

EXECUTIVE SUMMARY

R.E. Weerakoon Constructions started its operations in 1998 as a construction company. It has only involved building construction for the past eight years, identifying it as its core competence graded with C2 level. REWC is undertaking new building projects, extension building projects, additions, modifications, and renovation projects under government, semi-government, and private sectors as clients. Currently, 57% of the revenue from construction activities of REWC is from renovation projects. Renovation projects have a much shorter project life cycle, yet one of the key problems faced by REWC is having a high CCC.

Conducting SWOT revealed the company's current position and performance gap and explained the high CCC in renovation projects compared with the industry average. Three associated problems identified were idle inventory, overdue receivables, and early payment for payables. Root cause analysis was performed with the qualitative inputs gained from interviews. Seven root causes identified were no inventory planning system, no inventory monitoring mechanism, no receivable policy, lack of training, inadequate project controls, improper supplier evaluation, and absence of accounting software.

Literature was reviewed using several ranked journal articles, conference proceedings, and book sections under cash conversion cycle, inventory management, receivables management, and payables management. Thereafter study framework was developed. Solutions were identified from past studies conducted on similar-natured problems in different industries. In addition, techniques to be used in the Project, such as process flowcharts, ABC analysis, training need analysis, policy documents, work breakdown structure, and KPIs, were also discussed in the literature.

Project objectives were set based on the project components, and the current situation of each component was discussed. Solutions were developed for each project component. Developing a new inventory management process, conducting a workshop to introduce ABC analysis, introducing daily project report format, introducing a store policy, conducting training for quantity surveyors, developing a receivable policy, designing a quality plan, preparing WBS, introducing improved supplier evaluation process, developing well-formulated supplier

evaluation criteria sheet, prepare set of supplier relationship management guidelines and introducing QuickBooks software to manage payables were the solutions under three project components.

Further required resources for each proposed solution and relevant cost estimates were presented for developed solutions. Cost savings were identified to derive the total tangible benefits for one year. After that, estimated costs incurred for each solution under project components were used to calculate the project's benefit-cost ratio. The benefit-cost ratio is estimated at 12.1:1, which indicates the Project's viability. Next, project outputs and outcomes were illustrated against project objectives in percentages and numbers. Additionally, qualitative outputs that can be itemized were presented, linking to the solutions.

Finally, a connection between the literature review and the conclusion of the Project report was made by discussing the identified components of the Project. The components were evaluated concerning the status of the literature reviewed in Chapter 3. Further, the author's comprehensive understanding of the concepts and their application in the project context was demonstrated while utilising theoretical references and practical examples. Following the discussion of the components, recommendations were provided focusing on short-term and medium-term.