

# Memo

TO: Senior Management

FROM: J. Barclay

RE: The expansion project

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I'm sending this memo to share my thoughts on the expansion project we're all working on. I've tried to identify as many of the "to-dos" as I could. I'm sure I'm missing things, and I'm looking to each of you to lend your expertise to this process. We are taking a huge step forward in the evolution of the company and I'm pleased to be working with such a fine team of people.

We're going to have some long days ahead, and I'm counting on all of you to try to maintain a balance between work and home. We're all in this for the long haul, and the future has never looked brighter.

## The Project Team

I believe the project team needs a mix of internal and external people. I'd like to see it contain up to six employees and four outside consultants. This mix of internal and external people should provide the balance of viewpoints and expertise necessary for a project of this scope to succeed. I think it's critical that the project manager be an outsider—someone who is not influenced by the company's day-to-day internal politics and agendas. We'll need to give this person complete control over deadlines and milestones. However, I also want to have this group receive weekly status reports from the project manager so that we can ensure that our vision is not lost or changed.

I'd like to suggest the following people from our organization:

### **Elise Sechan, Information Technologies Manager**

Elise's role would be to provide technical direction and assistance for the Web initiative. Elise would provide the requirement documents to companies bidding on the Web project, and she would coordinate the selection of a provider of Web services. She would also oversee the team assigned to create the Web site and manage any consultants we use to implement the Web solution.

### **Aileen MacElvoy, Director of Marketing**

Aileen's role would be to oversee market research and the creation of any material required by the sales force. She would also oversee all marketing communications with customers and vendors, as well as act as the project spokesperson for the press and other interested parties.

### **Ron Timmons, Senior Buyer**

Ron's role would be to ensure that the spices and teas we sell are appropriate for the markets we are entering. He would analyze the market research to determine which spices and teas are in high demand in each of the regions into which we plan to expand. Ron would also monitor the data on Web purchases and buying trends in the new markets. In addition, he would work with our vendors to ensure that the supply of teas and spices supports the increased sales and specialty needs we expect to result from this initiative.

### **Kim Leong, Customer Service Representative**

Kim's role would be to oversee the support of new and current customers. He would monitor the demands on our current system and work with Elise to specify upgrades to our telephone system. Kim would also play an integral role in determining the requirements of an online ordering system, and he would oversee the creation of a training initiative and documentation for the new system.

I also want to find two people from the senior management team to join this project. I'd like you all to think about your peers, and send me a note suggesting the people you think could best support this initiative.

## Project Justification

I'm including some text that we might use for the section on Project Justification. Please forward me your thoughts.

Outlander Spices understands that the wholesale distributors who will thrive in today's marketplace are those who can do the following four things:

- Keep inventory costs and levels under control.
- Provide high-quality products.
- Price products competitively.
- Control cash flow.

In published studies, our product lines have outperformed other brands in three ways:

1. Our pricing typically undercuts that of our competitors.
2. Our products are manufactured for quality and have earned end-user loyalty.
3. Our products move! Inventory typically turns over *50%* faster than competitive products do.

Our customers have saved up to *14%* of inventory cost while improving productivity and cash flow. Sales to restaurants throughout the country have never been better. This success in the wholesale distribution market has been a major factor in our ability to expand.

We have also experienced *132%* growth in the profits from our kiosks in specialty grocery stores on the West Coast. We feel it is time to expand this part of our operation into markets on the East Coast and in the Midwest.

We want to seize the initiative for online sales. One has only to read the papers and watch the trends in new business to realize that the potential for a huge new market exists out on the Web. Not only will we be able to reach customers who do not have easy access to our kiosks in specialty grocery stores, but we will also be able to explore the potential for international growth without the need for building brick-and-mortar locations.

## To-do list

Here are my initial thoughts on what we'll need to do to make this plan work:

- Assemble an internal team.
- Retain a professional project manager.
- Hire consultants to assist in market research, Web design, and business process analysis.
- Conduct market analysis and research to find the best markets to maximize profit and minimize risk.
- Draw up the preliminary plans for the expansion.
- Define the specifications for a Web initiative.
- Begin the RFP process to find an Internet Service Provider.
- Determine items that require additional resources and funding.
- Establish project milestones.
- Draw up contingency plans.
- Notify our vendors of the potential for increased inventory.
- Identify key business processes that need modification.
- Project additional headcount.
- Set target dates for hiring new people

- Request that Human Resources begin a recruiting process.
- Design an incentive plan.
- Build a preliminary Web site.
- Create sales material and a rollout plan.
- Develop a training program and documentation.
- Create a new identity and marketing material.
- Create a presentation for potential investors.