



**Title:** Shipment and Delivery

**Product Development Team:** Leila Akberdin, Nadia Ayad, August Majtenyi, Lauren Todd

**Duration:** 8 weeks

**Cost:** \$22,221.69

### **Background**

The mission of Grypmat is to assist people that provide services for their customers. To increase the company's growth, it is important to target new markets. Our product development team recommends expanding to the *shipment and delivery market* because we believe there is strong opportunity for Grypmat to offer their expertise. In the upcoming weeks, we will research and identify the current problems of these systems, ideate various ways to fix them, and narrow down to a single concept of a product that can fit into the Grypmat brand.

### **Market**

The Shipment and Delivery Market can be focused into 3 main target areas: moving-furniture services, online retail shipping, and food delivery services. Here is why this market offers an exciting new opportunity for Grypmat:

- Online Retail Shipping
  - An estimated 2.8 trillion dollars were made globally through the e-retail market in 2018, and this number is expected to double by 2021. According to current statistics, 20% of all online purchase returns are due to receiving goods that were damaged during the shipping process, which results in 6% returns out of all purchases. If this return percentage were even lowered to 3%, an additional 90 billion dollars could be saved on damage returns alone.
- Moving Furniture Services
  - According to the American Moving and Storage Association, about 20% of all persons who have moved have filed a damage claim. Out of the estimated 35.5 million Americans who move each year, 7.1 million will experience moving damage severe enough to file a damage claim. The average loss claim is \$10,000.
- Food Delivery Services

- Quick Food Delivery Systems in the US is a 30 billion dollar industry. More than 78 million Americans have at least one app for a third-party food delivery service. This third-party delivery industry is expected to more than double by 2025. The relatively new market should offer lots of opportunity for solving unacknowledged problems.

This proposed project will broaden Grypmat's market reach to shipment and delivery products. To follow Grypmat's current product offerings, we plan to focus on the entire scope of shipment and delivery and offer them a cohesive set of products that come in 2-3 size options. As of now, a few products are currently used by those who work shipping and delivery jobs, such as: moving blankets, cardboard wall protectors, furniture pads, and reusable shopping bags, and other protective packaging. Our product for Grypmat should be an alternative to one or more of these items.

### **Scope of Work**

For Grypmat to approach this new market we must first understand the market. We must also understand the competitors: those who specifically target shipment and delivery and those who unintentionally provide shipment and delivery solutions (like cardboard used to protect walls).

#### **Task 1:**

Our first task is to identify current products and techniques that are currently being used to prevent damage from moving and shipping. We will also survey different target users such as people who have experienced moving to a new home, people who are responsible for delivering items, and people who have received damaged items. This research will further our understanding of current user needs and problems associated with the situations. We then plan to analyze how well the current alternatives address the current user needs.

After comparing the current market alternatives against our determined user needs, we will be able to better infiltrate the market through a product that is designed accordingly.

#### **Task 2:**

Our second task is to design and iterate product solutions for the three moving and shipping categories discussed above. After further research and ideation, we aim to narrow our scope. We will do so by presenting our designs to the same users to see how well our product matches against their needs.

### **Deliverables**

#### **Task 1:**

A detailed presentation of our team's Market Analysis for a shipment and delivery solution. This presentation will outline the specific demographic we will target.

### Task 2:

Final Product Pitch. This product will be the final iteration of our design in 2-3 various sizes and will include the intended material, the manufacturing approach and cost, the suggested retail cost, and return on investment.

## Cost Analysis

Project Cost Estimation Tool				
Number of Employees	4			
Average Employee Salary	\$60,000			
Fringe Benefit Expenses (typically 35% to 40%)	\$22,500			
Utilization (% of time on Task)	65%			
Hourly Rate for Internal Projects	\$61.02			
Facility Size (Square Foot)	1200 sq-ft			
Rental Rate / Square Foot	19.71 \$/sq-ft			
	Estimate Project Cost	\$22,221.69		
	Task 1	Task 2	Task 3	Task 4
Duration of Task	2	4		
Number of People Working on Project	2	2		
Number of Hours per Person for Task	30	30		
Labor Cost per Task	\$9,574.24	\$9,574.24	\$0.00	\$0.00
Subcontract/Vendor Expenses	\$2,500	0	0	0
Anticipated Miles Driven for Project	20	20		
Mileage (0.58 / mile)	\$11.6	\$11.6	\$0	\$0
Meal Expenses (meeting with vendor/customers)	\$500	\$50		
Task Subtotal	\$12,585.84	\$9,635.84	\$0.00	\$0.00