SoundStage Entertainment Club

Project Charter
Information Services

Project Name: 2000-001   Member Services Information System
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Project Objectives

This project will develop new business processes and supporting information system processes and services to support the strategic vision for SoundStage products and member services. It is anticipated that the resulting system will provide for highly integrated processes and services that cross many internal business functions and reach out directly to customers. It is anticipated that this project will result in one of the following (listed in order of expected likelihood).

1. Develop an in-house information system that results in significant competitive advantage for SoundStage in a highly competitive market.
2. Establish a partnership with an IT vendor that involves purchasing a software solution, installing that solution, and customizing that solution to create competitive advantage. It is recognized that this solution may require business processes to be redesigned to fit the solution. This alternative supposes that modifications to the package will be done in cooperation with the vendor and in such a way as to permit the vendor to fold these enhancements into their product; however, sale of that product to any competitor would have to be contractually restricted for a reasonable period of time.

Project Conception

This project was conceived during the Information Technology Strategy Planning (ITSP) project. That project established a strategic information systems plan and projects to support the corporate strategic business plan developed one year earlier. The information systems plan established priorities for applications, databases, and networks (including the use of the Internet as a strategic platform). Because our members (customers) are our lifeline, a cross functional and highly integrated member services information system was identified as one of the most important projects. (It should be noted that this system would interface with another high priority system for inventory and supply chain management.)

Problem Statement

Member Services handles membership subscriptions and member orders. Subscription and order processing is, for the most part, based on a combination of manual and computerized processes that have remain largely unchanged for twenty years. Existing computer processes are based on dated batch processing that does not keep pace with the contemporary economy and industry in which we compete. Existing computer processes have been supplemented by rudimentary, user-developed PC database and spreadsheet applications that are not always fully compatible or consistent with their enterprise information system counterparts. Finally, the team conceded that most computerization was merely automating what appear to be outdated business processes. The following specific problems were discussed in a full-day meeting of the project team:

1. The constantly changing product mix has led to incompatible and often jury-rigged systems and procedures that have created numerous internal inefficiencies and customer relations problems.
2. The changing product mix creates new opportunities to create new clubs and membership options that would appeal to prospective customers; however, the current system will not support such changes. This problem is amplified by the recent Silver Screenings Video Club acquisition.
3. Directives to increase membership and sales through aggressive advertising will soon overload the current system's ability to process transactions on a timely basis. Customer shipment delays and cash flow problems are anticipated.
4. Response times to orders have already doubled during peak periods from those measures just one year past.
5. Management has suggested a "Preferred Member Program" that cannot be implemented With current data.
6. Unpaid orders have increased from 2%, only two years ago, to 4%. The current credit checking process has contributed significantly to the problem.
7. Member defaults on contracts have increased 7% in three years. It is believed that the current system inadequately enforces contracts.
8. Members have begun to complain about automatic cancellation of memberships after too brief periods of inactivity. This problem has been traced to a data integrity problem in current files.
9. Competition from other companies has led management to propose dynamic contract adjustments to retain members. The current system cannot handle this requirement.
10. Backorders are not receiving proper priority. Some backorders go for as long as three months, with many cancellations and refused deliveries. New orders ftequently deplete inventory before backorders can be processed.
11. Customers have expressed dissatisfaction with the passive response order entry model, as well as current club agreements that limit flexibility of members to easily purchase products outside of a narrowly defined media or product type.
12. Existing systems took dated prompting employee complaints that those systems are not as easy to learn and use as the personal computing applications to which they have become accustomed.
13. Management is concerned that SoundStage is not exploiting the Internet as a marketing and service channel.

Initial Scope of the Project

This cross-functional project will support or impact the following business functions and external parties:
1. Marketing
2. Subscriptions
3. Sales and order entry (all sales offices)
4. Warehousing (all distribution centers)
5. Inventory control and procurement
6. Shipping and receiving (all distribution centers)
7. Accounts receivable and payable
8. Member services for all clubs
9. External parties
   a. Prospective members
   b. Members
   c. Former members
   d. Suppliers
   e. Merchandisers

It is recognized that project scope may need to be refined over the course of the project. Project scope should be defined as explicitly as possible in the first phase of the project. Any significant deviation of functionality, cost, or timetable must be reported promptly to the appropriate director. That director must

promptly request and facilitate a scope change consensus meeting of the Information Systems Steering Committee. The Friedlander scope management framework will be used to adjust scope.

Project Vision
The strategic IS plan recommended a system that will:
1. Expedite the processing of subscriptions and orders through improved data capture technology, methods, channels, and decision support. Management would like a system that extends to the Internet and World Wide Web.
2. Interface to the new bar-coding automatic identification system currently being implemented in the warehouse.
3. Reduce unpaid orders to 2% by the end of fiscal year 2002.
4. Reduce contract defaults to 5% by the end of fiscal year 2002, and 3% by the end of fiscal year 2003.
5. Support constantly changing club and agreement structures, including dynamic agreement changes during the term of an agreement.
6. Triple the order processing capacity of the unit by the end of fiscal year 2002.
7. Reduce order response time by 50% by the end of fiscal year 2002. Management has changed the definition of order response from 'order receipt-to-warehouse' to 'order-receipt-to-member-delivery'.
8. Rethink any and all underlying business processes, procedures, and policies that have any visible impact on member satisfaction and complaints.
9. Provide improved marketing analysis of subscription and promotion programs.
10. Provide improved follow-up mechanisms for orders and backorders.

Business Constraints
1. The initial version of the system must be operational in nine months. Subsequent versions should be released in six-month increments.
2. The system cannot alter any existing file or database structures in the Accounts Receivable Information System without approval of Accounting.
3. The system may be required to interface with an Enterprise Resource Planning software package that is being considered for inventory control, procurement, and warehousing.
4. As part of SoundStage's strategic goal to become ISO 9000 certified, all business processes are subject to business process redesign to improve total quality management and support continuous improvement.
5. The system must conform to the approved technology architecture approved as part of the IS strategic plan. Exceptions must be pre-approved by both the Technology Architecture Committee and the Information Services Steering Committee. The system should harness the recent plan to invest in state-of-the-art desktop computing and client/server network technology.

Technology Constraints
The new system must conform to the following information technology architectural standards:
1. The current LAN architecture is client/server based on Windows clients =ning on an Ethernet and TCP/IP network using Windows 2000 and Windows 2000 Terminal Server servers.
2. The current messaging architecture is based on Outlook clients (for e-calendar and e-mail) running on a Microsoft Windows 2000-based Exchange Server.
3. This project will require the development of one or more enterprise databases. The corporate database server standard is Microsoft SQL Server running on a Windows 2000 server. Because the project may include Internet/intranet database access, the information technology architecture group has approved Microsoft InterDev as a candidate database access technology.
4. The project will require the development of one or more applications. The corporate application development environment must be chosen from Microsoft Visual Basic or Microsoft Visual C+ +.

Visual Basic is preferred for most applications, deferring to Visual C+ + when performance becomes an issue. Because this project will be the most significant foray into electronic business and commerce undertaken at SoundStage, the information technologyarchitecture group has also approved Borland J-Builder as a candidate Java-based application development environment.

5. Internet and intranet Web servers will be implemented using Microsoft Internet Information Server (IIS) running on a Windows 2000 server.
6. Internally, all client workstations will run the Windows 98 or Windows 2000 desktop operating system including the Internet Explorer Web browser.
7. Externally, for members, any solution developed must run equally well on either the Microsoft Internet Explorer or AOL Navigator Web browsers (multiple versions) running on Windows, Macintosh, or Linux clients.
8. The project team is empowered to explore and recommend intranet and extranet technologies as appropriate to the information system requirements; however, all technologies should be approved by the information technology architecture group prior to purchase or installation.

Project Strategy

All IS development projects are subject to the following process strategies:
1. In support of the strategic goal for Information Services to achieve Level III on the Software Engineering Institute's Capability Maturity Model, the system must be developed in accordance with the FAST (Framework for Systems Techniques) development process/methodology. It is anticipated that one or more of the following FAST routes will be used: a combination of (a) Model-Driven Development and (b) Rapid Application Development, or (c) Commercial Off-the-Shelf System Integration.
2. Any and all model-driven documentation will be developed with the CASE tool, System Architect 2001.

Project Documentation and Communication

The following guidelines should be used for communications:
1. The project team will hold weekly status meetings, chaired by the project manager. All project status meetings minutes and reports will be shared with all IT directors.
2. Team members will utilize electronic mail, dialogue, and written completion criteria on a regular basis as vehicles for project communication.
3. The following directory folder shall be used to store this charter and all subsequent documentation and work-in-progress components.

   H:\information services\repository\projects\2000-OOIMSIS Charter\ ...

   This directory should be managed using the Intersolv PVCS version control software.

Project Organization and Staffing Approach

The Information Services Steering Committee is responsible for:
-- Naming the project manager.
-- Naming the project team upon recommendation from the project manager.
-- Reviewing and approving project deliverables.
-- Ensuring the project follows the management vision.
-- Approving any scope, budget, and schedule changes.
-- Developing tactical strategies for implementing the management vision.