



La Trobe University

Department of Business

Project Management

MAJOR ASSIGNMENT

CREATION OF THE STOCK MARKET PLACE

**Course Leaders:
Dr Géraldine Roupie
Dr Findlay Johnston**



Contents

<i>Introduction</i>	3
<i>Why in ESC Montpellier</i>	3
<i>The Project</i>	4
<i>Steps of Creation</i>	6
<i>Tasks Summary Table</i>	14
<i>The Work Breakdown Structure (WBS)</i>	15
<i>GANTT Chartt</i>	16
<i>Budget Summary Table</i>	17
<i>Risk Management</i>	18
<i>Conclusion</i>	19

Introduction

With an aim of applying our courses of project management, it was asked to us to choose and realize a project within the school or in relation with our work.

This occasion is perfect because I precisely start the steps to create a Stock Market Place within our school. Indeed, I am passionate of Stock Exchange and all that is in relation with financial markets (besides, I wish to work in this sector at the end of my course of study) and, the school not having a equipment or a course on this subject, thus I had the idea to create an installation able to satisfy this need.

Why in ESC Montpellier ?

These five last years saw the strong development of the stock exchange markets. Jointly with this development, we could observe that of Communication and Information Technologies (CIT). The companies of the financial sector are thus constantly in the search of new junior executives able to better solve the problems of this new economy. The Higher School of Trade of Montpellier must be able to adapt to this demand and must train students with the economy of the financial markets.



To answer the ambitions of the companies, of the students, the school's direction so much on research or the development training level of the school, **the creation of a room of stock exchange markets is essential.**



The Project

What is a Stock Market Place in a school ?

It's a classroom dedicated which will be used as support with two entities :

- ✍ The Business School of Administration of Montpellier
- ✍ The Investment Club

This room will comprise :

- ✍ 10 Computers
- ✍ Free ADSL Access for Internet
- ✍ Reuters access for each working station (Real Time diffusion of the European Financial Places data)
- ✍ The possibility of passing its personal trade orders on the market by the intermediary of the site or the financial partner's software (I already contacted Reuters, CPR-ONLINE and Boursorama for a possibility of collaboration)
- ✍ An access to the integrated services of decision-making aid of investment of JCF Quant (3000 files version)
- ✍ Simulators of stock exchange trading management
- ✍ Software of training on the financial products and markets
- ✍ A software simulating a stock exchange place allowing to organize a virtual play founded on real valorizations (first market, foreign exchange market, Matif, and Monep)



For Which Use?

Teaching Aspect:

- ✍ Creation of a new course of market's finance for the "Finance option", for the Graduate students and a new formation (Master option/Bank business)
- ✍ Realization of new continuous training seminars
- ✍ Within the framework of "industrial projects" (the REUTERS software offering a dynamic bond towards Excel, it is possible to develop many financial applications)
- ✍ Possibility of collaboration with the Engineering School of Montpellier specialized in Data processing in order to carry out various programming projects for various needs that the organization will be created : Base data, Scripts, HTML, C/C++, Java (to produce management simulators).

Seeks and federation aspect of a community around this project:

- ✍ This trading room makes it possible to federate a group of research, with external partners, in the field of the finance of markets (in particular the University of Montpellier, which created a DEA (Diploma of Thorough Studies) of Inheritance Management, or also in order to widen the framework of the option "Finance" for the Graduate students).
- ✍ This room could also be used as support of teaching, with the students of the other schools as the EIM (International School of Management of Montpellier), of the Jean Monnet High School or other scholastic groups.

Locatives Aspect:

- ✍ Provision of the room at the organizations of formation, the companies, etc...

Self-tuition students Aspect via the club purse:

- ✍ Because of a free use by the students.

Steps Of Creation

Step 1 : Project Definition

Duration: 10 days

The project definition is used for determining what the project will be. It is necessary to describe as a whole the activity which one wishes to develop within the school, for who develop this kind of room, with which potential partners, to target the overall objectives to be reached in order to set a directional screen.

Step 2 : Seek the support of interested professors

Duration: 15 days

I already received the downstream of professors eager to imply themselves in this organization in order to give courses, councils, or to even use it personally as a member of the Club of Investment. The support of the professors is of primary importance in order to initially receive organization, planification or development councils for the project.

The first interested professors would be Mrs RUPEE (Management), Mr HAOUES (Data-processing), Mr BAGNERIS (Finance and Management), Mr BARLETTE (Business data processing), Mrs MONTEILS (Economy). Obviously, I hope that the list will not be stop there but already to find interested professors represents an additional motivation for the project development.

Step 3 : Make a feasibility Study

Duration: 10 days

To make a feasibility study, it is necessary to gather significant information about the planned enterprise and analyze this data to determine the best possible alternatives. The following outline will help the potential entrepreneur accomplish this task. Because there are many possible recreation enterprises, this check list is somewhat general. It is not meant to provide a complete feasibility study or prospectus, but should help determine whether a contemplated recreation enterprise has potential for a sound economic return. This study is of primary importance to really see if the project seems realizable or not.



Step 4 : Make a study in order to detect the potential of interested students

Duration: 15 days

The goal of this step is to know if the demand for this type of service is real. So, first of all, I proceeded making circulate a very short questionnaire (in order not to disturb the students) asking:

- ✍ Are you interested in the stock exchange/the financial markets?
- ✍ Would you be interested by a special room for the Stock Exchange and its universe within the School?
- ✍ If Yes, how long think you of devoting to it per week:
 - Less than 1 hour
 - Between 1 hour and 2 hours
 - Between 2 hours and 5 hours
 - More than 5 hours

At final, not having been able to make all promotions of students, I receive all the same at about thirty persons ready to invest more than 2 hours per week, size already sufficient for a possibility of creating a Trading section within the school.

Step 5 : Contact possible sponsors, private partners, ...

Duration: 15 days

Why finance this trading room?

- ✍ By this financing, the sponsors are going to integrate themselves directly in the school's core. They are going to be able to improve the visibility of their company in the school, and to have immediate repercussions on the level of recruitment.
- ✍ To take an active part in teaching within the school by proposing subjects for the projects of 2nd year for the UG4 and EIM, and of 3rd year of Graduate students.
- ✍ To organize a series of conferences sets of themes allowing to present their company but also their activities, by being based on the trading room problems. One of these conferences will have the shape of a round table.
- ✍ To implement different process in order to emphasize the partner companies.

The potential sponsors, put aside the ESC Montpellier, are of course the financial institutes such as Credit Agricole, BNP Paribas, Société Generale... as well as the brokers sites eager to find new members / clients. The great banking groups can thus create a "stronghold" of future employees and give conferences on the subject within the school in order to promote their work.

The CCI (Business & Industry Chamber) of Montpellier is also present in order to support such projects.

Step 6 : Ask estimates concerning the required material

Duration: 5 days

After having established the list of the equipment necessary to the project, we can quickly ask estimates in order to have an idea of the cost and also to be able to compare the supplier's offers.

For the computers, software and printer, Dell Computer seems a very good supplier thanks to his prices, the quality of its services and the speed of order execution (Estimate in Join file). For the office equipment, a local supplier will be preferable in order to be able to recover the goods directly without delay; we will be able to compare the prices of big brands like But, Darty, Office Depot, Carrefour...

Step 7 : Establish a forward-looking financial planning

Duration: 10 days

✍ Firstly : the financial planning, it involves the study of the project needs and its financial resources to survive.

✍ Secondly : Make a treasury plan (financial partnerships, loan)

The Budget Summary Table summarizes the whole of the project needs and the costs which result from this. Most of the funds necessary will come from the ESC Montpellier, the CCI and the various arranged contracts of sponsoring.





Step 8 : Budget presentation to the School Administration and/or Sponsors

Duration: 1 day

To present the estimated budget at the whole of the financial actors of the project and clearly define the awaited objective. Be convincing and to be well prepared because that represents a capital stage, being able to reduce to nothing the project in case of invalidation.

Step 9 : Budget validation and release of the allocated funds

Duration: 10 days

After dialogue and reflexion on the project, the financial actors (the school, the CCI, sponsors...) validate and accept the project. So, this decision makes it possible to have the necessary funds for the material purchase and to concretely launch the creation of the room.

Step 10 : Communication phase

Duration: 30 days

The aim is to promote efficiently this new modern place thanks to :

- ✍ Professionals' or professors' conferences open to everybody.
- ✍ A presence on the plates of the school, founder partner of the trading room.
- ✍ Postings like direct advertising, tables, stickers marked of the sponsors of the project, on the walls, and on the material which can support it.
- ✍ A sponsors development on the Web site (www.supdeco-montpellier.com) at various levels.
- ✍ A annual sponsorship system of the trading room with a visible plate in the room recapitulating the godfathers of the last years.



Step 11 : Recruit volunteers

Duration: 10 days

With an aim of managing as well as possible the room, it is essential to receive the assistance of voluntary students who will be able to accommodate the visitors during the day and to be present for any information. The UG3 or EIM students can, within the framework of their 1st year project, take part in the life of a school's association and we will be able to count on some of them to join the team of *The Stock Market Place*. Also, the project participating professors will be voluntary and no remuneration will be versed to anyone of the organization.

Step 12 : Choice of the room

Duration: 5 days

It is necessary to find a room within the school having the necessary capacity for the equipment installation. Some ground floor rooms are seldom used or only for data-processing consultation. We could easily transform one of these rooms and why not save on the expenses of the electrical supply network fittings.

Step 13 : Order material

Duration: 1 day

For having compared and analysed the estimates to recover step 6, it is necessary to order the material. With the release of the funds, this stage must be very fast in order to not "freeze" the available money. The orders will be made either by telephone or directly with the store to be sure the products correspond exactly to our waitings (if possible, avoid the surprises of orders by Internet or catalogue).

Step 14 : Installation and fitting up the room

Duration: 5 days

In the case of new connections, the France Telecom's technicians will have to install the various electric elements. We must envisage in the worst case a repairing of painting, fitted carpet or another element of the part before the final material installation.



Step 15 : Material reception

Duration: 5 days

For the reception of the material, it is initially necessary to check the agreement with the order. Think of storing the elements in a protected place if the installation cannot be done at one and the same time. The various elements will arrive at different dates according to the supplier but I envisage to the maximum 1 week of delay after the order.

Step 16 : Material installation

Duration: 5 days

2 or 3 people knowing data processing and computer installation will be necessary in order to install quickly and effectively the whole of the data-processing park. Best way is to install 1 computer at the same time in order not to forget elements or an unspecified connection which can harm during the powering of the machines. We will be able to spread out the installation over several days according to the availabilities of each one.

Step 17 : Plannification of interventions

Duration: 10 days

While going to ask for the professors' opinion, we will set up an intervention estimated planning of each one as well as the topic approached by the speaker. This planning will be visible on the door of Stock Market Place, on the Web site and on the student information display boards. Obviously, the same thing will be carried out with the professionals who will come most of the time from the Montpellier's area financial institutes.

Step 18 : Inauguration of the Stock Market Place

Duration: 1 day

Envisage, in relation to the school's cafeteria, a reception and a small snack at the end of the day in order to launch officially *The Market Stock Places*. It is necessary to think of inviting the implied professors, the professionals, the sponsors as well as the representative members of the ESC Montpellier and the CCI.

Here, a model of room approaching clearly my final objective :





Step 19 : Creation of a Investment Club

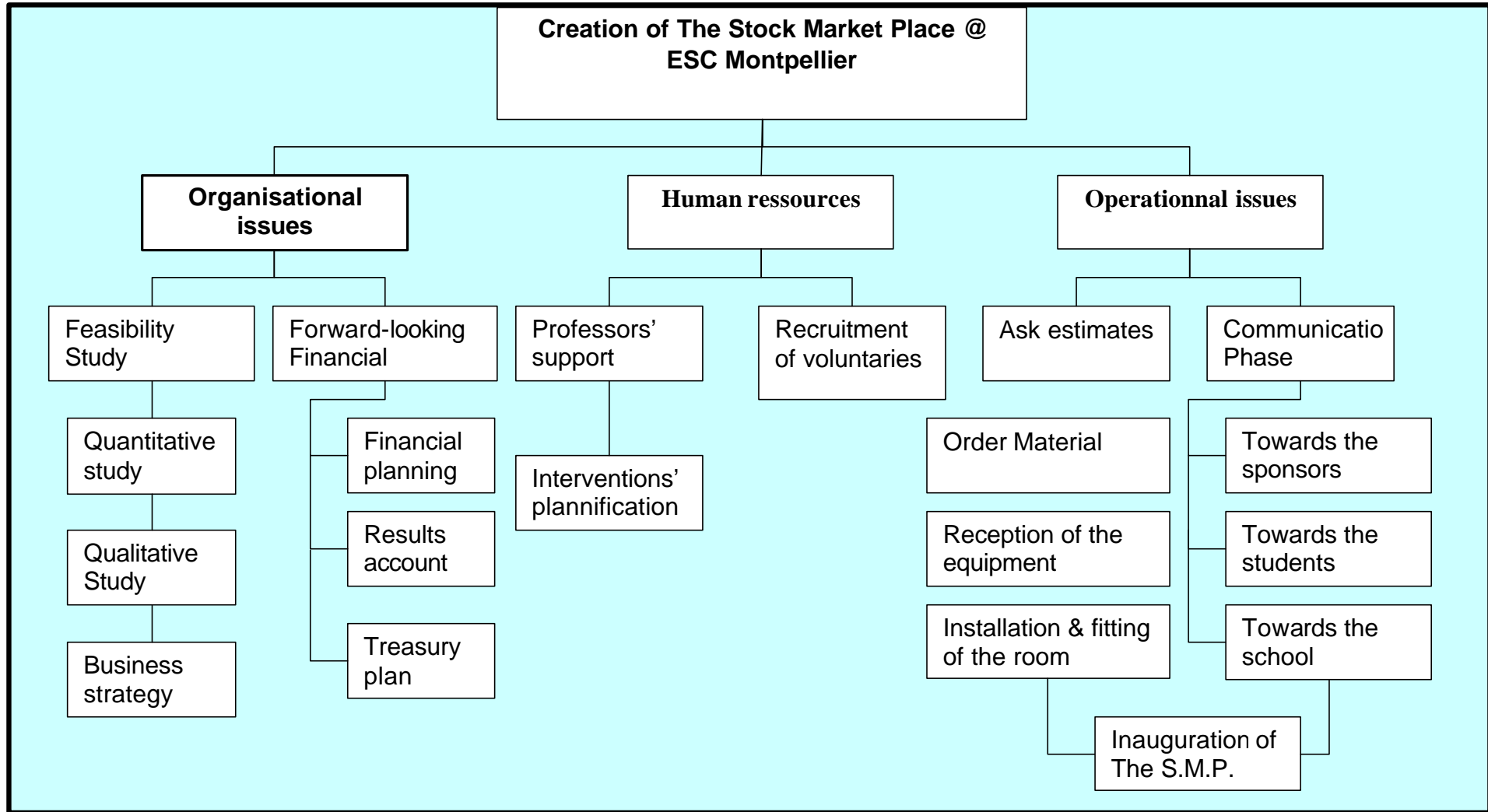
Duration: 15 days

An Investment Club is composed by individuals who pool their funds to make joint investments. Each member of the club contributes a certain dollar amount periodically, with the additional money usually invested in growth stocks using a dollar cost averaging approach. Dividends and capital gains are reinvested in most cases. Security purchases are determined by a vote of the members. The clubs permit investors with small dollar amounts to participate in larger investments and thus pay lower commissions. It also assists the club member in becoming more knowledgeable about investing. A group of at least 5 people will be formed in order to create the Investment Club of the ESC Montpellier; it will be used as a basis for the first steps for the beginners and will be opened to any student wanting to integrate it. It could be used as “guinea-pig” with the tests of new calculation programmes or technique of money management, the goal being to form a solid group and plain of young people motivated in the management of inheritance.

Tasks summary table

Tasks	Description of the tasks	Duration (Days)	Previous Tasks	Following Tasks
A	Define the project in a global way	10	-	B;C
B	Seek the support of interested professors	15	A	C
C	Make a feasibility Study	10	A;B	D;E;F;G
D	Make a study in order to detect the potential of interested students	15	C	-
E	Contact possible sponsors, private partners, ...	15	C	G
F	Ask estimates concerning the required material	5	C	G
G	Establish a forward-looking financial planning	10	C;E;F	H
H	Budget presentation to the School administration and/or Sponsors	1	G	I
I	Budget validation and release of the allocated funds	10	H	J;K;L;M
J	Launching of the communication phase towards the students	30	I	-
K	Recruitment of voluntary persons for the room animation / administration	10	I	-
L	Choice of the room or the class available to receive the project	5	I	N;Q
M	Order material	1	I	N;O
N	Installation and fitting up the room	5	L;M	-
O	Material reception, control correspondence with order	5	M	P
P	Material installation	5	O	R
Q	Plannification of professor or professional interventions	10	L	R
R	Inauguration of the Stock Market Place	1	P;Q	S
S	Create an ESC Montpellier Investment Club	15	R	T
T	End of The Project	0	S	-
Total of days		178		

The Work Breakdown Structure



GANTT Chartt (for a better view, I join the Ms Project File)



Budget summary table

Description	Unit Price	Quantity	Financial Needs (€)	Real Cost (€)	Comments	Saved Money
Reuters						
NBRT Soft Only	200	10	2 000	2 000		
Access Rights Market 3000	300	1		300	Offered by Reuters	
Access software Market 3000	600	10		6 000	Offered by Reuters	
Reuters Installation			150	150	In negotiation	
Reuters Total			2 150 €	8 450 €		6 300 €
France Télécom						
FT Network Installation			300	300	In negotiation with FT	
FT subscription	1200			1200	We keep the school's subscription	
FT Total			300 €	1 500 €		1 200 €
Material						
Fundamental Analyse				90	(CD ROM Hebdo offered by JCF)	
Computers	750	10	7 500	7 500	Dell Computer	
Microsoft Management Products	150	10	1 500	1 500	Office XP pro	
Trading Simulation software				1 000	Pro-Realtime is a freeware	
Varied Informatic Equipment (Printer, cable, etc...)			500	500	Dell Computer	
TV + Projector			0	1 300	Recovered at school	
Chairs, tables, varied movables			800	800	But, Ikea, office depot	
Documentation			400	400	Financial newspapers subscription, books, magazines, etc...	
Fitting out of the room				1 000	The school takes charge of this	
Material Total			10 700 €	14 090 €		3 390 €

Total Cost	13 150 €
Total Real Cost	24 040 €
Total saved money thanks to sponsors & School	10 890 €

I did not consider it necessary to carry out an Earned Value Chart because that did not adapt to my project. Indeed, almost totality of the project cost comes from the material purchase and the rest of the stages based essentially on relational or organisational does not have any cost. The financial needs are especially necessary to the launching of the material orders.

Risk Management

In order to measure the risk taken in each task, I did make a table evaluating the risk from 1 (low risk) to 5 (high risk) :

Tasks	Description of the tasks	Critical Task #	Duration (Days)	Risk
A	Define the project in a global way	1	10	1
B	Seek the support of interested professors	2	15	2
C	Make a feasibility Study	3	10	2
D	Make a study in order to detect the potential of interested students		15	1
E	Contact possible sponsors, private partners, ...	4	15	3
F	Ask estimates concerning the required material		5	1
G	Establish a forward-looking financial planning	5	10	2
H	Budget presentation to the School administration and/or Sponsors	6	1	1
I	Budget validation and release of the allocated funds	7	10	5
J	Launching of the communication phase towards the students		30	1
K	Recruitment of voluntary persons for the room animation / administration		10	2
L	Choice of the room or the class available to receive the project	8	5	3
M	Order material		1	1
N	Installation and fitting up the room		5	2
O	Material reception, control correspondence with order		5	4
P	Material installation		5	2
Q	Plannification of professor or professional interventions	9	10	1
R	Inauguration of the Stock Market Place	10	1	2
S	Create an ESC Montpellier Investment Club	11	15	1
T	End of the Project		0	1

Let's remind us that there are 4 responses facing a risk : Eliminate risk; Mitigate risk; Deflect risk; Accept risk.

We can notice that the 2 major project risks come, first of all, of the validation or not of the budget by the administration and/or the sponsors, and then of the intervention of external elements of the project (suppliers). So, these 2 criticize tasks will be those on which the preparation and the organization will have to be optimal.



Conclusion

I particularly set one's heart on achieving the project of The Stock Market Place because the lack of training for Stock Exchange blocks the opening for students to jobs of great promise. This type of structure would make it possible to attract the financial institutes which will be the 1st employment contractors in the next years in France because of a huge starting number in retirement of their senior executives. My passion for this field enables me to be enormously invested in such a project and I hope that the school as well as the sponsors will see the need and the utility of this kind of room.

Useful addresses :

ESC Montpellier : www.supdeco-montpellier.com

CPR-Online : www.cpr-online.fr

Boursorama : www.boursorama.com

Reuters : www.reuters.com