

Project Charter for ShopWorld Inventory System Improvement

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Project Title: ShopWorld Inventory System Automation

Project Purpose:

ShopWorld is experiencing inventory imbalances due to an inefficient manual tracking and ordering system. This leads to frequent stockouts of fast-selling products and overstock of slow-moving items. This imbalance negatively impacts profitability, customer satisfaction, and operational efficiency. The project aims to automate the inventory and ordering process to improve stock availability, reduce waste, and enhance the overall shopping experience for customers.

Problem Statement:

ShopWorld, a nationwide retail chain, is facing an inefficient manual inventory tracking and ordering system. This inefficiency is leading to frequent stockouts of fast-selling products and overstock of slow-moving items. This issue affects the business by causing revenue loss and customer dissatisfaction, as they are often disappointed when their preferred products are unavailable. Fixing this problem is critical to improve inventory accuracy, boost sales, and enhance customer satisfaction.

Project Goals/ Objectives:

1. **Automate Inventory Tracking:** Implement a digital inventory management system within 90 days to reduce manual tracking errors by at least 50%.
2. **Improve Stock Availability:** Increase availability for the top 20% fast-selling products through real-time monitoring and automated restocking alerts.
3. **Reduce Overstock of Slow-Moving Items:** Decrease overstock by 25% through predictive analytics, leveraging past sales data and trends.
4. **Incorporate Seasonal Trends:** Integrate seasonal sales patterns into forecasting models to improve inventory planning and reduce stockouts.

5. **Streamline Vendor Coordination:** Improve vendor lead times and streamline warehouse processes, targeting a 15% reduction in inventory-related operational costs.
6. **Enhance Customer Satisfaction:** Improve customer satisfaction ratings by ensuring better product availability and reducing stockouts and delays.

In Scope:

1. **Automating Inventory Tracking**

- Replace manual inventory spreadsheets with a digital inventory management system (e.g., Zoho Inventory, QuickBooks Commerce, Odoo, Vend, Lightspeed).
- Introduce barcode scanning for real-time stock updates and automated inventory logging.

2. **Reducing Manual Errors in Ordering**

- Implement an automated reorder system that triggers restocking when products hit a predefined threshold.
- Train key staff on the new system and processes to ensure smooth adoption.

3. **Integrating Predictive Analytics**

- Analyze historical sales data to identify demand patterns and create predictive models.
- Utilize tools like Power BI or Excel to forecast demand and optimize restocking decisions.

4. **Incorporating Seasonal Trends in Forecasting**

- Study historical sales trends (e.g., during holidays or promotions) to build models that account for seasonality.
- Implement seasonal adjustments in inventory management to prevent stockouts during peak periods.

5. **Improving Vendor Coordination and Warehouse Processes**

- Set clear reorder schedules and lead times with existing suppliers to streamline the ordering process.

- Enhance warehouse inventory flow and stock allocation to ensure products are delivered efficiently.

6. Enhancing Customer Satisfaction

- Ensure fast-selling products are available on the shelves by optimizing inventory levels.
- Reduce stockouts and delays by improving inventory forecasting.
- Measure and monitor customer satisfaction before and after the project's implementation.

Out of Scope:

1. Redesigning the Entire Website or E-Commerce Platform

- While this project impacts customer experience, it will not include website redesigns or changes to the user interface.

2. Training All Staff Across All Branches Nationwide

- Only selected staff involved in the pilot or initial rollout will be trained. A full-scale nationwide training program is outside the current scope.

3. Replacing or Upgrading POS Machines in All Stores

- The focus of this project is solely on improving the inventory tracking and ordering system, not on upgrading POS hardware.

4. Switching Suppliers or Overhauling the Supply Chain Network

- This project will not involve changing suppliers; instead, it will focus on improving coordination and communication with existing suppliers.

5. Introducing a Full Loyalty or Rewards Program

- While improving customer satisfaction is an objective, introducing a new loyalty or rewards program is outside the scope of this project.

Key Stakeholders:

- **Store Managers:** Provide input on inventory management challenges and requirements.
- **Warehouse Supervisors:** Ensure smooth coordination between inventory management and warehouse processes.
- **Purchasing Managers:** Manage vendor relations and order fulfillment.

- **Vendors:** Work with ShopWorld to ensure timely deliveries and stock availability.
- **IT Team:** Responsible for the system integration, digital tool implementation, and data analysis.

Timeline:

- **Pilot Phase:** Start Date: July 1, 2025 / End Date: September 30, 2025
- **Full Rollout:** October 15, 2025

Budget:

Estimated Cost: \$150,000

- Software licenses for inventory management tools: \$50,000
- Training for selected staff: \$20,000
- Vendor coordination and process improvement: \$30,000
- IT infrastructure and system integration: \$50,000

Success Criteria:

- Reduction of manual tracking errors by at least 50% within 90 days.
- 20% improvement in the availability of fast-selling products.
- 25% reduction in overstocking of slow-moving products.
- A 15% decrease in inventory-related operational costs.
- Increased customer satisfaction, as measured by post-implementation surveys.