Executive Summary

Iznad Company is a specialized company about online seller's distribution. By using intelligent data mining algorithms and agent based modeling, our company minimizes the cost of delivery of products to the customer. Since other logistics companies do not use these methods effectively, our company has competitive advantage and provides its customer the business intelligence in order to operate smarter in the market.

Mission

Online businesses try to maximize their income by trying to increase the sales. Since the competition in online trade is very high, the companies need operational effectiveness to decrease costs and attract customers. Our company's primary objective is optimizing online businesses' activities by providing intelligence and technological solutions. Iznad Company is interested in developing special algorithms for distribution, sales and marketing activities in addition to knowledge gathering from customer information.

Objectives

The main aim of the Iznad Company is creating new segment in transportation industry. We want to create new area between logistics and cargo transportation with mix of both firm types. We have warehouses like logistics firms and effective distribution channels like cargo firms. We make daily distribution from our warehouses according to orders of customers given with online shopping. To do this effectively we made hardly investment to information systems, we used data mining algorithms and other tools and created complicated system to serve our customers as good as possible.

Serving in current time is one of our company objectives. By the way, there are many different type of firms specialized on transportation, some of them removal company, some of them distributor of any manufacturer etc. Our main competitor is cargo firms and their average delivery time is 2 days. We aim to distribute the products in 24 hours after order is given.

Basically, our objective is increasing service quality of distribution channels of online dealers with using effective information systems and qualified human sources.

Goals

Iznad Company is a distributor company which has software and intelligent algorithms developer team focuses on logistics sector. Since, there is a need for such a study to decrease cost of delivery of products to the customer; we consider all the online sealers as potential customer. Our target is to occupy %50 of the online goods delivery market in two years. In subsequent years, the company's primary objective is to expand market share %10 percent. Due to the fact that the logistics and online trade sectors will continue to grow, Iznad Company will also make new investments to protect its superior position in the market.

In addition to its operational superiority, Iznad Company also has strict business ethics while working for gaining customer trust. Since we request our partners to share the sales and customer data, we must gather the trust of our partners. Thus, cooperation among the parties is established for operating effectively. If such a confidence is not provided the customers, it is impossible to produce intelligent algorithms for selecting the warehouse for the operations of the company. If Iznad Company can get the confidence of the customers, new customers also demand us to develop optimization systems for them by sharing their data and experience.

Preliminary Work

Before we enter the market we make preliminary work to determine specific area to act in transport industry. We should give some decisions about our company and our works. We listed them below:

Selecting market area:
Firstly, we should determine in where we locate our warehouses to serve quickly. We make this with considering some variables like demographics of potential customers. Here we determine this factor according to online dealers' customers. We will examine online dealers and demographics of their customers for our location determination.

Demand is the other factor that determines the size of the warehouse and number of employees. If in the selected market the demand rate is high we should use large warehouses and increase our workers. Moreover we should consider this factor to determine effective supply chain management. We have to make very effective and efficient inventory control and we should determine which products should be in the warehouse at which quantity accurately to provide our quick delivery in one day. We will put mostly ordered products with high quantity in our warehouses. Another factor when we determining location of our warehouses rents of the buildings. At the first step we decide to rent some of our warehouses, hence we should consider rental costs of areas.

When we determine locations of the warehouses, we look accessibility of these locations, traffic density, road rotations, and accessibility from many locations.

Selecting interested industry:

In this step we select to work for e-commerce firms and online shopping. Because e-commerce is so popular sector and it enlarges day by day. There is big potential in this sector, because of the life conditions of people, making online shopping become part of their life and in the future almost everything will be bought through the Internet. Each of e-marketing firms has made agreements with one or many cargo firms for distribution of their products. Generally, they give opportunity to customer to select cargo firm and take money of cargo from customer. We will offer better price to both online sellers and customers.

Determining potential freight demand:

After making agreements with online selling firms, we should get the statistics of their sales, we should examine locations frequently make online purchases, and what they purchase. Then we should estimate potential orders to determine our warehouse location, capacity and inventory. Moreover distribution channels, by foot or by vehicle should be determined, somewhere we may need two or more vehicles or bigger one, in other place we may need only one small vehicle.

Determining carrying capacity:

We divide our services to time dimensions. We send our vehicles to distribution in two hours, so in two hours each vehicle should distribute their cargo and return the warehouse for another load. We use smaller vehicles and their carrying capacity should be optimized

according to length of the road they should go to give order of customer at last stop. The capacity should meet incoming orders in two hours; it should not transfer to next two hour.

Determining fleet size and composition:
At the starting point we buy five vans to make distribution. We think that we should serve as quick as possible so we do not need large capacities, we will make many going and coming and we will not carry so many products in each distribution. In addition we use human power for cargo delivery, if the delivery address is close to warehouse and the deliveryman can go and return in half of hour we make distribution on foot.
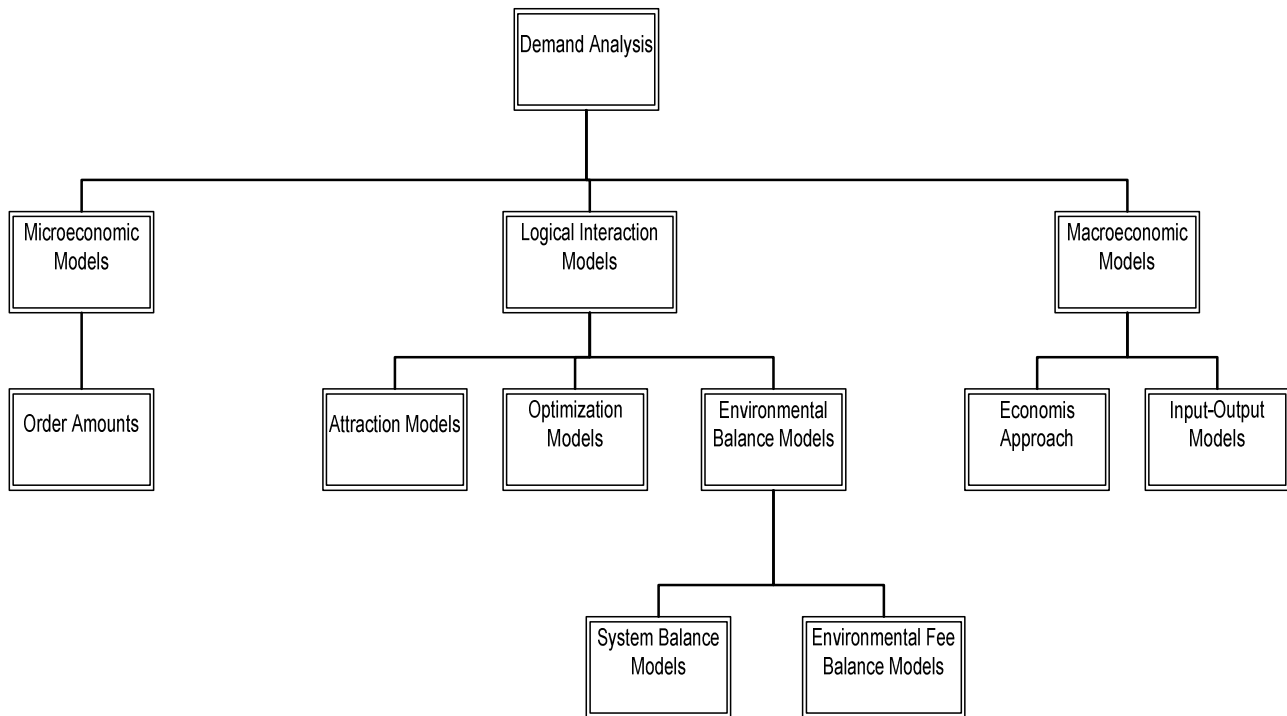
Determining rotations and tables:
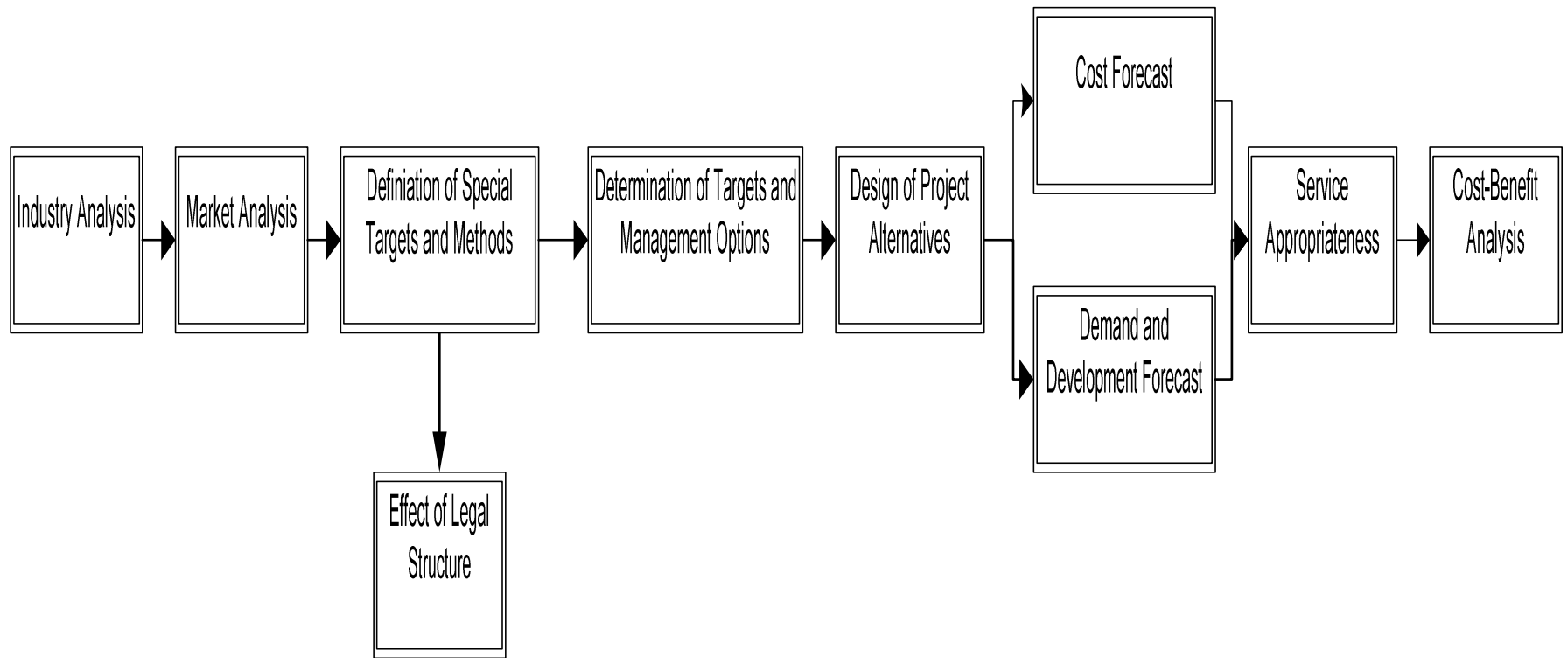We use agent based modeling to determine effective rotations for our cargo service. According to geographical information systems we will determine the transportation model for our fleet and with this system we will decrease our transportation costs.

Price is the key point in logistics firm, if you manage to give better service with lower price and high security, you can find customers easily. If we examine the costs of the logistics firms we group them with the titles below. (Chiang vd. 1981):

1. Carrying cost: In addition to expenses for carrying, insurance, packaging and the fees paid for the late delivery of the product can be categorized in to the group.
2. Time Cost: Breakdown, out of fashion and the cost of the product which is not used during the transportation can be added to the group.
3. Warehouse Cost: In addition to cost of the depot, the amount of the money invested to the stored items are considered with this title.
4. Order per transportation cost: For every order, some kind of mailing and communication should be made. Costs of those activities are recorded here.
5. Trust ability Cost: During the logistics service time, stocks can be maintained high for unexpected situation and because of high stocks the storage cost also increases. Otherwise, sudden orders can be taken because of problems in inventory system, and the unexpected orders increase costs.

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                          ┌─────────────────┐
                          │ Demand Analysis │
                          └─────────────────┘
                                   │
        ┌──────────────────────────┼──────────────────────────┐
┌────────────────┐       ┌─────────────────────┐      ┌────────────────┐
│ Microeconomic  │       │ Logical Interaction │      │ Macroeconomic  │
│    Models      │       │      Models         │      │    Models      │
└────────────────┘       └─────────────────────┘      └────────────────┘
        │                         │                           │
┌────────────────┐   ┌────────┬────────┬──────────┐   ┌───────────┬──────────┐
│ Order Amounts  │   │Attraction│Optimization│Environmental│ Economis │Input-Output│
└────────────────┘   │ Models │  Models  │Balance Models│  Approach │  Models   │
                                              │
                              ┌───────────────┴───────────────┐
                       ┌──────────────┐            ┌──────────────────┐
                       │System Balance│            │Environmental Fee │
                       │   Models     │            │  Balance Models  │
                       └──────────────┘            └──────────────────┘
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There are various factors which play important roles in the determination of the demand in the market. The figure displays the model built by Chiang for forecasting the demand in the market. Each of the sub models has its own characteristics and special properties. Iznad Company's experts try to setup different models for gathering knowledge by monitoring the market. The systems are also inter connect to each other and changes in one of the systems affects all other systems. Micro Economic models directly take its input from order amounts in the specified market. It can be orders of meal market or orders from computer hardware market. Logical interaction models deal with the external models from outside. The Logical models display the relationships between the economic data and external factors. Balance models and the optimization models are the key models in the logical models. The interaction among the internal and external factors determines the balance point of the demand in the market. Macroeconomic factors also influence the demand estimations. Since the micro demands are determined by to macro demands and the some macroeconomic indicators like inflation and unemployment influence the microeconomic variables, the microeconomic, macroeconomic and environmental factors together the total demand in the market.

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┌──────────┐   ┌──────────┐   ┌──────────────┐   ┌──────────────────┐   ┌──────────────┐          ┌──────────────┐
│ Industry │→  │  Market  │→  │ Definiation  │→  │ Determination of │→  │   Design of  │      ┌→  │ Cost Forecast│
│ Analysis │   │ Analysis │   │ of Special   │   │ Targets and      │   │   Project    │      │   └──────────────┘
└──────────┘   └──────────┘   │ Targets and  │   │ Management       │   │  Alternatives│      │
                              │ Methods      │   │ Options          │   └──────────────┘      │
                              └──────────────┘   └──────────────────┘                         │
                                     │                                                         └→  ┌──────────────┐
                                     ↓                                                             │ Demand and   │
                              ┌──────────────┐                                                     │ Development  │
                              │ Effect of    │                                                     │ Forecast     │
                              │ Legal        │                                                     └──────────────┘
                              │ Structure    │
                              └──────────────┘
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Industry Analysis → **Market Analysis** → **Definiation of Special Targets and Methods** → **Determination of Targets and Management Options** → **Design of Project Alternatives** → [**Cost Forecast** / **Demand and Development Forecast**] → **Service Appropriateness** → **Cost-Benefit Analysis**

Definiation of Special Targets and Methods → **Effect of Legal Structure**

Planning Techniques for Transportation Services

Strategic Plan

Iznad Company focuses on optimizing distribution channels of E-commerce sites. E-commerce has become more common in last years in Turkey. Most of the businesses developed their web sites which enables online trading. When online commerce is used more people, it has become a necessity to develop a very effective distribution channels for bringing goods to customer. Big companies use their own big warehouse for storing goods and they also have their own distribution company or they use their own tracks and personnel for bringing their commercial goods from warehouse to customer. Relatively small businesses cooperate with Cargo Companies for distributing their goods.

In this situation it is necessary to build data mining algorithms for optimizing distribution channels of the companies. How much of the goods should be stored in a warehouse according to expected demand. What kind of goods ordered in a certain region in a big city. So that warehouse locations and the amount of goods stored in the warehouse will be determined for minimizing distribution cost. If such a study is not performed by a business there will be problems such as insufficient stocks for a certain good in a warehouse and the company requests the good from another warehouse or from another supplier.

However, most of the businesses do not use this technique. They have one or two big warehouse which stores all kind of goods and they distribute from that warehouse to customers. Cost of transportation and transportation time will not be optimized in current system.

We, as Iznad Company, want to deal with all the transportation issues for the businesses. Since commodities are standardized brands which produced by a well known producer such as HP or Ülker, the online seller only joins customer with the product. We determined that instead of using a huge warehouse which contains all the products, using small warehouses in different regions in a city decreases the cost of distribution. In this case the demands from different regions should be analyzed by using data mining techniques to decide what should be stored how many amount in a warehouse and where should be the warehouses with which capacity. SCM tools will be used to control inventory, warehouse has dynamic environment and possibly ordered product should be on hand to serve quickly. Our small warehouses in different regions will distribute the commodities of the

business from our warehouse to customer. Iznad Company may serve different online businesses according to agreements.

Industry and Competitor Analysis

We, as iznad Company, will operate in logistics and cargo sector. Our primary goes is to serve online businesses to bring their goods to the customer who demanded the product by using internet. Almost all the companies have their online shop which can be reach from internet in any time like Gold Computer, Vatan Computer and Migros. Also there are small businesses and middle sized companies which sell their goods from online portals by using dealing methods like EBay, gittigidiyor and hemalhemsat. Those small dealers sell their products from one of the online systems to the visitors and they also need transportation price advantage for competition.

In the report published by Prof.Dr.Barış Tan in Business Strategy Journal, it is released that logistics cost ratio to GDP in developed countries is %10 where as the same ratio in developing countries is %30. It is three times greater than developed countries. The first reason is the indirect tax taken from oil in developing countries but this is not the only reason. There is also significant cost differences between sectors in Turkey. Logistics cost expenses ratio of fast-moving consumer goods (FMCG) sector is %5 where as the same ratio is %20 in production companies. In other sectors and small and middle sized companies the ratio is significantly higher. Some companies like Gillette and Vestel optimized their distribution channels and cut their expenses. The logistics companies also begin distribution optimization for effective service in lower cost. All the information implies that there is a need in the market for effective distribution. Thus a company which specified in the logistics sector will be successful because the market needs such a company.

Our company will enter logistics and cargo sector with own warehouses and logistics network to serve online businesses. We focus to enter Istanbul market, when we establish the structure of work we will decide on investing other cities.

New developments in IT technology causes developments in many areas like logistics and cargo. In recent years with the development of the Internet, people can easily reach millions of person and company, and make product and service purchase and do knowledge transfers.

The companies focus on diminishing costs and customer satisfaction and logistics become more important subject. The manufacturing companies start to take outsourcing for procurement, logistics, warehousing, packaging, inventory and distribution to focus on their major areas.

The social life changed with developing economic structure. This affects the needs of people and improve logistics sector. The sector catches changes in telecommunications sector and close producers and customers and increase the serviceability with serving in different areas lile online business.

There are two types of companies in logistics sector, one of them are cargo firms that only carry products one location to another and the other one is traditional logistics firms that have warehouses and makes distributions from there.

The cargo firms uses technology very efficiently, they adapt themselves to new developments and increase their service quality. For example, they use SDSL(Symmetrical DSL) network and sends SMS messages to their customers to inform them about the status of their cargo. In addition they have strong cargo operations systems to manage their work.

Moreover, most of the manufacturing companies and big shopping centers have their own distribution channels and others outsource this need. For example Migros have big warehouse at Gebze, distributes products to markets from there, uses its own channel for wholesales and uses its own distribution system for online and tele shopping orders. However Ülker have different distributors and it does not deal with distribution of products.

There are some websites includes the list of the logistics firms and provides opportunity to fill forms for carriage order, like www.nakliyecilerrehberi.com, www.nakliyerehberim.com etc. Moreover most of the logistics and cargo firms have their own websites and they serve their customers on web too such as www.uluslararasinakliyat.info, www.hayrioglu.com, www.arascargo.com .

If we evaluate the distribution system of online businesses, we see most of the companies prefer to offer many cargo companies to their customers, customers make selection and pay cargo fee. Sometimes they make advertisements to pay cargo fee instead of customer for above of predetermined sales.
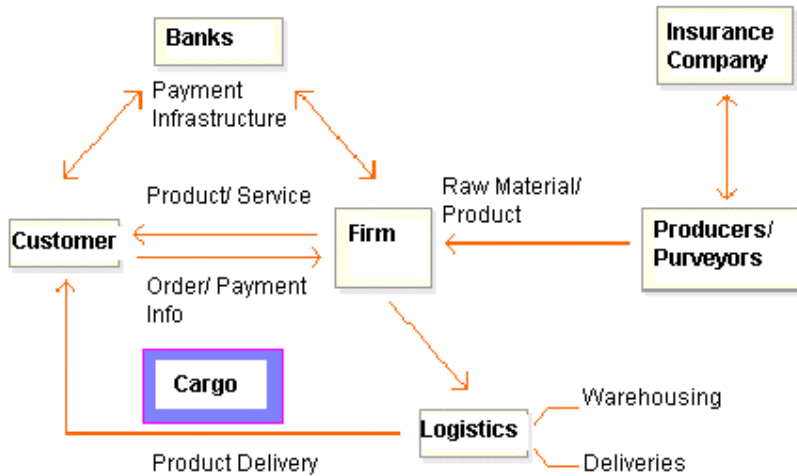
It is the structure of the e-commerce. The firm takes products from producers and sells it on web environment. The customer buys the product or service from website of the firm. Both side have agreement with banks, when the customer make shopping pay money with credit card and the issuing bank pays money to beneficiary bank (firm's account). Then the firm informs the logistics firm about the sale and the cargo firm delivers the product to customer.

Turkey had an unstable economy for years. However in the last years Turkey exhibit significant economic achievements and online transactions increased dramatically. This years are great chance for transportation sector but in a recession situation the logistic companies will face with a terrible situation. Because people will cut their non vital expenses immediately when they feel an uncomfortable situation. But economists argue that Turkey the probability of a recession in Turkey is very low in coming years.

In short, our new approach to distribution and logistics sector could bring success and online businesses will reduce their logistics cost by using our company and our intelligent algorithms.

Customers and Target Customer Profile

Customers can be grouped as the big customers, who has its own distribution channels, big customers who demand cargos to bring their goods and small businesses use internet as a store either in their website or the dealer portals like gittigidiyor or EBay.

Nowadays, Pharmacy sales in internet increased dramatically. People make their requests from internet instead of going to pharmacy stores. Also there are various kinds of natural vitamins, drags, lotions and skin creams available in new "natural product" stores which can be also bought from internet. This new online vitamin and drug selling trend began in western countries a few years ago and now it is very common in daily life. Most of the people request their medicine or natural vitamins from internet instead of going pharmacy stores. Also natural lotions and creams requested by using drug stores websites. Iznad Company's primary aim is to take distribution work of the companies. Since the sector can be considered as new in Turkey, the medicine companies do not establish their distribution channels. Iznad Company can take the distribution work of the drug companies. Iznad Company's working principle is establishing small warehouses in different regions of the city according to demand of the people. The warehouses' place can be determined by the help of the intelligent algorithms. Online medicine sale is a new concern so that the past data is not available for analysis. However, in a few months it is possible to determine the right places for warehouses.
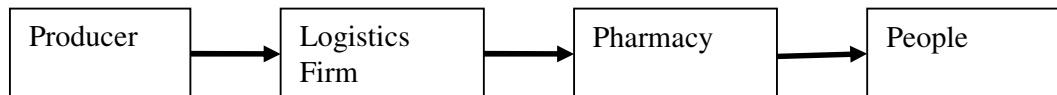
Abdi İbrahim, Eczacıbaşı, İbrahim Ethem, Fako, Mustafa Nevzat, Bayer and Phizer are the big drug companies operate in the Turkish market. Most of the medicine and drug companies are big and international companies. More than 200 Medicine Company operates in the market. They sell their products to Big Pharmacy depot Companies and the Medicine Depots distribute the drugs to Pharmacy stores. The Pharmacy stores sales the medicine to people. Cost of the delivery of the products is very high and can be reduced up to 45 percent and People can take the medicine in the door of their floor instead of going to stores.

The Natural vitamins and natural drug companies relatively small companies. They mostly operate in shopping centers like Akmerkez and Metro City. GNC and The Body Shop are e few examples of these kind of stores. There are also online medicine markets like www.medikal-market.com and www.ilacsiparis.com but all the medicines are not available in the websites. It is not illegal to sell
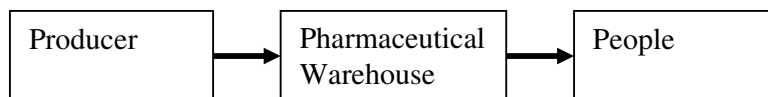
medicine in internet. But Pharmacy Stores union prevents medicine companies to sell their medicine in the portals but the sanction will be penetrated in near future. When the Online Pharmacy stores open, it will become very important to have an optimized distribution channels for customer. Iznad Company will fill the market place.

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┌──────────┐     ┌──────────┐     ┌──────────┐     ┌──────────┐
│ Producer │ ──▶ │ Logistics│ ──▶ │ Pharmacy │ ──▶ │ People   │
│          │     │ Firm     │     │          │     │          │
└──────────┘     └──────────┘     └──────────┘     └──────────┘
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Traditional System

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┌──────────┐     ┌──────────────┐     ┌──────────┐
│ Producer │ ──▶ │Pharmaceutical│ ──▶ │ People   │
│          │     │ Warehouse    │     │          │
└──────────┘     └──────────────┘     └──────────┘
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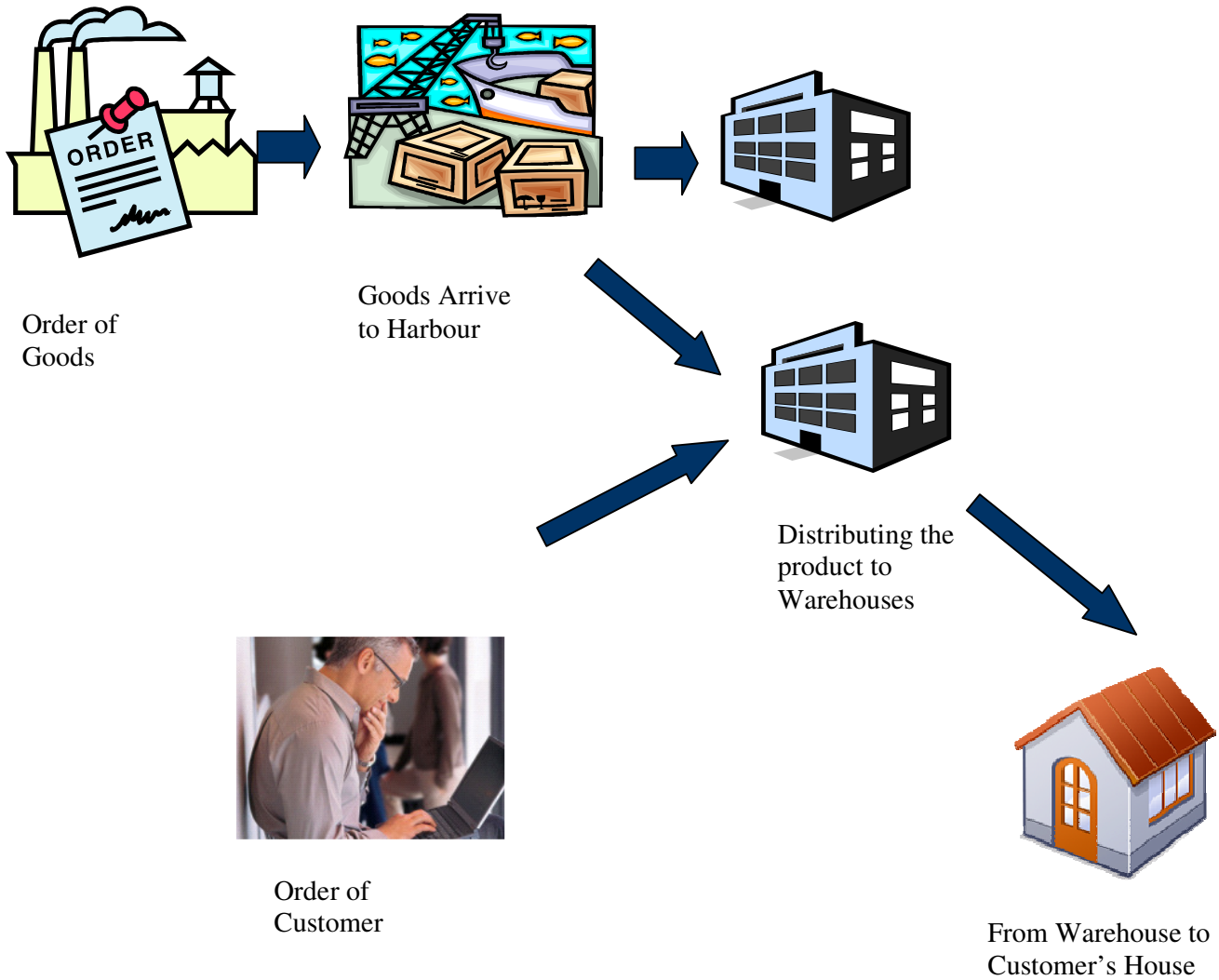
Our System with online order

Another type of customer is the small businesses which sales their products in dealers organizations like gittigidiyor.com, hemalhemsat.com or EBay. The small dealers focus on one type of product. They import one type of product before it arrive the Turkish market and sell it from online sites. The visitors might consider the seller as an ordinary person rather then trader but they are skillful dealers who know the market very well. Iznad Company's aim is to reach the small businesses and handle their distribution work. If hundreds of this kind of small business reach, it would be suitable to make operation and develop intelligent algorithms.

 The big companies which operate in market have also online stores. Migros, for example, is a gross market which sales all kind of products and the company also has an online store at www.kangurum.com.tr. The Company has very big warehouse and the shipment to the trucks and distribution to customer is organized in the centre. Similarly, Vatan Computer and Gold Computer operate its online businesses in the same way. Iznad Company's target is to handle all the distribution businesses of the companies. What should be the amount of a product requested from Chine? How should the product distribute the warehouses? And so on.
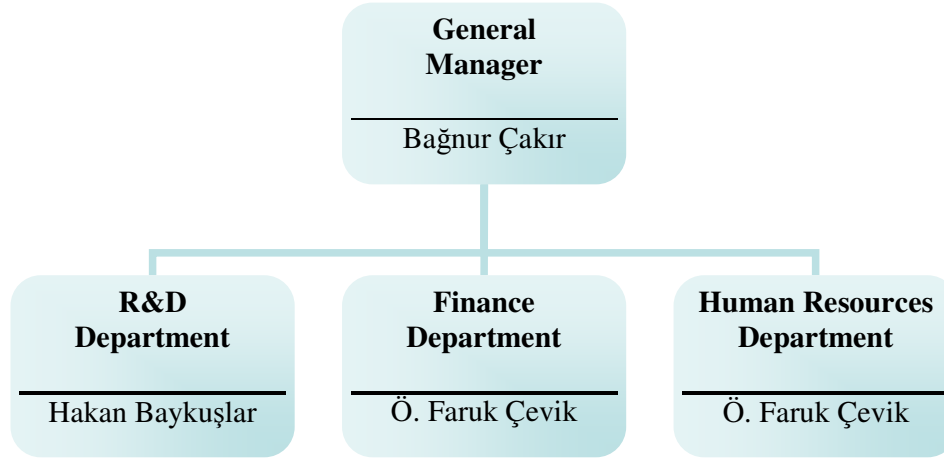
Workflows

Order of
Goods

Goods Arrive
to Harbour

Distributing the
product to
Warehouses

Order of
Customer

From Warehouse to
Customer's House

Organization Charts

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                    General
                    Manager

                   Bağnur Çakır
                        │
        ┌───────────────┼───────────────┐
        │               │               │
      R&D             Finance       Human Resources
   Department        Department       Department

  Hakan Baykuşlar    Ö. Faruk Çevik   Ö. Faruk Çevik
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Responsibilities

General Manager is responsible of all the processes in the company. Also the coordination and cooperation between the parties is organized by the head office. Warehouse operation and future planning and strategic decisions are made by the head office. General Management makes all the operational monitoring and evaluations.

Finance Department records all the financial activities. Also the financial expert of finance department contributes the strategic decisions made by the head office. Determining price and monitoring the market are among the duties of the finance department.

Legal Procedures

According to Road Transport Regulations we should take certificate of authority. The name of the certificate is K1 type certificate of authority. The regulations was changed and the firms should renew their K1 type certificate of authority so if we take this certificate in three moths we can benefit from discounted certificate charges. Moreover we have warehouses so we need to take N1 type certificate of authority.

Budget and Balance Sheet

The main income of our company is the fee paid by the business which we bring their goods. Also our company can perform consultancy services and software sales to logistics firm. The Research and Development Department also help other firm data analysis and knowledge discovery in huge amount of data.

Our primary expenses are the cost of the transportation whicles, warehouse rent, employee salary and the research and development departments' operational expenses. New investments and researches are among the hard titles in our balance sheet.

Balance Sheet

Start-up	
Requirements	
Start-up Expenses	
Legal	€3,000
Office equipment	€5,000
Insurance	€10,000
Information Systems Hardware	€4,000
Network Setup	€1,000
Software	€30,000
Building Rents	€13,500
Other	€2,500

Iznad Company Final Report

Total Start-up Expenses   €69,000

Start-up Assets Needed	
Cash Balance on Starting Date	€60,000
Other Current Assets	€100,000

Total Current Assets   €160,000

Long-term Assets	€174,700
Total Assets	€334,700

Total Requirements   €403,700

Current Liabilities	
Accounts Payable	€5,000
Other Current Liabilities	€0

Current Liabilities   €5,000

Long-term Liabilities	€7,000
Total Liabilities	€13,000

Loss at Start-up	(€69,000)
Total Capital	€321,700
Total Capital and Liabilities	$334,700

Iznad Company is a new company which needs to make huge investments for beginning operations. Investments include warehouse rentals, costs for organization and installments in the offices and warehouses, hire of new employees and developments of software. Firstly we need to create a software and intelligent algorithms development team for the core of operations. There is also market analysis and monitoring team for evaluating the status of the market catching trends and helping the companies while determining prices. All the members of the research and development team needs education for gathering such skills. Iznad Company sends its members to master programs in Germany

and USA. Also Iznad Company sends its members to special certificate programs in Germany and requests help from experts from aboard. The Education costs are displayed in "Other Current Costs" title. Employees learn new technologies and the application of the technologies.

In the building rentals we show the costs of two warehouses and office rents with their deposits. One of the warehouses at 4.Levent with € 2,000 rent cost, the other one in Cevizlibağ with €5,000 rent cost, our office at Mecidiyeköy with €1,000 rent cost to reach all locations of warehouses.

In the long term assets, there are vehicles costs and the cost of warehouse we bought. The list of vehicles is three 2006 Ford Transit 300, one 2003 Renault Kangoo and one 2004 Hundai Staret. We bought second hand vehicles to decrease start up costs. We bought warehouse at Umraniye at €120,000.

Our intangible assets are the trust of the customers, the intelligent image of our company in the market and employee loyalty. Since our investments in the way that supports all the mentioned intangible assets, capturing and protecting the brand value constitutes the core of the aim of the operations.

Role of Research and Development

Research and Development team focuses on data mining, intelligent algorithms and software development. The responsibilities of R&D department constitute the core of the Iznad Company. Our Company's all operations' root come from the R&D department. They build the intelligence and smart operation capability which are used by all the company members. We employ talented and hardworking people in our R&D department.

The intelligent software developed by the R&D department will be used while determining the warehouse location, what will be the amount of a certain product will be stored here, what is the estimated demand of a product according to the sales of a similar product. And similar questions both repaired and answered in the department.

Iznad Company Final Report

Technological Investment and Analysis

Our primary asset is the talented and well educated Research and Development staff. They are able to use all kinds of software and they are encouraged to built intelligent software and algorithms. They use data provided by the customer for knowledge discovery.

In order to fast operation in huge amount of data base our company needs main frames or super computers since Terabytes of database. Also Iznad Company needs a research laboratory to build software and algorithms. Iznad Company uses open source platform computers with Java and Matlab developer tools. Research laboratory also contains all the books and resources for the developers. Iznad Company also sends its developers to Germany for Master Education or for certificate programs in a special topic in those countries.

Technological Innovations

Iznad Company provides its customer fast and reliable knowledge and data. Day to day business decisions should be made in today's business world in order to maintain market position. Iznad Company mainly uses internet for collection of the data. Daily transactions of goods in markets are recorded locally in stores and purchase decisions from store's website are recorded on a database. Local data bases are merged with data collected from internet and knowledge from the databases as a whole used for strategic decisions. Moreover, local databases analysis are made separately to make special decisions about the store. Since data amount is very large, Symantec Veritas NetBackup is used to backup databases and SQL and PL-SQL technologies are used for OLAP operations. Otherwise an operation in data base will be very long since data is huge but the data is transformed and recorded in special formats to OLAP cubes and then retrieved. So that data retrieval time is minimized and operational effectiveness are established.

Any time a company manager can access the system, see statistics, and request knowledge by using our system. In addition, our company brings goods to requested place in the desired time. All the

statistics about customer and products are reported to companies and the managers can access the information in any time by using a web browser.

IT/IS Analysis

Iznad Company needs reliable data for developing business intelligence systems. Data can be gathered the transactions in the stores and the order details from internet. Iznad Company can build such information systems or our company can cooperate any current system. That is, the transactions in the stores are recorded in an ERP or a billing program and Iznad Company can deal with such data formats.

Sales transactions and warehouse information are kept in a local database for each store. Also all the stores' data is stored in a central database, which is available only to the managers. Customer details are recorded directly if a customer makes payment with credit card. Cashiers enter other cases the customer details. Sales from online store are also recorded by the systems. All the clicking and navigation details on the website are stored for future analysis.

In addition to sales and customer details, product details are also very important in analysis. Producer information, price, and product's capabilities play a very important role in the product's market value and strategic decisions about the product. All the information gathered before beginning a decision processes.

Iznad Company make consultancy about the sales and marketing decisions on a product. Which product information should be e-mailed to a customer? What should be the price of a certain product? Also Iznad Company is a distributor company, which has several small warehouses in different regions in the city. We also use the data of customer for determination of warehouse location and how many amount of a certain product will be kept in the warehouses. Iznad Company also advice its customers about how to allocate their goods between warehouses. Shipments from import locations to warehouses are made according to advices of Iznad Company. A customer can enter the system the details of a new product and Iznad Company help the customer how to allocate the product between warehouses, what should be the price of a product according to market situation and other details.

Iznad Company monitors market to help its customers reliably. All the competitor company's products and their prices are recorded hourly by using XML technology. Therefore, price decisions can be reliable. In addition, prices might need to be changed according to market situation. In this case, Iznad System helps the customer to change the price of a product according to competitor behavior, the experiences gained in the market before, and the knowledge gathered from experiences.

IT/IS Security and Control Policy

Iznad Company must gain trust of its customer for operations. Since the company needs valuable data of its customers for helping them making decisions. The data must be stored very precisely and other parties must not reach the data. If any one of the customers information is taken by a third party Iznad Company lost its entire trustable image. Thus, the company applies authentication and 128-bit password security. The local data of the stores sent to a central database by using OLAP technology. Data is encrypted by using 128-bit SSL encryption technology and then data decrypted in the center and recorded to the central database. So that, both data backup and data security is established. The OLAP Cube in the center is not accessible directly from the internet. Only reports and results of the database are displayed to the customer and the user can only see data. No data change is allowed to the customers and the customers cannot see the row data while making remote access.

Iznad Company and another audit companies also control local Systems of the stores. Penetration and other security tests are made monthly to the stores and to the central database. If any fault is found in the tests Iznad Company's expert staff directly deal with the problem. The Iznad Company managers also control employees of the Iznad Company. Since we give consultancy about a product's price and storage amount, the valuable business information must not be given anyone else. Iznad Company's employees sign a strict agreement and they accept all the legal sanctions if they share any information of the company with outside. So that, legal authority established toward the employees. In addition to legal sanctions, Iznad Company tests its employees in ethical aspects before giving the workers any managerial position. Only trustable people with strong character can be participate the project groups which deals with valuable customer data.

Preferred Information Technologies

Iznad Company use Oracle 10 g Data base for storing data and Oracle Data mining tools for basic operation and OPAL cubes. Oracle Data Integrator, Oracle Warehouse Builder, Cognos, Oracle Siebel Analytics are among the Oracle tools used by Iznad Company.

Iznad Company use Java Technology in the software developed by the company. NetBeans development environment established in Unix operating system. Unix and Shell Scripting are strongly used by developers of Iznad Company. Our development team also search the internet for new developments in open source and Java world since everyday some contribution provided by some one to the Open Source users. Managers of the companies which get consultancy service from Iznad Company use their web browsers to see the reports and estimations. IBM main frame Z9 is used as servers for 24 hour servicing to the customers of the company. The hardware properties are System z9 Application Assist Processor (zAAP), Integrated Facility for Linux® (IFL), Internal Coupling Facility (ICF), System z9 Integrated Information Processor (zIIP) and security systems of the IBM main frame are DES, AES, SHA-256, PRNG, SSL, TKE, EAL5 Certified, Cryptographic accelerators/coprocessors. IBM main frame serves as a JSP server for remote requests of Web browsers. Connection between stores and central database established by leased line and 128 bit encryption is used for data exchange.The system has also a mobile side and users can be informed by SMS if they request such a service. Customers also could access the system from mobile devices like mobile phones or PDA.

Problems & Opportunities

Opportunities:

- It is a developing sector in Turkey which creates lots of new area make investment.
- All online sealers are our potential customers.
- Cooperation of parties makes it easy to gather customer data.
- Our system is unique the way of focusing on analyzing data to determine the warehouse location and storage level.
- Instead of choosing big warehouses, we have small size warehouses in strategic areas so that to deliver all products with the fastest way compared to the rivals.

- We will have wide variety of products from different sectors in our warehouses and this will lead us to create a big competitive advantage among rivals because we will have a great know-how of distributing diverse products.

- It is easy to access from everywhere and every time.

- Technology has a positive effect on this business.

Problems:

- High cost of making analyze mistake results in losing customer trust to the company.

- Due to risky economy of Turkey, it is tough to create stable volume of business.

Alternatives

- Our customers can also use our know-how for their business instead of buying a complete distribution service. We can analyze their past transaction data and make recommendations about how they should locate their warehouses or how much amount of products they should store in those warehouses.

- Also they can create their own distribution channel for their business. But, this will not be as cost effective as our logistic solution.

Personnel Policy

- Our personnel will have high responsibilities about our customers' data privacy. They know that they will be punished if they do not be respectful to customers' data privacy.

- Our personnel are the best people in their business area and all of them have required graduation degrees from best universities and valid certificates for their business specialties.

- We never hesitate on investing our employees because our primary strength is our skillful and knowledgeable employees. So all of our employees are encouraged for new resources and new educations in their fields.

Marketing Policy

Iznad Company's aim is to reach all the potential customers in the market. That is all the online businesses and all the companies who need business intelligence. Our Company must establish a trustable company profile to its customers for being a business partner, because the customers share the valuable customer data for analysis and modeling. Our marketing policy is based on the trustable and smart company image. We approach the customers in formal way and we show them all the legal agreements we approve when we begin a business with to gain trust of the customer. Also our past works are shown to potential customers. After solving the trust problem, we apply informative marketing policy since the work performed by the company is new and customers should be well informed. We also use e-marketing and news letters to market our new products and services and also inform potential customers about our success.

Recommendation

Iznad Company is not an ordinary Cargo or Logistics company. Customers probably confused about the services performed by Iznad Company. They should be well informed and all the support should be provided for market the company.

Iznad company's position in the market should be clear. The company should not change the line of business. For example, the company should not provide package delivery service from home to home since the image of the company will be shaken when such a service performed.

Finally, Iznad Company must maintain its trustable image in order to survive in the market. All the necessary precautions and employee policies must be established to gain confidence of the customer.