Exercise: Schedule Compression

Here is another chance to test yourself on schedule compression. In your Exercise Notebook, use the information from the following table to answer the questions below.

Activity	Original Duration (Months)	Crash Duration (Months)	Time Savings	Original Cost (Dollars)	Crash Cost (Dollars)	Extra Cost (Dollars)	Cost per Month
J	14	12	2	$10,000	$14,000	$4,000	$2,000
K	9	8	1	$17,000	$27,000	$10,000	$10,000
N	3	2	1	$25,000	$26,000	$1,000	$1,000
L	7	5	2	$14,000	$20,000	$6,000	$3,000
M	11	8	3	$27,000	$36,000	$9,000	$3,000

1. Imagine that this project has a project float of −3 months. Which activity or activities presented above would you crash to save three months on the project, assuming that the activities listed above represent critical path activities?

2. How much would it cost to crash this project?

Answer

1. The following activities could be crashed to save three months on the project:

Activities	Cost
J and K	$14,000
J and N	$5,000
K and L	$16,000
L and N	$7,000
M	$9,000

Crashing activities J and N is the least expensive option, and because there is nothing in the question to eliminate it, the option to crash activities J and N is the best answer. Any time you have negative project float, it means that the project is not going to meet its deliverable date. The answer, depending on how the question is worded, involves crashing or fast tracking the project and coming up with options, or telling the customer the date cannot be met.

2. Crashing activities J and N would result in the least added cost—only $5,000. The "Cost per Month" column in this exercise is a distractor; you can answer this question with just the "Activity," "Time Savings," and "Extra Cost" columns. Don't assume you will need all the data provided to you in questions on the exam.