

Module 3: Project Proposal

Hullabaloo Party Supplies Customer Order System

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Executive Summary

Hullabaloo Party Supplies (HPS), a party supply provider and distributor with thirteen nationwide locations, is shifting from a Selling to Vendors B2B business model to a Selling directly to Consumers (B2C) business model. HPS management has stated that the existing B2B Information System (B2B-IS) does not support their new B2C business model as it lacks the proper customer interface and functionality. This proposal recommends implementing a new B2C-IS, more specifically a Customer Order System (COS) that is more suited for HPS's new business goals. The proposal is part of the Project Initiation and Planning (PIP) process for the development of a B2C-IS at HPS. In the early phase of the PIP, HPS management stated that the COS needs to allow customers to order multiple different items online in chosen quantities, provide complete customer information, create an account, see calculated order costs including tax, pay via credit card or PayPal, have ordered items debited from inventory, and choose from multiple shipping options. (Note: Once an order is complete, the process will transition to the B2B-IS shipping system.) This initial proposal outlines an overview of the purpose of the project, the problem statement, goals and objectives, key assumptions, project stakeholders, a high-level Work Breakdown Structure (WBS) for requirements gathering, and potential risks for the new COS project.

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Goals and Objectives

HPS is a party supply provider and distributor selling to third-party vendors with thirteen nationwide locations, and has recently decided to shift from a B2B business model to a B2C business model. This will allow consumers to order from HPS directly, and HPS will then ship directly to them, eliminating the need for third-party vendors. After reviewing the existing B2B-IS, management has identified that the system does not meet the requirements of the B2C business model. Therefore, a new system is needed in the form of a B2C-IS that specifically supports the B2C business model. Two systems have been identified as being part of the B2C-IS: the Customer Order System (COS) and the Party Supply Shipping System. This proposal only addresses the COS part of the B2C-IS. The purpose of this proposal is to initiate the planning and development of COS suited to meet the needs of HPS's new B2C goals. The proposal is part of the PIP phase, which is a critical activity in the development project (Valacich & George, 2020a). It addresses the initial assessment of the project's scope, feasibility, potential risks, and resource requirements necessary for planning the COS development. Furthermore, to plan and assess the feasibility of the COS is essential to define its expected functionality.

The COS needs to function as a core B2C-IS component, meeting the following requirements provided by HPS management:

- Gather customer information.
- Manage customer accounts.
- Handle orders (including orders composed of multiple items).
- Manage payment processing.
- Manage inventory levels based on orders.

- Present customer shipping choices (once an order is complete, the process will transition to the shipping system).

This functionality will enable HPS to directly sell party supplies to consumers via an e-commerce store system (the new COS), bypassing third-party vendors. Moreover, aligning COS development with HPS business objectives, particularly the shift from B2B-IS to B2C-IS, is a critical factor for accomplishing HPS's mission successfully (Valacich & George, 2020b).

Problem Statement

It is important to understand how the existing B2B-IS conflicts with its HPS' business plans. Understanding this conflict is essential for justifying the need for the proposed solution (Jaggi, 2023). To that purpose, this problem statement provides a clear description of the problem. HPS's existing B2B-IS is optimized for large-volume transactions with vendors and lacks the architecture, user interface, and functionalities required for a B2C e-commerce small-volume consumer transactions. In other words, the system is not optimized for personal customer accounts, processing consumer payment methods (PayPal), managing inventory based on B2C model needs, managing small orders typically associated with the B2C model, calculating sales tax for consumers, or providing a friendly User Interface (UI) and support for individual consumers, rendering the B2B-IS infeasible to meet the requirements associated with the new HPS business goals. Additionally, to meet these requirements, a new dedicated B2C-IS is needed, specifically, a new COS that is optimized for consumer online ordering operations. Without such a system, HPS will be unable to meet its new B2C business goals.

Key Assumptions

During the early PIP phase for the COS, the following key assumptions were made:

- “The project team members have the required skills and expertise to perform their assigned roles effectively” (Samartsheet, 2023).

- HPS management is committed to shifting from a B2B system to a B2C system and supports this project.
- “The project requirements and scope are well defined and will not significantly change during the project” (Samartsheet, 2023).
- Stakeholders (Marketing, IT, Finance, Warehouse) will support the project by being available for interviews, and they have a clear understanding of the project goals and objectives
- Funding and resources are planned to be allocated for the project.
- The existing inventory management system is accessible through an API or by other means.
- The shipping system of the new B2C-IS will integrate with the COS by receiving order data from the COS.

Project Stakeholders

The stakeholders for the HPS Customer Order System (COS) include:

- The HPS management department, they are the project sponsor, providing the funds, the COS requirements, and final approval.
- The sales and purchase department is responsible for setting item prices and defining promotional prices
- The marketing department defines customer experience requirements for the COS, the item presentation designs and running promotions.
- The IT department and the systems analyst are responsible for project management, analysis, design, development, implementation, and maintenance of the COS.

- The finance department is responsible for defining COS payment processing methods and tax calculation (equations).
- The warehouse (inventory Staff) defines how COS orders impact inventory, item availability, and how it should interface with the shipping system.
- Customers – the consumers are the end-users of the COS; their needs define the functionality requirements of the system.
- Legal and compliance teams are responsible for ensuring that the COS adheres to data privacy regulations and payment standards.

High-Level WBS for Requirements Gathering

WBS for an e-commerce project is a visual, hierarchical deconstruction of the project (Yakovlieva, 2024). It divides the project into manageable tasks (Valacich & George, 2020c). Requirements gathering ensures that the final version of COS meets stakeholder needs and avoids costly scope issues (Satpathy, 2024). Below is a six-step WBS for the COS requirements gathering:

1. Project Initiation & Planning Refinement

- Confirm primary, secondary, and tertiary stakeholders identified in the early pip phase.
- Define engagement strategy for analysis phase (roles in workshops, reviews).
- Schedule initial analysis phase kick-off/review meetings

2. Requirements Elicitation

- Stakeholder interviews need to be performed.
- Facilitate requirements workshops (brainstorming, groups for UI).
- Perform document analysis (review B2B-IS documentation).
- Analyze system interfaces (UI, payment gateways).

3. Requirements Documentation

- Define documentation format utilizing user cases and stories.
- Document functional requirements (ordering, shopping cart, account mgmt., payment).
- Document non-functional requirements.- Document data requirements.
- Document interface requirements.

4. Analysis of Requirements and Prioritization

- Analyze documented requirements.
- Model requirements.
- Prioritize requirements.

5. Verifying Requirements and Validating Them

- Obtain stakeholder agreement/sign-off on baseline requirements.
- Make sure that the requirements are testable.
- Perform review meetings/walk-throughs of the requirements (Valacich & George, 2020a).

6. Requirements Management Planning

- Define a change control process for requirements during development.
- Establish a requirements traceability (linking requirements to design, code, tests).
- Configure requirements management tool/repository.

COS Risks

Identifying risk is an essential activity of the PIP (Valacich & George, 2020a). The following is a list of risks for the COS project and their descriptions:

Economic Risks:

- Cost overruns in COS development and integration due to unforeseen expenses.

- Benefit shortfall as B2C sales volume may prove lower than projected, the benefits from COS may not be met.

Technical Risks:

- Difficulty integrating the COS with the future shipping system or inventory system.
- COS performance degrades as customer volume grows.
- Failure to implement adequate, secure customer personnel data and payment systems within the COS.

Operational Risks:

- Consumers find the COS difficult to use.
- HPS staff experience significant difficulty adapting to the new B2C-IS COS.
- Issues maintaining inventory data may arise between the COS and warehouse systems.

Legal Risks:

- Failure of the COS to meet legal requirements for securing customer private information.
- Payment security is Non-compliance with PCI-DSS.

Political Risks:

- Stakeholders do not buy into or have different goals and/or priorities with the implementation of the COS.
- Management priorities change mid-project, impacting the COS development.

Solution

This section will be elaborated on in the next project proposal paper.

Recommendations/Conclusions

To transition from a B2B to a B2C business model, Hullabaloo Party Supplies (HPS) needs to replace its existing B2B-IS with a new B2C-IS, as the existing B2B-IS functionality

does not meet the requirements of a consumer e-commerce business model. In other words, the system lacks the features for consumer online ordering, customer account management, and processing individual payments. This initial proposal recommends developing a Customer Order System (COS), a critical part of a new B2C-IS at HPS, which is better suited for HPS's new business goals. The proposal provides an overview of the project's purpose, the problem statement, goals and objectives, key assumptions, project stakeholders, a high-level WBS for requirements gathering, and risks for the new COS project.

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Appendix

This section will be elaborated on in the next project proposal paper.