Deliverable 2: Client and Business Domain

February 11th, 2020

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Client: Akhavan Supermarket

Name: Nasser Ajabi

In this project, Team Brown will use a newly developed system, so no previous work will be used.

Table of Contents

[Executive Overview](#_57uefkegy4ww) **3**

[Business Domain](#_lr3xhzgybkhx) **4**

[Business Environment](#_mfxhch1pihx) **6**

[Client Description](#_d3zqbinsqziz) **7**

[Business Problem](#_w4ym1coj8p00) **8**

[Open Questions](#_5sp1kaul4em6) **9**

[Questionnaire](#_nlhlsrljfvcq) **10**

[Works cited](#_hi0ejjutwjvd) **12**

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# Executive Overview

This document goes into detail regarding Team Brown’s client, the Akhavan Supermarket, a grocery store with two branches in Montreal, NDG, and West Island, Pierrefonds.

Despite being in a rather competitive environment, surrounded by franchises and stores of varying sizes, the Akhavan brothers, the owners of Akhavan Supermarket, have been able to remain successful for many years in the ever changing grocery business domain. The company incorporates many different types of food, whether it be grown in house and distributed themselves, imported from Iran, or those bought from canadian companies.

The majority of the company’s higher ups do not have a complete understanding of computer literacy, because of this they still use the traditional pen and paper routine when counting stock of most of their items. Thus, Team Brown’s task will be to develop an application to keep count of the stocks of a specific section of the supermarket that will be able to be used by everyone.

To gather as much information as possible regarding current workings with Akhavan Supermarket, Team Brown had developed an extensive list of questions to ask the higher ups of the grocery store. The answers to these questions were then documented.

# Business Domain

Running a grocery store is no easy task. In fact, if you asked any grocery store manager or owner, they would tell you that in order to come ahead of the competition, one has to be on top of every aspect that drives the business to be successful. Aspects like inventory management, marketing strategy, customer service, cleanliness, etc… cannot be ignored.

In the grocery stores industry, a low inventory or no inventory at all may lead to critical losses, especially if the specific products are in high demand. Making sure that one’s inventory is always at acceptable levels to meet demand means having to continuously order items as they are needed while prioritizing goods that are valued the most. Since grocery stores “rely on several distributors to fill grocery shelves,”(*Grocery business: How to operate a successful grocery store. n.d*), goods are usually delivered every morning or night, depending on how busy the store location is. Delivery is done through various means of transportation. Large stores require large amounts of inventory, so their orders usually arrive in long trucks, smaller cube trucks. Minivans are also used. Some products “ skip the distributors,”*(*Grocery business: How to operate a successful grocery store. n.d*)* so they are delivered directly from the manufacturer. Such products include but are not limited to: baked goods, artisanal items, and goods that are made locally. Some chains of grocery stores, like our client Akhavan supermarket, also produce their own goods to sell either as retail or as wholesale.

Traditionally, the grocery stores industry enjoys a sizable increase in revenue every year. However, growth in Canada and the U.S. slowed down beginning with 2008. The obvious reason that comes to one’s mind is the financial crisis, however, other factors have played to this downward trend that saw revenue grow a meager 0.6% between 2014 and 2019 and saw 50% of the grocery stores industry profit slashed between 2012 and 2017 according to [Dymfke](https://www.mckinsey.com/our-people/dymfke-kuijpers), Virginia, and Jasper (2018). These factors include but are not limited to: consumers tightening their belts and shopping for more deals and using coupons more, the rise of discount stores like Walmart and Costco, that aren’t traditionally grocery chains, opening supercenters that offer various food products, thus proving to be fierce competition, not to mention the trend towards online shopping, that has attracted millennials, since they can buy anything at anytime and have it delivered right at their doorsteps.

All the changes mentioned above have threatened to pull the industry’s bottom line even lower, so key players in the industry have had no choice but to come up with creative ways to respond, which one would not be so wrong to assume will be adopted by smaller stores sooner or later. We are starting to see more and more grocery stores offer in-store pick-ups, we see more loyalty programs that seem more generous than one can remember. To put it lightly, the food industry, especially grocery stores, are going through a massive operation overhaul and as things stand right now, it looks like technology will be the deciding factor on who emerges ahead of the pack.

# Business Environment

Located on Sherbrooke street, a bustling street in Montreal where all kinds of people from all walks of life circulate and use public transport nearby, Akhavan supermarket enjoys great exposure to potential new customers and is easily accessible to returning customers. The website, although not very user friendly, provides general information about the products the store offers, as well as information about promotions and coupons they have available for a given. This helps the store stay competitive in the area, especially given the fact there are quite a few competitors, such as traditional franchise stores, like Provigo, and specialty stores, like Al Manan, in a short walking distance. The store’s layout also makes it easy for customers to access walk around. The aisles are wide enough to accomodate large amounts of people, even during rush hour periods, and the height of the shelves is low enough for the average person to easily reach items on the top racks. All this, we believe, makes the user experience stay positive, ensuring continued business growth.

# Client Description

Akhavan supermarket is a Persian Corporation Independent business established in Montreal, Canada. This business was founded by the four Ajabi brothers in 1989. The history of the company’s name comes from the Persian word Akhavan, which means brothers.

According to Nasser Ajabi, the manager of one of the store’s branches, all the products available in store are divided into three categories; one in which the products are sold and fulfilled from Canadian companies, in this case the bills are available containing the number of ordered items, dates and the cost of the order. The second category involves international foods; since Akhavan is a Persian based business, a large amount of their products arrives from Iran via ocean freight. The final category includes the products made in house by Akhavan and shipped to other grocery stores.

Based on our research, the managers, as well as the majority of the employees, do not have proper computer literacy and do not have full comprehension of their own selling management software. This requires us to design an user-friendly system that will allow the faculty to use it without any issues, as well as have that system be efficient enough to vastly improve time and resource management.

# Business Problem

For all these years, the company used a more traditional inventory management system, going through the aisles with pen and paper and doing it manually. By creating an inventory management software, the store manager will have full knowledge of the current stock in store and/or warehouses, of time performance and will know when and the quantity of particular items to order. In return, it will give the business more efficiency and productivity in operations, minimise inventory costs, maximize sales and profits and automate a part of the manual tasks, which will end up maintaining customer happiness.

# Open Questions

Firstly, we are unaware of how much the employees rely on computers for their day to day operations. This brings up an issue in which we are not informed on how experienced the employees are with using softwares and computers. If they do use computers on a daily basis, we don’t know if they use them already to keep track of their stock. We also haven’t come to a middle ground with the client when it comes to having a mutual understanding of what the database will look like, what will be stored in it and which information will be included/excluded. We must also get an understanding of who will be using the software, if multiple people will be accessing it, if we need to be able to identify who is accessing it, if we should track when they access it and if we should implement any type of access restriction. We don’t have a detailed idea of what method of bookkeeping they currently use, and how long that method takes. We also need to ask how much they are expecting this implementation to improve their business. Another aspect we have to consider is their competitors. We don't have a clear understanding on whether their competitors already have softwares like these in place and whether they are ahead, keeping pace, or behind the competition.

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# Questionnaire

* How much do you and your employees rely on computers when it comes to keeping track of your stock? If so, what else do you use computers for?
  + Answer: Paychecks for Employees & Making Orders
* How experienced are you and your employees with computer softwares? If so, which ones?
  + Very minimal experience. Majority of the use of computers is the cashiers at the cash register.
* What product data do you want to be stored in the database? Which information of the products already in the database could be modified?
  + 3 Aisles (approx. 1500 items).
  + Item Name, size, code, Label
* Do you want your database to have access restriction based on who accesses it? If so, which features do you want to be restricted and for which users?
  + Whoever is responsible of the inventory management at any given time
* What method of bookkeeping do you currently use?
  + Paper and Pen
* What are the different roles of the employees who will have access to the database?
  + Shelf Setters/Inventory Managers
* How long do you estimate the current method of bookkeeping takes and how much resources do you usually allocate to this specific task?
  + 2 hours. The inventory manager deals with it himself
* Besides saving time, what other benefits would having a system that eliminates the paperwork bring to your business?
  + Minimize Inventory Costs, Improved Customer Service, Business Efficiency
* Do you think you are keeping up, ahead, or behind competition, especially in the areas you operate in, when it comes to the use of information systems in your business?
  + Ahead as many of the other stores use primitive methods for bookkeeping

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