

Statement of Purpose

Prior to 2010, FLAKYCOATINGS had a very successful e-store that did approximately \$14mm in business per year. In 2010, a decision was made to move the market segment for their smallest customers (Tier 5) to a distributor. Since the move, sales through the distributor have decreased to approximately \$10mm per year, with no projected growth for the coming year. One of the factors to be believed to be causing the decrease in business is that the distributor does not have the capability to provide ordering on-line; therefore customers are required to call to place an order. This process has produced ordering delays and poor customer satisfaction, which in turn, has lead customers to leave the distributor and purchase their products elsewhere. FLAKYCOATINGS is looking to cancel their contract with the distributor and bring this segment of customers back to direct sales.

Given the large number of potential customers, over 2,000, and the projected number of transactions, over 10,000, FLAKYCOATINGS needs an efficient means to handle these orders in a way that will not result in increased workload for the inside sales team or the customer care group. FLAKYCOATINGS believes this market segment could be best supported by a B2C e-store. If the e-store were to recapture the business FLAKYCOATINGS had before the move to the distributor, it would contribute an additional \$1.6mm of gross profit. If sales through the e-store could grow to the \$20mm target market, it would contribute an additional \$4mm of gross profit.

As a result, FLAKYCOATINGS is looking to build a new B2C e-store targeted to this market segment and cancel its contract with the distributor. Having confirmed the core problem with our project sponsor, we will interview internal stakeholders, external customers, and subject matter experts. We will research the existing B2B e-store to see why it is perceived to be too difficult to use and how we can interface with SAP. Having collected the requirements for a new B2C oriented e-store, we will design a solution, build a prototype of it and present that prototype to our sponsor for sign-off.

Objectives

1. Increase sales to Tier 5 customers by 40% within a year of the e-store going public.
2. Move all of the existing Tier 5 customers to the e-store within a year of the e-store going public.
3. Increase the number of Tier 5 customers to 2000 within two years of the e-store going public.

Assumptions

- Tier 5 customers are the primary target for the new B2C style e-store.
- No product returns will be processed through the system.
- Ship to addresses will be limited to the US.
- No hazardous materials will be included in this offering.

Constraints

- The application must interface with SAP.
- New customer registration must create a FLAKYCOATINGS sold-to customer account in Sap.
- The system must be secure and follow current policies and procedures for security and data management.
- All content will be managed through Interwoven content management system.