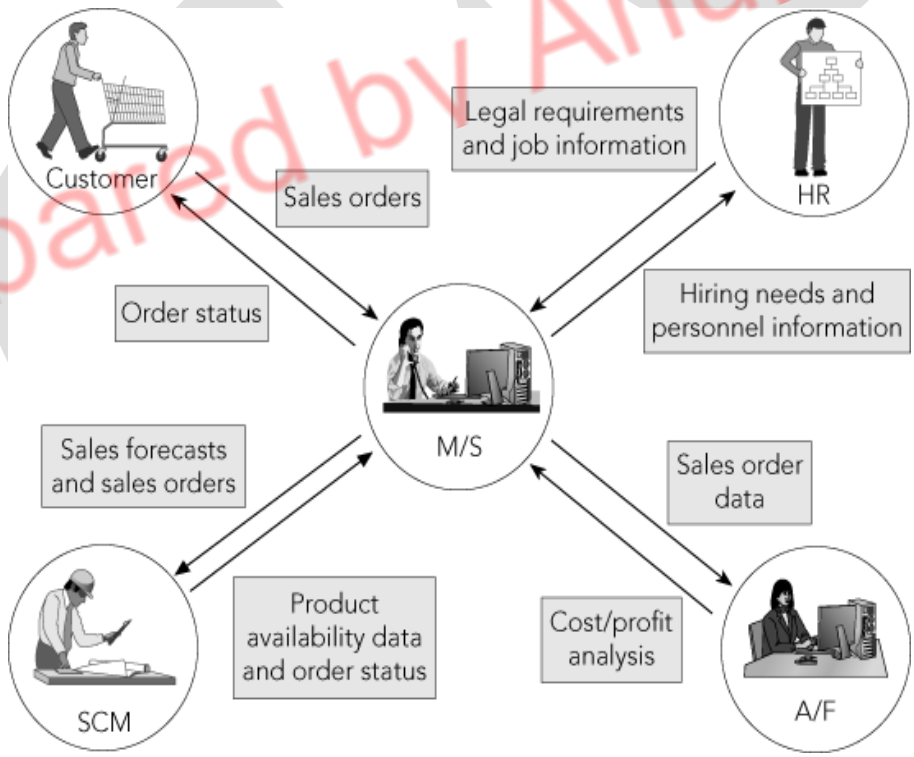


**Figure 4-3: The Marketing and Sales functional area exchanges data with customers and with the Human Resources, Accounting and Finance, and Supply Chain Management functional areas**

## 2. Supply Chain Management

- Supply chain management (SCM) is the active management of supply chain activities to maximize customer value and achieve a sustainable competitive advantage.
- It represents a conscious effort by the supply chain firms to develop and run supply chains in the most effective & efficient ways possible.
- Supply chain activities cover everything from product development, sourcing, production, and logistics, as well as the information systems needed to coordinate these activities.
- Needs information from various functional areas
- Production plans based on information about product sales (actual and projected) that comes from Marketing and Sales
- With accurate data about required production levels:
    - Raw material and packaging can be ordered as needed
    - Inventory levels can be kept low, saving money
- Functions within Supply Chain Management
    - Making the coffee (manufacturing/production)
    - Buying raw materials (purchasing)
- Production planning requires sales forecasts from M/S functional area
    - Sales forecasts: Analyses that attempt to predict the future sales of a product
- Production plans used to develop requirements for raw materials and packaging
    - Raw materials: Bottled spring water, fresh lemons, artificial sweetener, raw sugar
    - Packaging: Cups, straws, napkins
- SCM and M/S must choose a recipe for each coffee product sold

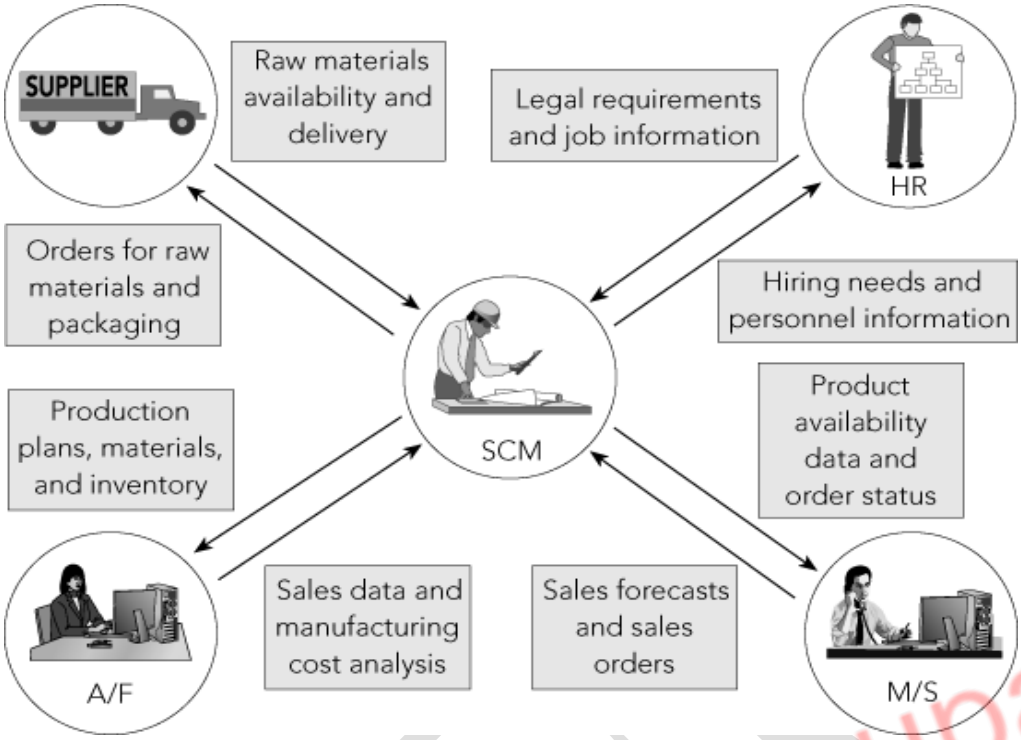


**Figure 4-4: The Supply Chain Management functional area exchanges data with suppliers and with the Human Resources, Marketing and Sales, and Accounting and Finance functional areas**

### 3. Accounting and Finance

- Functions within Accounting and Finance
  - Recording raw data about transactions (including sales), raw material purchases, payroll, and receipt of cash from customers
- Raw data: Numbers collected from sales, manufacturing and other operations, without any manipulation, calculation, or arrangement for presentation
- Data from Accounting and Finance used by Marketing and Sales and Supply Chain Management
  - Sales records are important component of sales forecast
  - Sales forecast is used in making staffing decisions and in production planning
  - Records from accounts receivable used to monitor the overall credit-granting policy of the coffee shop

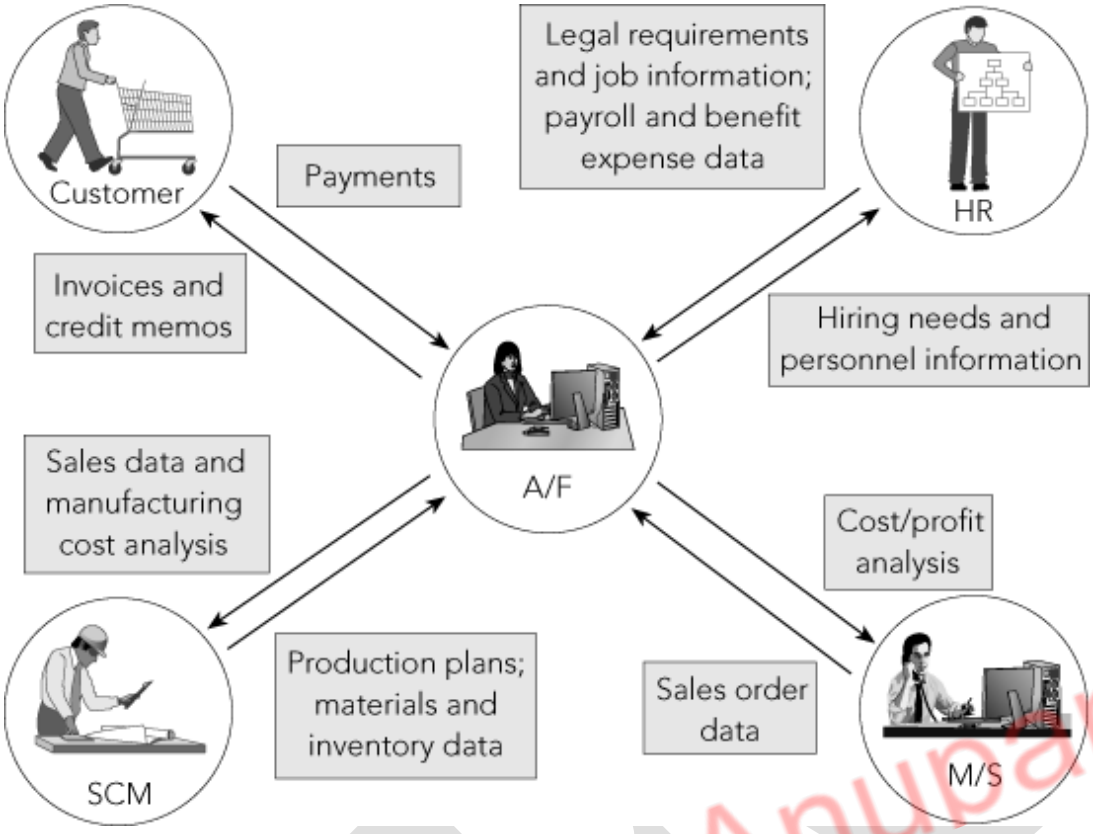


**Figure 4-5: The Accounting and Finance functional area exchanges data with customers and with the Human Resources, Marketing and Sales, and Supply Chain Management functional areas**



**4. Human Resources**

The basic function of HR is to ensure the availability of competent employees to work positively towards the realization of organizational objectives. The functions of HR can be classified into managerial functions and operative functions.

1. **Managerial functions:** The five important functions of HR in an organization are planning, organizing, staffing, directing and controlling. Planning is a course of action required to achieve organizational objectives. For an HR manager planning involves forecasting the quantity and quality of the workplace required. Organizing refers to developing an organizational structure , defining, and allocating roles and responsibilities, delegating authority and making the workforce accountable as when required. Staffing involves filling up the existing vacancies with the right quantity and the right quality of people at the right time. Directing function refers to leading, guiding and motivating the employees of organization for achieving organization objectives. The

controlling function refers to reviewing organizational plans to identify deviations and to take corrective and preventive measures to overcome deviations.

**2. Operative Functions**: The operative functions of HR are: Human resource planning(HRP) ,recruitment and selection, placement and induction, training and development ,compensation, performance appraisal, health and safety, industrial relations and managing exit.

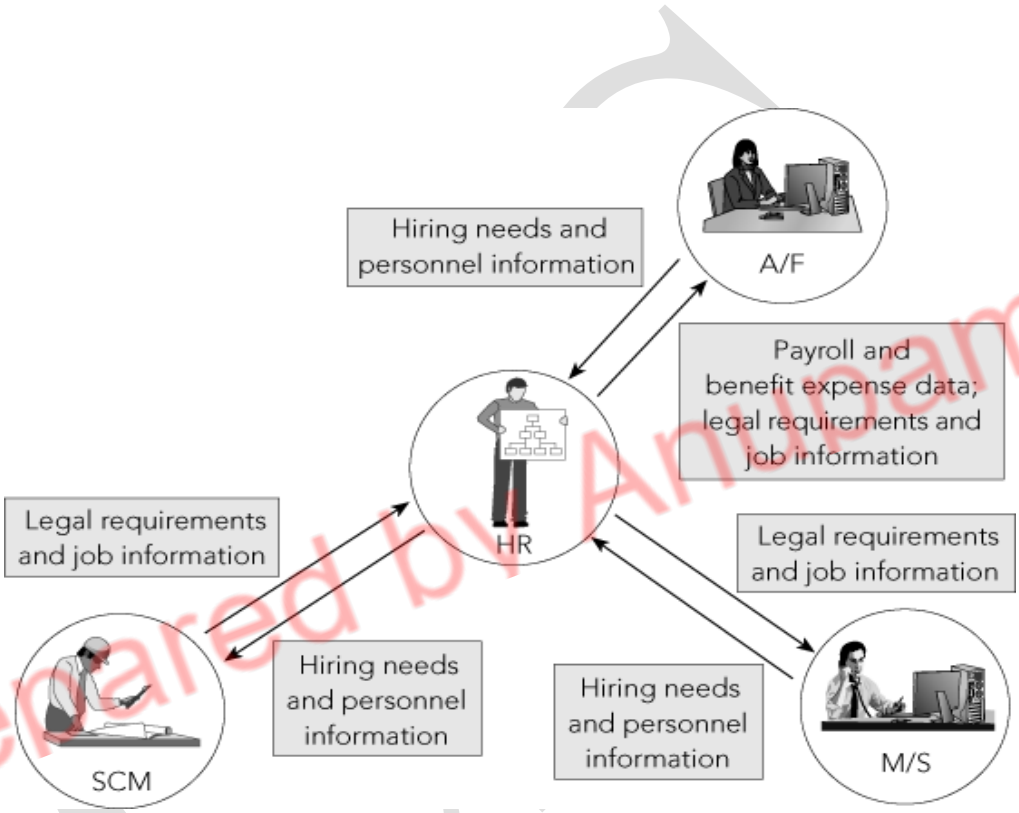


**Figure 4-6: The Human Resources functional area exchanges data with the Accounting and Finance, Marketing and Sales, and Supply Chain Management functional areas**

### 4.10 Types of Project Report

#### 1. Status Report

This is the most common type of project report and the one that you probably find yourself working on most regularly. You can produce status reports weekly or monthly – and on one project recently you ended up producing daily status reports during the implementation phase. The frequency depends on where you are in the project and how much there is to say. There's not

much point reporting daily if your tasks all take over a week, as you won't have any progress to report from day to day. As you will spend a fair amount of time producing status reports, it is worth considering ways to make it faster to write them. Better yet, automate as much reporting as possible. Create a standard status report template or use the one that comes with your project management software (you can check out the reporting features of our tool here as an example), and use the data in your scheduling tool to populate the project progress. Even if you have to amend it afterwards, having some of the fields completed for you will still save you a lot of time.

**2. Risk Report**

The report is normally the output that comes after a risk review meeting. Of course, you can update your risk log at any time, and you should be encouraging all your project team members to contribute risks to the log whenever they feel something needs recording. The risk report should include a summary of the risk profile of the project, but how you present this is up to you. A good approach would be to only include the detail for the risks that have the potential to create the most problems for your project. Then include a statement on the lower-level risks, perhaps summarizing how you are managing all of these. You will also want the possibility of producing a report about all your risks, regardless of how significant they are. It's probably easiest to do this as an automated download from your project management software, or if you keep your risk log in another format like a spreadsheet, by issuing a complete copy of that document.

**3. Board/ Executive Report**:

Reports need to be tailored to the people who are going to read them. So the report you produce for the project board will have a different level of detail in it to the weekly status update that goes to your project team and key business stakeholders. For the project board reports, think high level. They will want to read about things that are important to them, like issues they can help resolve, a summary of the budget position, and whether or not you are on track to hit key milestones. Make sure that your board report is in a format that they can easily read. For example, if your executives are always on the road and use their smartphones to check emails, don't produce your report in the form of a complicated spreadsheet that won't display correctly, or include loads of large graphics that will take ages to download. A pdf will render across devices if you're emailing a static report. Or you can grant licenses for board members or senior leadership so they can see real-time dashboard reports on the go.

**4. Resource Report**

The resource report will show you the breakdown of which project team member is allocated to which task on which day. They can also be used to pinpoint over allocation problems – where a team member is allocated to more than one task. Obviously they can't work on two things at once, so if you don't pick up these problems you'll find that your project plan slips behind schedule. Use the resource report to ensure that you haven't got clashes for individuals and reschedule those tasks as necessary. Resource reports can also be useful for scheduling more than one person. You'll be able to see when someone becomes available, and that is a good sign that they can be given more project tasks at that point. If you compare the resource availability to the project's timeline you can also plan more efficiently. As one task done by one person ends, you can make sure that someone else is available to pick up the next thing that needs to be done, so that tasks don't stop halfway through waiting for the next person to become available. Overall, resource reports are one of the most useful types of project reports to be had as a project manager, although they can be a bit difficult to interpret at first. It really is worth spending the time getting to know how to read the reports so that you can make changes to your project schedule as appropriate. The right software is going to help you as a project manager. We developed the project reporting and dashboard features of ProjectManager.com to help project managers simplify this fundamental task. The template reports of our software will provide a needed head start on monitoring your projects.