Vision and Scope Document

for

Fantastic 6 (F6) Direct Online Store

**Version 1.1 approved**

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**Revision History**

| **Name** | **Date** | **Reason For Changes** | **Version** |
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# Business Requirements

## Background

Over the years, ABC Inc. stores have amassed an expansive and loyal clientele as a result of the high-quality, and wide-spanning product selection offered. Growth for the company has largely occurred through word of mouth, but increasingly, this has taken ABC’s name into the consideration of individuals who ‘live out of the way’ of one of the company’s physical locations. So, to reach these individuals and expand our overall presence, ABC has deemed it necessary to create a digital platform for its services. However, this is not just a service for potential clientele - it is equally a product for existing customers who might appreciate the convenience of being able to make purchases digitally, from the comfort of wherever they may be.

## Business Opportunity

Currently, the only way customers can purchase and browse through ABC’s products is by visiting one of its physical locations. This makes it challenging to reach shoppers who do not live close to one of the company’s stores - especially those who fall under the category of ‘potential’ customers, since they may feel that there is little incentive to go out of their way to try something new. To that end, we deem this product an essential business opportunity because it allows us to expand our reach in a safer and more scalable manner than opening up more physical locations.

Moreover, this product will create an additional port of communication between ABC Inc. and its customers while also creating an additional potential income stream through ad revenue. The development of this software follows current market trends since, increasingly, one will find it challenging to find a mid-to-large retail firm that does not offer some form of a digital shopping experience.

Lastly, certain companies provide a comparable service to us. However, one way ABC inc. will distinguish itself from competitors is by constructing a platform built on customer trust regarding data protection and privacy, areas which many large corporations have violated in recent times.

## Business Objectives

BO-1: One of the primary business objectives of this product is to increase ABC’s gross profit compared to the previous year since the company aims to increase both the average amount of purchases made by the typical customer and the total annual number of new customers.

BO-2: An equally important objective is to increase the company’s net profit margin - the amount of profit generated from every $1 in sales - because a higher margin will allow us to re-invest more of our earnings into the business than in previous years. Moreover, a rise in this metric would indicate that our revenue is increasing at a greater rate than overall expenses.

BO-3: With the development of this product, we wish to see a rise in the ‘customer lifetime value,’ since we strongly believe that this will lead to repeat customers are purchasing more frequently and consuming a greater annual volume of goods.

BO-4: This software should also lead to a decrease in overhead ratio, defined as Operating Expenses / Net Income, compared with our other alternative, which is to open more physical locations. We believe that putting greater emphasis on a digital platform will make it cheaper to scale and expand our company in the long run since we anticipate that income will increase at a greater rate than operating expenses in this way.

B0-5: The software should also lead to an overall increase in the growth rate of the store, as determined by the size of our product catalog, number of vendor agreements, sales, and quantity of unique customers.

## Success Metrics

SM-1: Increase sales conversion rate for a week to 3% by speeding up product pages, uploading high-quality images of the products, and optimizing product listings using keywords. If 1,000 people visited our store this week and only 30 people made a purchase, our sales conversion rate for the week would be 3%.

SM-2: Increase customer lifetime value (CLV) to $200.00 per year. It measures the total amount of what you earn from an average customer over their lifetime.

SM-3: Increase the gross profit margin to 40% and the net profit margin to 20% compared to the previous year.

SM-4: Reduce shopping cart abandonment rate by simplifying the checkout process for customers - also, use targeted ads and follow-up emails to bring undecided shoppers back to the store.

SM-5: Bring down customer acquisition cost (CAC), the average cost of gaining one customer, by 15%. ABC can accomplish this by improving conversion rates and investing in social media marketing and referral marketing, encouraging existing customers to bring in new customers.

SM-6: Increase average order value (AOV) by offering free shipping on purchases above a certain threshold. This would help maximize customer spending and provide an incentive to make larger purchases.

SM-7: Grow website traffic by promoting offers on social media, optimizing the website for search engines, and growing the number of people subscribing to the newsletter.

SM-8: Increase customer satisfaction and retention rate (CRR), the rate at which customers stay with a business in a given period of time.

SM-9: Speed up website and decrease checkout load times to maintain and engage customers on the website by monitoring speeds of all pages and fixing issues to decrease page loading times.

SM-10: Constantly improve customer service calls, chats, and emails to collect customer data to figure out how many of them are having problems and analyze the reasons for complaints when making improvements.

## Vision Statement

**For** on-the-go individuals **who like** the convenience of online shopping, **F6 Online Direct Store** is a web-based service **that** will allow customers to buy anything and everything they may want. Users will be able to search seamlessly through product web pages that will contain pertinent information related to those products, such as availability, customer reviews, specifications, and descriptions. **Unlike** existing online retailers, F6 Online will contain an unmatched product catalog that will span quality goods from every imaginable sector, making safeguarding customer data a top priority.

## Business Risks

RI-1: Hackers might find a way into the system from the inside, obtaining employee credentials. So, the website must be secure, and customers’ data must be protected by enforcing strong data privacy and online security policy and implementing two-factor authentication. We should also educate employees and staff on detecting incoming security threats. (High risk)

RI-2: The internet service provider might experience a technological glitch or crash, or the server might not be able to cope with surges in traffic during the busiest sales days of the year. Similarly, the software for our website could have bugs, fail, and potentially take the website down with it. We can mitigate this risk by finding a reliable host with a very high uptime percentage. Furthermore, we should put policies that don’t overload the servers and develop regularly-updated, well-reviewed software. (Medium risk)

RI-3: Unauthorized access might cause a significant amount of data loss. To prevent such an event, we need to: restrict giving every employee access to company files, change passwords twice a year, and revoke credentials when an employee no longer works here. (High risk)

RI-4: A stolen credit card might be used to make an online purchase by some individual. Therefore, our online security should be Payment Card Industry (PCI) compliant to protect credit card holders' data, maintain the firewall, and encrypt their data. We should also regularly monitor for suspicious or fraudulent activity. (Medium risk)

RI-5: Customer disputes and returns could create unsatisfied customers and increase costs. We always need to provide first-class customer services and build a clear refund policy. (Low risk)

RI-6: Warehousing and logistics issues could delay product shipments if we run out of stock while orders are in-coming or potentially cause packages to be delivered to the wrong recipient. An inventory management system that automatically updates the product count -- and a professional shipping service with accurate tracking information to customers -- should be implemented to mitigate this risk. (Medium risk)

RI-7: Violation of copyright rules and intellectual property issues could create a great deal of loss. We should enforce strict copyright rules with written and clear protocols to never infringe upon the intellectual property of other companies. (High risk)

RI-8: Low Search Engine Optimization (SEO) ranking could decrease sales, which would make our website less visible and lead to less traffic with fewer overall opportunities to convert individuals into customers. We should find the right keywords to promote our home page and products by using the right tools, making effective social media campaigns (both insourced/outsourced), and performing competitor research analysis to determine which keywords are commonly targeted. (Low risk)

## Business Assumptions and Dependencies

**Business Assumptions:**

AS-1: All users have access to the device(s) with internet connectivity.

AS-2: There will be a system that will enable online orders of products with a convenient and appropriate user interface.

AS-3: The server uptime will be near 100% for a more efficient update, retrieval, and data delivery.

AS-4: Products will arrive within anticipated time frames, and chosen delivery services will be available on the day of shipping.

AS-5: The language of the website will only be English. Users should enter their data in English only.

AS-6: Documents such as user manuals, return policies, refund policies, privacy policies, terms, and conditions are required from the client side; otherwise, the extra money will be charged.

**Business Dependencies:**

DE-1: Payment using a credit card will require a payment gateway to be implemented.

DE-2: The business depends on the number of sellers and product quality. More sellers mean an increased amount of unique and interesting products, which is important for attracting more buyers.

DE-3: Product selling is highly dependent on other customers’ reviews and impact on the market.

DE-4: Paid campaigns play an important role in e-commerce stores. Business is partially dependent on advertisement platforms like Google Ads and Facebook Ads. This paid marketing is used to target the interested audience by using keywords, locations, interests, ages, browsing histories, etc.

DE-5: Good visual representation and a crisp user interface are required to attract and keep customers' attention. To that end, ABC will partner with Front-End design specialists to help develop the layout and visuals of the store website.

DE-6: The success of this product will partially depend on our distribution partners and the reliability and efficiency of their delivery.

# Scope and Limitations

## Major Features

Some major features of our product are:

FE-1: User authentication

FE-2: Various payment options for a faster and more efficient checkout experience

FE-3: Fast returns and exchanges for customers

FE-4: Shipment tracking/faster shipping service

FE-5: Updating site continuously with the newest products

FE-6: Competitive prices on goods

FE-7: Limited ads on-site for a more pleasant user experience

FE-8: Exclusive collaborations with other companies on new products

FE-9: Security protocols implemented to protect user’s private data

## Scope of Initial Release

In the first release of the product, we will implement all features that are essential in running an online store. Our primary focus shall be features like:

* authenticating user login
* processing returns/exchanges
* invoice generation

Without these features, the store will not be able to run - and therefore, it wouldn’t generate any profit. These features are important because they connect the user to the product and this allows the user to become familiar with our site and, hopefully, come back to shop with us again. The benefits we strive to provide our community are affordable prices and the availability of our products. We want our customers to be satisfied with their experiences and know that they can count on us to provide the products they need. With our initial features, our goal is to make everything easy for the users– easy to browse and filter items, modify their carts, and read/leave product feedback effortlessly.

Our goal is to make this happen by working with other retailers and holding exclusive offers to get our customers the best deals. To make a good impression, we want to implement these base features that all e-commerce sites are composed of, but do it in a way that benefits our customers as much as the development team. We hope to have users log in seamlessly and shop without any difficulties.

## Scope of Subsequent Releases

In later iterations of the product, we shall implement supplementary features like

* administering coupon codes
* tracking shipment
* sharing products to external sites
* developing a mobile app

The store can still be successful without these features–we as the development team sees them as “desires” not necessities, but we are putting the customers first by making our product more diverse. In later releases, we shall integrate databases so that users can see price match options. They will see what other online retailers have in stock and compare prices to products listed in our store. The database will retrieve this information from other sites and display them next to the item listing on our site. This lets users do less work and make their experience better.

Another feature we will implement later in development is the ability to shop while on mobile. A company cannot survive in the current economy without offering shopping on the go. Users want effortless, and browsing through items on their phone is the easiest way to make our online store more approachable and it makes it more available. The app will have all the functionalities that our store will have on the website, and will possibly be preferred by our customers because of its portability and ease of access. We will make an app and have our store available on smartphones, so users will not be limited to shopping on their computers. It will be available on all operating systems.

## Limitations and Exclusions

LI-1 System will have a limited capacity of users, due to initial budget projections

LI-2 System may experience performance dips scaling to the excess number of users attempting to access the application

LI-3 User that is disconnected mid-session will not be able to recover items in a wishlist or shopping cart and will need to read them

# Business Context

## Stakeholder Profiles

| **Stakeholder** | **Major Value** | **Attitudes** | **Major Interests** | **Constraints** |
| --- | --- | --- | --- | --- |
| Upper management/Employees | Smooth management of overall system | see the company run smoothly and keep startup within budget | improve on development tendencies to keep development time short and smooth | Development time no greater than 1 year. |
| Customer support  company | less support tickets from customers | positivity scales inversely with how many support tickets there are | system free, within reason, of avoidable issues | Too many support tickets can overload support sector |
| business partner companies/  Suppliers | simple faster delivery of products | want a reason to choose this product over other competitors | access to faster, cheaper and more reliable online retailer, that can offer better customer service | final price is not competitive with other online retailers |
| Investors | return on investment | wants to see projected trajectory of profits increase | Provide a unique experience compared to similar products | Projected revenue is negative over multiple sales quarters. |

## Project Priorities

| **Dimension** | **Driver (state objective)** | **Constraint (state limits)** | **Degree of Freedom (state allowable range)** |
| --- | --- | --- | --- |
| Schedule | release v1.0 to be available by Q1 2023, release v1.1 by Q1 2024 |  |  |
| Features | Provide malleable System that conforms to requirements document | Fulfill requirements set out at projects inception | 80% of tier 2 or greater priority features must be included in release 1.0 |
| Quality | Minimal bugs to provide smoother user and maintenance teams experience | Meet quality set by initial estimates | 95% of user acceptance tests must pass for release 1.0, 99% for release 1.1 |
| Staff | To complete all deliverables and thoroughly test by goal date | maximum team size is 1 PM, 1 SM, 5 developers + 2 testers | Staff/company can scale up to 30% of initial size. |
| Cost | Keep costs to a minimum | 12 million USD budget limit | budget overrun up to 15% acceptable without sponsor review |

## Deployment Considerations

**Data Delivery:**

For the effective deployment of the product, it should have multiple domains and servers depending on targeted locations. For the United States it should have a (.com or .us) domain, for Canada (.ca), for Australia (.au) etc to target specific audiences. Each domain should be connected with the nearest server locations based on the audience to serve data more quickly.

Product images and videos should be compressed using efficient algorithms to serve more quickly. The size of data might be high, so it requires powerful data servers and systems.

**Time Zones:**

Each location should serve a local time zone based on the user's IP. For example, the United States has six time zones and users might be from anywhere. If the user is not able to identify from the IP address then the system should ask the preferred time zone to ignore timing-related issues.

**Access**:

There should be multiple user roles, specific to requirements and authority.

User: User role will only be able to view products, write reviews, modify personal details, interests, etc related to themselves. Can add or remove products from cart and wishlist. But, they can not modify, delete or add product information.

Seller: Able to add, delete or modify their own products. Not able to delete, modify customer reviews.

Customer Care Officer: Able to access customers’ names, all purchase information, payment information, etc. Able to initiate a refund, return based on customer’s request.

Activity Monitoring Officers: Able to delete reviews that are disrespectful, misbehavioral, violating user’s data and privacy policy.

Database / Server Administrator: Able to access, delete, modify system and data information. Can back up and restore the entire system’s data. Able to migrate data when it is required.

Business and Development Manager: Has access to all expenditures and profit of the entire business. Can manage marketing expenses, seller profits, affiliate commissions, etc.

System Administrators: Can do anything they want.

**Data Management:**

After having more traffic from all over the country, the server might not be sufficient to handle all requests. So, it requires multiple server locations for each country, and all the requests can be handled by load balancers. Each server and user has different IPs and each request can be divided based on server availability and location priority to serve data more easily.

All data presented on the server should have multiple backups with timestamps. Backup can be used in emergency situations and helps mostly during the development phase. Data migration should be possible between each server to make data up-to-date.