**S-Mart: Problem Statement**

**Problem:**

S-Mart is a medium sized business that became a national chain in 2013. However, after five years in the national market, S-Mart has been having trouble gaining new customers and losing customers to big brands like Kroger. The problem S-Mart didn’t address in 2013 is that of a modern IT solution to connect its stores.

Their current system is updating files locally then sharing them as email attachments causing a strictly waterfall environment. Everyone must wait on someone else to perform their job before they can do theirs. While this worked for the first two stores, S-Mart is struggling to fill customer orders in a timely manner, they are finding various versions of documents are being shared, they are having trouble tracking their documents, and they constantly losing track of stores’ inventories.

In addition to internal struggles, S-Mart is financially in trouble. Maybe even more so than its archaic IT structure. Their online presence only offers a way to phone them or submit a form have someone contact them to place orders. S-Mart has not maintained their online marketing, such as social media, coupon offerings, SEO, etc. sufficiently. S-Mart’s slow response and lack of modern practices has caused them to lose customers instead of gaining new ones. In 2013, as they were reaching national status, S-Mart averaged $10,000,000 per year in profits. Five years later, after being a national chain, S-Mart averages $2,000,000 per year. Making barely enough to remain in the black.

**Solution:**

S-Mart is looking to modernize business practices to reach larger audience, as there is hardly an online presence to market and provide access to the company’s groceries / store inventory. S-Mart needs the technology to make their products more accessible, affordable, and to create a more efficient shopping experience for a larger audience.

The company plans to implement an eCommerce platform that should be able to provide real time updates of its inventory to gain new, and retain existing, customers through technical communication. Whether a couple individuals or a small team, S-Mart will assign them to maintaining an accurate / up to date presence online to improve customer reach and availability to said customers.

S-Mart will create an intranet system to begin handling its business practices digitally for its various departments which will increase efficiency and productivity of various business departments such as payroll, human resources, maintenance, and others. This intranet will allow for a central database of all data for every store that will significantly improve processing time, duplicate documents, and store communication.

It is estimated that the first full year the new IT and eCommerce systems are in place they will yield S-Mart with an average profit of $8,000,000 compared to the current $2,000,000 per year.