GPI Business Case SPS (Shared Purchasing System)

Introduction

This document outlines the business context of the Shared Purchasing System (SPS) project, a fictitious case study designed for learning IT project management. The document is a basis for students evaluating the project feasibility and providing guidance for project planning. In this context, You are a project manager of an IT consultant company, named YourITCompany, that was invited to submit a proposal including a software business package and its configuration covering the business case requirements.

Business Context

SSC is the PTRetailGroup Shared Services Company responsible for managing shared services for over 100 associate companies, namely including services like finance, human resources, purchasing, and IT.

SSC organization includes a Purchase Department (PD), responsible for defining, managing and monitoring the purchase processes and relationships with suppliers; an IT Department (ITD), responsible for deploying, operating, and managing IT infrastructures and associated information systems; and a Finance Department (FD) responsible for managing finance transactions.

The PTRetailGroup board has identified the need of an effective and competitive purchasing service that would be available to the associate companies, covering the purchase of office goods (e.g., equipment, laptop, printer, paper, toner). This new shared services shall reduce the purchasing costs but requires a proven purchasing information system.

To cover these business expectations, the board decided to contract a SPS (Shared Purchasing System) project to an external company with recognized background experience on implementing purchase software solutions.

This document should be considered an RFP (Request for Proposal) containing the main requirements and conditions for you to be able to provide a detailed proposal for professional services.

SSC will provide a team strongly committed with the objectives of the project and a modern and scalable IT infrastructure to support the technical requirements of the solution.

One year after the project conclusion, the PTRetailGroup board expects to decrease purchasing costs by 10%; be compliant with ISO Standards by aligning procurement activities with industry standards and regulations; to reduce purchasing processes duration by at least 30%. The new system shall also establish long-term Key Performance Indicators (KPIs) for monitoring the suppliers and associate companies purchasing processes.

Scope

The objective of this project is to allow the various users of the PTRetailGroup (including users from the associate companies) to make purchases through this new system. The SPS system shall provide the following main applicational areas (or modules):

- Organizations and users Area (OrgsUsersArea) for managing organizations, end-users, user roles, and permissions.
- Suppliers Area (SuppliersArea) for suppliers manage their products catalogs and accept purchase orders.
- Request Orders Area (RequestOrdersArea) for customer's users select products and create purchase orders.
- Manage Orders Area (ManageOrdersArea) for customer's managers manage and approve purchase orders.

In addition, integrations with external systems are expected to cover the following aspects: (i) Integration with the suppliers' systems to update the purchase orders and associated status; (ii) Integration of users with a federated authentication system; (iii) other possible integrations identified shall be covered by future system enhancements.

Furthermore, the project should also include the following aspects:

- Training of key-users (i.e., train the trainers) that shall include at least 2 training days in Lisbon and 2 training day in Porto)
- BI features with a set of reports and dashboards, to be defined by PD. Given the difficulty of specifying the requirements to this component, the reports and dashboards will be developed following an agile approach, through the Scrum process, and considering 3 sprints of 2 weeks each.
- A one-month pilot shall be executed to assess the SPS operability.

Time Constraints

The project plan must be submitted for approval before March 16th, 2024.

The operation phase shall begin with a one-month pilot post-acceptance test approval.

System shall be operational within five months of project plan approval, with a less than two-week tolerance.

YourITCompany shall include a minimum two-months warranty post-pilot conclusion.

Cost Constraints

The project has an approved total budget of € 300,000, including internal costs.

YourITCompany contract is limited to €150,000 (including software and services), and your contract shall be defined as a fix-price model.

Project cost variance target shall be less or equal 10%.

Quality Requirements

The following general project quality requirements shall be met:

- Number of non-conformities during acceptance tests: less than 10%.
- Time to correct non-conformities: less than 48 hours.
- Evaluation of training sessions: not less than 7.0 (in a scale from 0 to 10).
- System usability: Understandable, easy to learn, and use without specific training for all involved users.

Main deliverables

- SPS, available in the quality and production environments.
- Requirements specification document.
- Tests specification
- Technical documentation.
- Additional manuals and training materials.

Organizational Constraints

The vice-director of ITD is the project manager (from the client side), reporting to PD director (the project owner);

John Brown (from ITD) leads a team of 3 IT engineers (for IT infrastructure support; ERP integration; and federated authentication system);

Mary Green (from PD) leads a team of 3 purchase managers (for business processes, requirements and validation);

Rose Yellow (from PD) leads the key-users team that shall involve end-users from both the PD (2 end-users) and associate companies (at least 6 end-users from 3 different associates, i.e., at least 2 end-users per associate).

Resource Constraints

SPS provides all the necessary IT infrastructure managed by its ITD department.

All project development activities are at the contractor's office; interactions with SSC in Lisbon; key user training is in Lisbon and Porto.