

# Problem Statement Worksheet (Hypothesis Formation)

What opportunities exists for ABC(SME) start up after seeing revenue fallen by 25% during 1<sup>st</sup> half of 2018 compared to 2017 data to bring revenue losses by 0% at the end of 2018 through new product and delivery strategy or closing stores at low revenue?

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## 1 Context

- ABC start up became the leading SME in London for online retail industry after seeing € 448000 during 2017 and it has been voted as “choice for customers”.
- Due to unknown product issues and delivery speeds the customer base has been decreased tremendously during 2018.
- To avoid these disadvantages the company held urgent meeting to solve both product and delivery issues across their stores.

## 2 Criteria for success

- To implement a new product and delivery strategy to bring revenue losses by 0% at the end of 2018.

## 3 Scope of solution space

- Customer strategy – Out Of Stock
- Market strategy – Optimised Price for products
- Product divestment – Customer segment , Recommendation system and Demand Forecast

## 4 Constraints within solution space

- Outlier removal from data
- Granular product strategy enrolment.

## 5 Stakeholders to provide key insight

- Product Manager
- Sales Manager
- Regional Manager

## 6 Key data sources

- Sales data (2014-2018)

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