**Charm City Market**

**Jingqi liao**

**Linh huynh**

**rangarajan Kachii kadambi**

**Jeremiah Kiely**

**Professor: jeffrey tirschman**

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**Summary**

Charm City Market is a small chain of grocery stores located in Baltimore, Maryland that is looking to increase revenue and save cost by releasing a E-Commerce website. The website will be built, designed, and implemented by July 1st, 2020. The functionalities will include a search engine, product categorization and filter, customer data management, and inventory management. A project team consisting of a Project Manager, Database Designer, Business Analyst, Webmaster, and Infrastructure analyst will be hired to complete the project. Overall, the project will be implemented into the already set-in-place infrastructure and will have to seamlessly be integrated in order to be successful.

**Technical Feasibility**

Charm City Market is technically feasible, but it has some risks associated with it. The risk associated with developing an E-Commerce (website solution) for Charm City Market’s is moderately high.

* The current IT department has little experience with expanding sales through online shopping, but they are aware of the technology that will be used.
* Competitors such as Amazon, Flipkart, and eBay have immense options of E-Commerce, home delivery, etc.
* The users can opt for in-person shopping rather than online, since many consumers prefer to buy their groceries in-person. In addition, many consumers will be able to scan and purchase their items swiftly and efficiently.

Charm City Market’s risk regarding ease of use with the technology used is low.

* The Project Manager and Webmaster will provide instructions as to what programs will need to be written for building the website to the programmers.
* The Project Manager, Business Analyst, and Webmaster will communicate and coordinate the building of the website solution in order to attract the attention of the users - which will result in a high customer satisfaction.
* Strategic alignment will be used by the Project Manager and will act as a liaison between the various departments in order to ensure the successful completion of the website.

The project size is considered as a medium risk.

* The project team will consist of 10 or fewer people.
* The ideal time frame to complete the project is one year (July 1st, 2020) in order to stay competitive in the ever-changing supermarket industry.
* There is the possibility that consumers will still choose larger markets to purchase their groceries from (Amazon, Giant, Flipkart, etc.) If Charm City Market does not see in increase in sales, the project and business could potentially fail.

The compatibility of Charm City Market with the existing technical infrastructure can be considered a moderate risk.

* Online payment methods have been made easier, faster, and have improved security, but some consumers may be resistant to change.
* Older consumers may be resistant to change, while the younger generation may continue to buy from more mainstream competitors.

**Organizational Feasibility**

Charm City Market is a small chain of family-owned grocery stores that aims to target young adults coming from the outside of the standard demographic. Since young people can easily adapt to new technologies, a mobile-friendly retail website will provide them with a better shopping experience. In order to encourage customers to embrace and utilize the new system, special offers will be included when they shop online or checkout by scanning items with their cell phones. A quick survey will be provided at the end of each transaction to keep track of customer behaviors on the new website. A project champion will help promote the website and market it to the appropriate parties. Additionally, the Project Manager will help guide the project along, so that it is completed efficiently, on time, and in the manner in which it was designed (the requirements).

One challenge in terms of organizational feasibility is to promote the new system and incentivize customers to use it, since many customers may be resistant to change. Although this may be true, in order to truly stay competitive with mainstream competitors, one must be willing to take a risk. Older customers, while they may be resistant to the change at first, will be ecstatic to have their groceries home delivered. In addition, management at Charm City Market may run into obstacles with the new system and its capabilities. Management must be trained to handle any and all situations in regards to the new business model in order to be successful. For example, the new home delivery business model will have to be seamlessly integrated into the already existing infrastructure. Since the business has existed for many years without home delivery or online capability - they’ll face new problems such as misdeliveries and goods arriving damaged. A customer service infrastructure will have to be put in place in order to successfully have repeat customers. In conclusion, Charm City Market is a longstanding staple and business in the local community and its customers will be glad to see it buy into the technological age.

**Risk**: Moderately Low

**Economic Feasibility**

Cost/Benefit analysis is the most frequent method used in determining economic feasibility. By comparing the total costs and benefits, we can determine whether the project is a worthwhile investment for the organization. If the benefits outweigh the costs, the project is a good investment - otherwise, it needs improvement. For this project, the total benefit is $740,302, the total cost of the system is $515,458 ,the net benefit is $224,844 and ROI rate is 43.62%.Additionally, BEP is 3.49 years, which means cost will be fully recovered in year 4. To analyze economic feasibility for a retail website for Charm City Market, we will use the cost/benefit analysis from these four components:

1. **Developmental cost**

* Developmental cost is an one-time payment occuring in Year 1.
* Labor fees of project manager and project team are calculated by hourly wage and their total work hours
* In total, the developmental cost of building this system is $346,738.

1. **Operational cost**

* This includes the operation staff salaries, equipment fee, and the expense of database maintenance and cloud server
* After the calculation, the operating cost of system is $168,720 within 5 years.

1. **Tangible benefits**

* Includes the increased revenue for the company, the saving cost from equipments fee and the time savings by employee and small reduction of in-store employees.
* Assumed 5% Increase revenue per Store and 3% annual inflation, we could get the total increased revenue of 3 stores within 5 years is $313,772.
* The saving cost of equipment fees is $3900. With the new system, our company can reduce the operation employees from 35 to 22, which saves $422,630 labor fee within 5 years.

1. **Intangible benefits:**

* Charm City Market will see improvements in customer service and customer satisfaction.
* The implementation of the new website will help customers make better and quicker decisions.
* Marketing opportunities and overall reputation of Charm City Market will be expanded
* Scan feature will increase the speed and efficiency of checkout.

**Risk**: Medium

**Recommendation**

Overall, the Charm City Market E-Commerce project has a mild risk associated with it, but the benefits and potential growth for the company cannot be overlooked. We believe that the implementation and integration of an E-Commerce website will benefit the small chain of grocery stores and help it stay competitive in an rapidly growing and ever-changing market. With the addition of in-store pickup, home delivery, and online check - Charm City Market consumers will be able to efficiently and effectively buy the products they desire. Our recommendation is to green light the project and build the E-Commerce website.