

# PICO PROCESS REDESIGN 2017

Based on the Pico Value Structure

Presented by

Alex Grupp

Fernando Lucchini

Julianne Nordhagen

Cheryl Tolentino

08MAY2017



For the Department of Data Science Operations  
University of Southern California

## TABLE OF CONTENTS

Executive Summary .....	3
Purpose of the Document .....	4
Project Description, Objectives, and Alignment .....	4
Strategic Approach .....	7
Stakeholder Analysis .....	9
PIO Value Structure .....	11
Risk Assessment and Cost Benefit Analysis .....	19
Recommendations .....	21
Appendix A .....	24
Appendix B .....	27

## EXECUTIVE SUMMARY

The Pico Improvement Organization board is a Business Improvement District association that works to create a strong and cohesive community on Pico Blvd. Its efforts are directed towards enhancing business relationships among merchants within the PIO Assessment Area. For the board to do so, it is looking to *increase the frequency and quality of communication* which will in turn measure engagement amongst the two parties.

The PIO has experienced issues with merchant engagement due to ineffective communication between the merchants and the board.

The team used the following data gathering techniques to assess the situation:

- Conduct stakeholder interviews
- Attend a monthly board meeting
- Administer merchant engagement survey

After gathering and analyzing survey data and examining the current climate of the PIO, the team established a pivotal turning point in the project: the root cause is the lack of information regarding their merchants.

Each merchant has different communication preferences, and by capturing and understanding these differences the PIO will be able to have successful collaboration. In turn, successful collaboration will lead to increased merchant involvement in the organization, thus building a stronger partnership between the PIO Board and the merchants which aligns with PIO's mission statement.

Our final recommendation is measured by “grow the business” metrics because the PIO is interested in strengthening its merchant engagement strategies and track the effectiveness of their strategies with quantitative data.

Team Pico recommends a synergy between the organization's current processes and new technologies. Together these will build the pillars of the Pico Value Structure.

The technologies we recommend include Mailchimp and Google Surveys. The main role of Google Surveys is to understand who the PIO's audience is, while Mailchimp improves targeted communication by sending marketing emails, automated messages, and specific campaigns to certain contact lists. These combined technologies make the basis for a well-structured PIO.

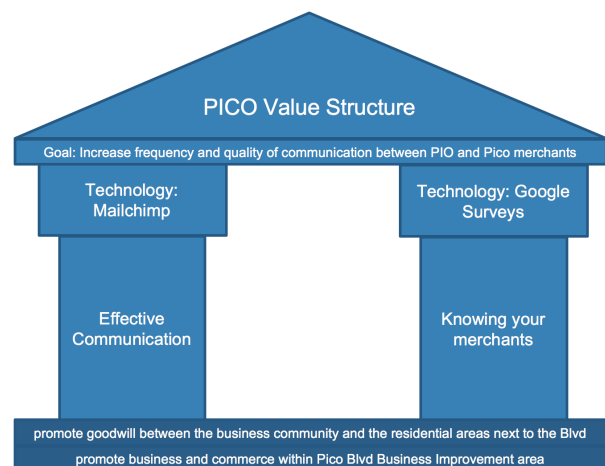


Figure 1: Pico Value Structure

## PURPOSE OF THE DOCUMENT

The Pico Improvement Organization (PIO) Board is an organization established under California legislature that manages the success and growth of Pico Boulevard which includes over 250 businesses and is almost three miles long. It is made up of an all voluntary force of about 20 individuals. The organization has two main goals. The first is to promote business and commerce within the Santa Monica Pico Blvd Business Improvement area. The second is to promote goodwill between the business community and the residential areas immediately adjacent to the Boulevard. The PIO board meets once a month to discuss their initiatives on how to accomplish such goals. In order to achieve their objectives, the board must have more merchant involvement so they can share their opinions on projects and processes. Unfortunately, their efforts in attempting to make this happen have failed so the board tasked Team Pico to come up with a solution.

Team Pico depicted that the pain point with PIO's lack of merchant involvement on the board was a result of the absence of personal and meaningful relationships with merchants. Currently, the organization contacts business owners with mass emailing and Facebook. However, the range of diversity on Pico Blvd is immense. They have businesses that are five star hotels, small pet shops, hair salons, and many more. Mass dispensing information to target their audience has been unhelpful and ineffective. Based on this, our objective was to create a symbiotic relationship between the PIO Board and Pico merchants via a preferential merchant engagement.

This document analyses and evaluates the risks for the redesigning strategies, the to-be model, and provides our team's recommendation. The strategies are listed below:

- Capitalize on data collection using Google Surveys.
- Use Mailchimp as an email manager service that sends marketing emails, automated messages, and targeted campaigns to certain contact lists.
- Stay up to date with merchant engagement process.

## PROJECT DESCRIPTION, OBJECTIVES, AND ALIGNMENT

### 1. Project Description

The Pico Improvement Organization is a business improvement district in Santa Monica. The organization engages local merchants through several channels including: social media via Facebook, direct email outreach, local newspaper advertising, hosting merchant mixer events, participating in community events (e.g. Most Loved SM Businesses, Buy Local Festival, National Night Out). Monthly meetings are held for the Board Members and merchants to have a forum of conversation. Currently, merchant contact information is stored in an Excel spreadsheet.

The current pain point is the lack of transparency and furthermore the ineffective communication between the PIO Board and the merchants. The opportunity exists to

continue to improve technologies used for contact information storage, marketing, and communication.

The Pico Value Structure employs business process reorganization strategies to foster communication and engagement between the Pico Merchants and the Pico Improvement Organization. Within this strategy, USC’s Pico Team suggests that there are two main pillars: more effective communication and knowing the Pico merchants.

**2. Project Objectives and Alignment**

<b>Project Objectives and Alignment</b>			
<b>Function</b>	<b>Objective</b>	<b>Business Requirement</b>	<b>Alignment</b>
Reorganize	Reorganize current processes to place the focus on the merchants to enhance engagement and involvement with the PIO	Improve merchant engagement	The PIO is committed to promote goodwill between the business community and the residential areas immediately adjacent to the Boulevard.
Build	Build strong Relationships between the PIO and Merchants to foster healthy and value-added communication between the parties	Get to know the merchants	
Explore	Explore technologies to aid operations	Increase efficacy and efficiency of operations	
Optimize	Optimize the PIO’s limited resources through a mix of technology and management	Reduce complexity and ensure that all parties are receiving appropriate attention	

Table 1

These objectives have outlined the Pico Value Structure depicted in Figure 1 by aligning the institutional values and goals to the goals of the project. The foundation of the value structure are the two primary objectives of the Pico Improvement Organization. Together these lay the base for the direction of Team Pico’s recommendations. The pillar on the right depicts the knowing and understanding of Pico merchants. As mentioned, the vast diversity on Pico Blvd is prominent so it is imperative for the PIO to get to know and properly target each business owner. The pillar on the left helps to support the structure through effective communication. These two pillars are complemented to support the goals of the project via two different technologies.

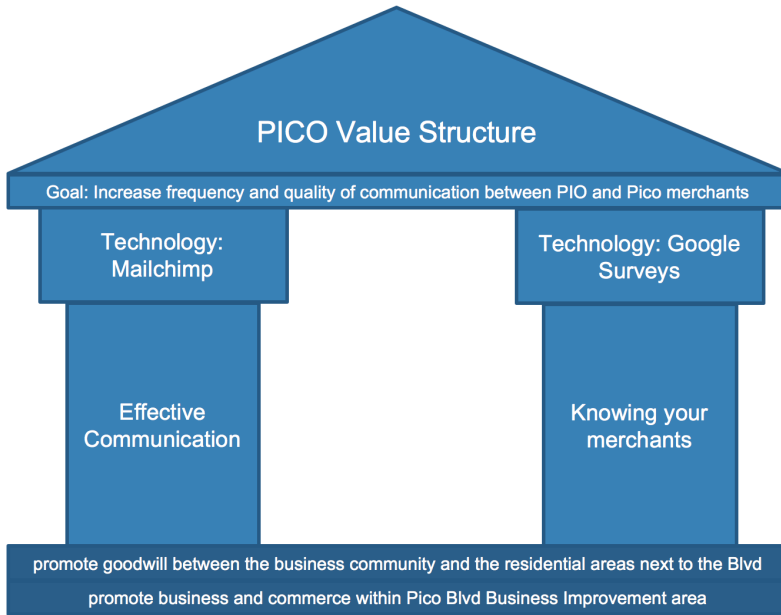


Figure 1: Pico Value Structure

### 3. Metrics

Table 2 defines the five metrics to measure success:

METRIC	METRIC OBJECTIVE
# Communications Sent per year (per merchant) (includes email, newsletter, social networks or other)	Measures frequency of contacts per year via different communication channels.
# of Meetings Held per year (per merchant)(either with the community liaison or other)	Measures not only the monthly board meetings, but also any face-to-face interactions between the PIO and individual merchants. The goal is to increase the flow of communication.
# of times PIO was contacted per year (per merchant)(via email, office hours, attendance to meetings or other)	Measures merchant responsiveness and willingness to communicate with the organization
# of Improvement Recommendations Received per year (per merchant)	Measures merchant involvement with organizational processes and investment in the organization
% of Merchants whose Data & Preferences PIO has in their Database	Measures percentage of merchants that the PIO can effectively connect with

Table 2

The five metrics we have chosen are primarily focused on “grow the business”. Team Pico has chosen this investment category because the PIO is interested in developing merchant engagement strategies to reach more merchants than they are currently targeting. By using growth as a primary objective, the PIO can track the effectiveness of their strategies with quantitative data.

## SYSTEM REQUEST FORM

- Business Need
  - Increase frequency and quality of communication between PIO and their merchants.
- Business Requirements
  - Capacity to effectively and efficiently engage and communicate with the PIO merchants.
  - Capacity to concurrently gather merchants’ general data (preferred way of contact, main interests/concerns, last interaction, etc.).
  - Capacity to individually reach merchants through their preferred platform.
- Business Value
  - Increase Merchant Acquisition and Retention.
  - Increase communication frequency and quality through the usage of a more customized process.
  - Increase merchants’ participation (includes quantity and quality of feedback) with the aforementioned process.

## STRATEGIC APPROACH

To develop a deep, comprehensive understanding of the organization, this business case approach captures the current processes and analyzes them through different channels of evaluation. The steps taken include the following:

### 1. Requirements Gathering

Immediately upon starting the project Team Pico traveled to the designated PIO Assessment Area. Once there, we spoke to four different shop owners that gave personal accounts on their experience or lack thereof with the PIO. Shortly thereafter a few team members attended the PIO’s monthly board meeting where they were able to interview the PIO’s Merchant and Community Liaison and further communication with the PIO Merchant Engagement Manager. After establishing the climate of the PIO board and the Pico Blvd, the team created and deployed a survey amongst merchants via in-person and through email which can be found in Appendix A. The gathered data was used to investigate strategies to improve operational processes. Finally, all these gathering techniques were complemented constantly with document analysis and observational methods.

## 2. Requirements Analysis

REQUIREMENTS ANALYSIS OUTLINE			
-	STRATEGY	TYPE	DESCRIPTION
1	Problem Analysis	<b>Internal Focus</b>	<p>First approach to the problem.</p> <p>Team Pico met with PIO Board members and visited the Pico Improvement Area and some key Pico Merchants. The team asked the Board Members to explain the overall goals, processes and situation of the PIO – especially if related to their communication with the Pico Merchants – to start identifying the problems on the current procedures.</p>
2	Root Cause Analysis	<b>Internal Focus</b>	<p>Main strategy used throughout the redesign process.</p> <p>Team Pico’s efforts were mainly focused on finding the main and deepest cause of the communication and engagement problems between the PIO and their Merchants. Using questionnaires, interviews and observational methods, Team Pico found that the communication problems stemmed from not having the merchants contact preferences and not enough frequent contact.</p>
3	Duration Analysis	<b>Internal Focus</b>	<p>Team Pico used this strategy to study the processes executed by PIO Community Liaison and the PIO Board. It was noticed that the process of meeting the merchants in person was too slow, and that because of their limited time, the board can only discuss issues once a month.</p>
4	Informal Benchmarking	<b>External Focus</b>	<p>Team Pico looked at local Business Improvement District websites and initiatives to draw inspiration for improving the PIO’s current processes. One great example is Main St. with its interactive map, news stories, and calendar.</p>
5	Outcome Analysis	<b>External Focus</b>	<p>Main strategy used throughout the redesign process.</p> <p>This strategy was used to have a clear understanding of the outcomes that add value to both the PIO and the Pico Merchants. Outcome Analysis was key to define the goals of the project and the root cause of the merchant engagement problems.</p>
6	Technology Analysis	<b>External Focus</b>	<p>This strategy was used as a first approach for the selection of the technologies to be introduced in the new Merchant Engagement Management Process. Technology Analysis was used in parallel with Informal Benchmarking.</p>

Table 3



## STAKEHOLDER ANALYSIS

This section contains an analysis of the stakeholders in two tables. Table 4 shows the different stakeholders that were associated with this project. The analysis includes each stakeholder's role, level of interest, level of importance, and a small description of their involvement. It's important to note that while Table 4 lists every stakeholder we want to focus on the two most important stakeholders. Table 5 gives a description on the stakeholder's concerns regarding the benefits and objectives of the project.

### 1. Pico Merchants

While the business owners have been aggregated into one main category, it's imperative that we consider that within this group there are at least two different segments: those that prefer to be contacted via technology and those that prefer to be contacted in person. According to the results we collected, within the group that prefers to be contacted using technology there is a trend that email will be the preferred way of contact. It's also significant to state that not every merchant knows and understands why the PIO exist or what it does. There is a lack of education and interest amongst the boulevard.

### 2. PIO's "Merchant Engagement Manager" Process Leaders Board

The board would like a solution that is easy to implement and not technologically advanced. A potential problem that may raise is the clash between the board and the Merchant and Community Liaison. This is important to take into consideration as the liaison is in direct communication with the merchants. The board and the liaison need to be in agreement with each other to have full support for the new engagement strategy.

Name	Role	Level of Interest	Level of Importance	Description
Team PICO	Project Researchers	High	High	Responsible for researching necessary information and producing the final report.
PIO's "Merchant Engagement Manager" Process Leaders (Jennifer Taylor, Donna Gentry, and David Ruiz Marquez)	Primary contact for information	High	High	Provided crucial merchant information, gave good insight to the innerworkings of the PIO, and was primary source of communication.
PIO's Merchant & Community Liaison (Amy Bishop Dunbar)	PIO Board's Merchant Engagement Coordinator	High	High	Provided information regarding the "as-is" of PIO to Pico merchant engagement.
Professor Majchrzak	Project Mentor & Guidance	High	High	Provided advice and guidance. Was a great sound board to bounce ideas/concerns off of as well as graded the group's performance.
Sonya Sepahban	Project Mentor & Guidance	High	High	Provided advice and guidance throughout the project during designated times.
Pico Merchants	Primary contact for finding out the effectiveness of communication between the PIO and the merchants	Medium	High	Team Pico's main target audience. Provided insight into current thoughts regarding the PIO via online and in-person surveys.
PIO Board	Primary contact for board information	Medium	High	The PIO Board was a good source of information that gave a 360 degree view of the members involved in the project. The board was also interested in the findings of the final report.
Santa Monica City Council	PIO Board's legal side	Medium	Medium	Provides policies and resources to the PIO Board.
Customers	Direct measure of Pico Merchants effectiveness regarding communication	Low	Low	Initially was part of Team PICO's interest but was determined to be out of scope.

Table 4: Stakeholder Analysis

Name	Concerns about the project and the benefits/objectives they hope to achieve
Team PICO	Strong desire to find a correct solution for the scope of the project.
PIO's "Merchant Engagement Manager" Process Leaders (Jennifer Taylor, Donna Gentry, and David Ruiz Marquez)	Concerned that Team PICO is able to correctly comprehend not only PIO's purpose but also the environment of Pico Blvd and produce a successful solution.
PIO's Merchant & Community Liaison (Amy Bishop Dunbar)	Main concern is Team PICO's final suggestion for how to engage customers aligns with her ideals on how she thinks the merchants like to engage with PIO.
Professor Majchrzak	To creatively define a business process to effectively help a real organization generate revenue and identify the appropriate online software (Software-as-a-Service) that can help to implement parts of the business process
Sonya Sepahban	Main concern is Team PICO's final suggestion and the usefulness of JoinIn. Hopes the team enjoyed the online platform and use it again in the future.
Pico Merchants	Would like to enjoy the benefits of the recommendations Team PICO makes.
PIO Board	Would like to enjoy the benefits of the recommendations Team PICO makes. Hopes to see an actual increase in merchants at board meetings.
Santa Monica City Council	Would like to see a positive change within the community.
Customers	N/A

Table 5: Stakeholder Concerns

# PIO VALUE STRUCTURE

## 1. Use Case Diagram

In order to get a better understanding of the requirements and functionalities of the new merchant engagement process at a high level, and thereby, get a better comprehension of the new system to be modeled, the following Use-Case Diagram was developed. Figure 2 was created using the feedback obtained from the PIO members, the Pico Merchants, and with the information obtained from all the documentation that was revised throughout the process.

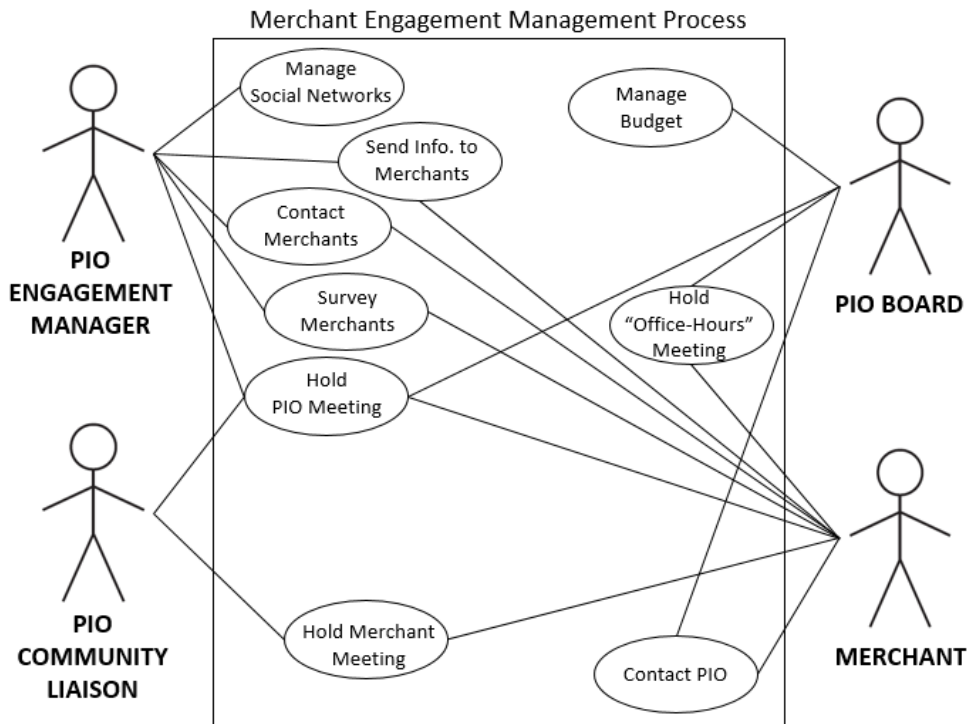


Figure 2

## 2. As-Is Diagram

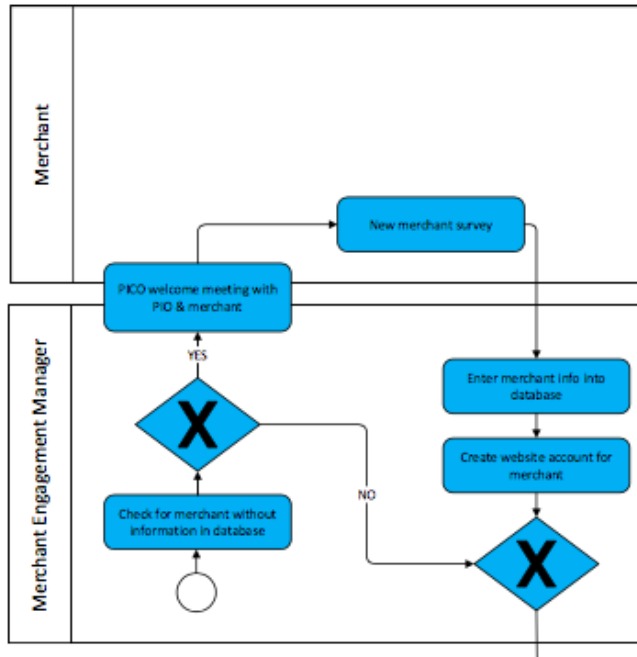
See Appendix B.

## 3. To-Be Diagram

See Appendix B.

#### 4. The Differences

##### NEW MERCHANT CHECK COMPONENT

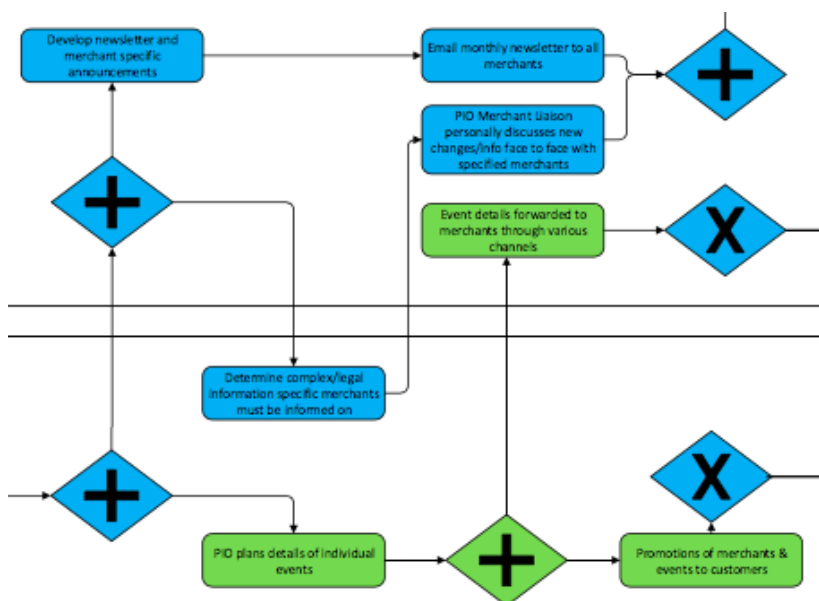


The Merchant Check is a new element that Team Pico is recommending to PIO. With the new database, the team wants to ensure that it remains up to date and that all current merchants are entered in with their new merchant data. If the Merchant Engagement Manager has confirmed that all merchants are in the database then the process may move on with the remainder stages. If there is a merchant that is not entered into the latest database then the PIO will hold a welcome meeting with the merchant and give them a new merchant survey to fill out. Once these are complete, the Engagement Manager will enter the new information and data points into the database and create a website account for the merchant to access

information on the PIO website. This will also provide the new merchant a means to contact PIO.

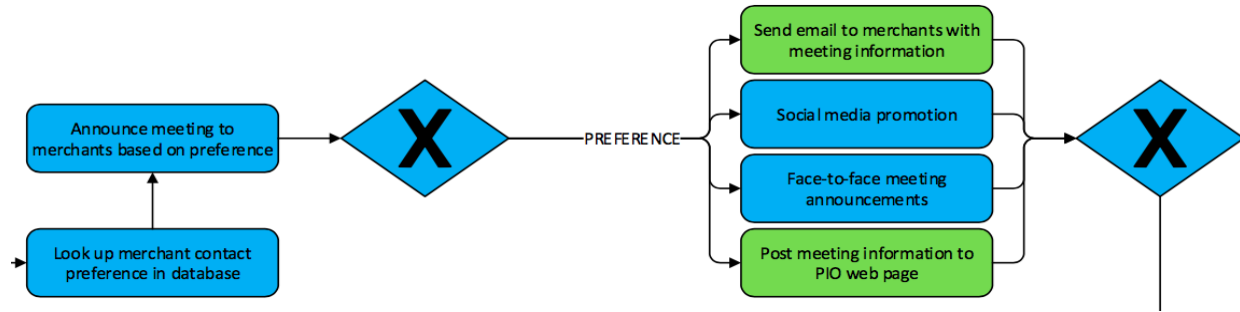
##### INFORMATION UPDATE TO MERCHANT COMPONENT

This Information Update to Merchant component is a section of the process dedicated to keeping the merchants informed with the latest decisions and events made by the PIO. Following the monthly board meeting, the Merchant Engagement Manager will develop a newsletter for the merchants to provide them with all new information and details of upcoming activities the merchants may participate in. This newsletter will then be emailed to all merchants as well as being posted to the PIO website in a place the merchants may see. Next, the second highest path in blue pertains to any complex or legal information that must be sent to specific



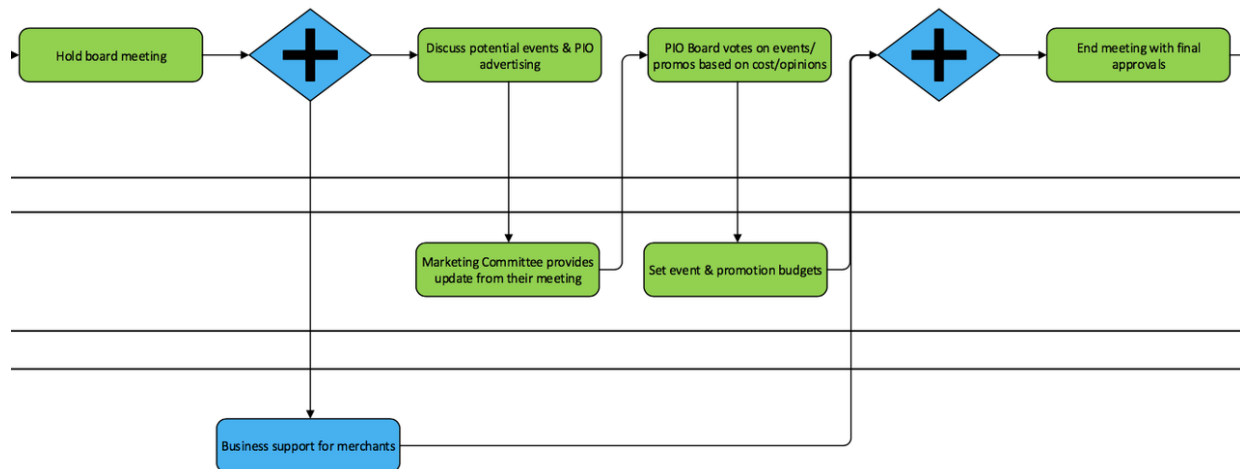
merchants. This information is determined by the PIO board and then discussed with the specified merchants in a face-to-face meeting with the PIO Merchant Liaison. The portions in green are part of the As-Is process that saw no other changes.

### MERCHANT CONTACT PREFERENCE COMPONENT



This component of the To-Be holds a significant change to how the merchants receive their information and updates. The team has noticed that many of the merchants have different preferences on how they would like to be contacted. Therefore, with the new merchant survey Team Pico has understood the specific preferences of each one. The Merchant Engagement Manager may then look up these preferences in the database and make announcements based upon these choices. Currently, the process was to make a post to the PIO web page and send out a mass e-mail to the merchants. The team has seen that some merchants would prefer to get their information through face-to-face meetings and some others through social media promotion. This method of using specific methods of contact for merchants based upon preference should aid in merchant engagement and the merchants’ overall opinions of communicating and being involved with the PIO.

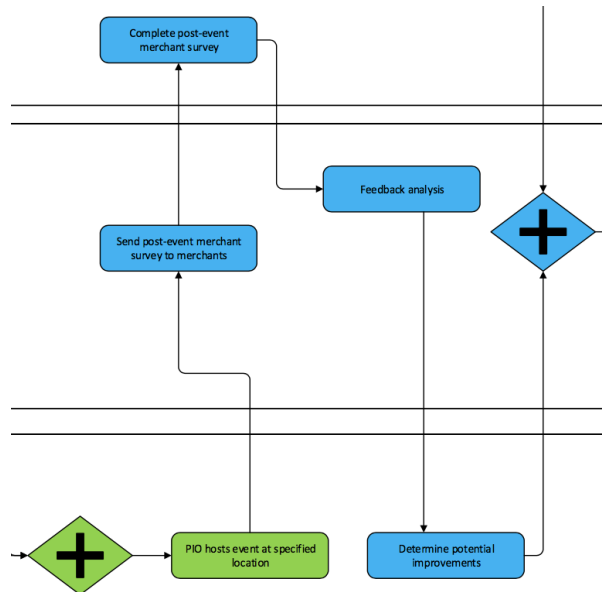
### BOARD MEETING COMPONENT



The component dealing with the board meetings only saw one significant change. This was the option of merchants being able to schedule a meeting with a PIO business expert to ask questions and gain advice about how to better run their business and promotions. Team Pico

also hopes that these experts may be available through e-mail or call to answer quick questions for the merchants throughout the month outside of the monthly meeting.

## POST-EVENT MERCHANT SURVEY COMPONENT



This final component to the To-Be system features the addition of a post-event survey. After each event, the Merchant Engagement Manager will create and send out an event-specific survey detailed with gaining the overall opinions and impressions of merchants with the event. Team Pico also hopes to gain information on what was enjoyed, what was disliked, and where the merchants are hoping to see improvements in the future. After receiving these surveys back from participating merchants the Engagement Manager will perform feedback analysis and detail findings to the PIO Board. They may then work together to develop solutions and improvements that enhance the experience of merchants in future events.

## 5. System Requirements

### Nonfunctional Requirements

#### 1. Operational Requirements

- 1.1. The system will operate in online environment.
- 1.2. The system should be easily accessible and simple to navigate by a novice tech user.
- 1.3. The system should automatically back up at the end of each day.

#### 2. Performance Requirements

- 2.1. The system will store a new appointment in 2 seconds or less.
- 2.2. The system will retrieve the merchant data list in 2 seconds or less.
- 2.3. The system will enter new database data point in 2 seconds or less.
- 2.4. The system should hold data for up to 600 Merchants.

#### 3. Security Requirements

- 3.1. Only PIO Board and Merchant Engagement Manager may access database
- 3.2. Only PIO Business Expert may confirm Merchant business meetings.

#### 4. Cultural and Political Requirements

- 4.1. Develop advertisements in English and Spanish.

## Functional Requirements

### 1. Database Management

- 1.1. Merchant Engagement Manager checks list of merchants for need of updates.
- 1.2. Merchant Engagement Manager enters data into MailChimp database.
- 1.3. Merchant Engagement Manager adds data point to Merchant Lists.
- 1.4. PIO Board accesses MailChimp database.

### 2. Surveys

- 2.1. Merchant Engagement Manager send online surveys to merchants.
- 2.2. Merchant responds to surveys.
- 2.3. Merchant Engagement Manager access results of surveys.
- 2.4. PIO Board accesses survey results.

### 3. Merchant Contact

- 3.1. Merchant Engagement Manager develops newsletter.
- 3.2. Merchant Engagement Manager sends newsletter to Merchant.
- 3.3. Merchant Engagement Manager looks up Merchant's preferred method of contact.
- 3.4. Merchant Engagement Manager sends e-mail to Merchant.
- 3.5. Merchant Engagement Manager posts to PIO & Merchant social media.
- 3.6. Merchant Engagement Manager posts to PIO website.
- 3.7. Merchant Engagement Manager has face-to-face meeting with Merchant.

### 4. PIO/Merchant Monthly Meetings

- 4.1. PIO Board plans monthly meeting.
- 4.2. Merchant Engagement Manager forwards details of meeting to Merchants.
- 4.3. Merchants decide to attend meeting.
- 4.4. Merchants provide input toward preferences of upcoming events.
- 4.5. PIO Board votes on final event decisions.
- 4.6. Merchant Engagement Manager pulls all information for monthly newsletter.

### 5. Events

- 5.1. PIO Board plans event details.
- 5.2. Merchant Engagement Manager forwards details to Merchants.
- 5.3. PIO Board hosts event.
- 5.4. Merchants decide to attend event.
- 5.5. Merchant Engagement Manager creates event-specific survey.
- 5.6. Merchants fill out post-event survey.
- 5.7. Merchants return survey.

### 6. Merchant Business Advice

- 6.1. Merchant accesses Google Account for associated services.
- 6.2. Merchant schedules meeting with PIO Business Expert.
- 6.3. PIO Business Expert confirms available times.
- 6.4. Merchant meets with PIO Business Expert.
- 6.5. Merchant e-mails simpler business questions to PIO Business Expert.
- 6.6. PIO Business Expert responds to e-mail with answer or request for meeting.

## PROTOTYPING AND SOFTWARE SELECTION

A key phase of the redesign exercise involves the processes of testing and selecting the technologies that will accompany the new Merchant Engagement Process. Prototyping efforts were focused on matching the needed requirements for two core pillars as previously outline in the Requirements Document and User Stories sections.

The first main part of the new Merchant Engagement Process defines the usage of a new technology in the “Merchant Information Gathering Process”. As it has been explained previously, PIO needs to gather merchants’ information and preferences to be able communicate with them effectively, and for this purpose (considering that there are more than 250 merchants), surveys are the most effective and efficient method. Hence, a Survey Manager SaaS was tested.

While this prototyping phase did not modify the requirements that had been previously determined for this sub-process, the final software selection proceeded considering the criteria described in the following table.



SURVEY MANAGER PROTOTYPING & SELECTION		
SOFTWARE		CONSIDERATIONS
SURVEY MONKEY		<ul style="list-style-type: none"> <li>• Free.</li> <li>• Intuitive (not as intuitive as Google Surveys to generate and manage the results).</li> <li>• Does not require subscription nor installation.</li> <li>• Meets all the requirements needed by the process.</li> </ul>
GOOGLE SURVEYS		<ul style="list-style-type: none"> <li>• Free.</li> <li>• Intuitive (even friendlier than the previous alternative).</li> <li>• Does not require subscription nor installation.</li> <li>• Meets all the requirements needed by the process.</li> <li>• Connects automatically to any users’ Google Account.</li> <li>• Automatically connected to all the other Google Services.</li> <li>• Supported by Google.</li> </ul>

Table 6

As the table shows, both options meet all the functionalities that the process requires (refer to the Requirements Document and User Stories sections), and moreover, both were free and easy to use. However, the few extra functionalities and convenience of the Google platform pushed Team Pico to select Google Surveys as the recommended software to manage this part of the Merchant Engagement Process.

On the other hand, the second core section of the Merchant Engagement Process encompasses the stages that the PIO communicates with the Pico Merchants. Due to the different merchant preferences and the different types of interactions between the PIO and its merchants, these communications have different characteristics and shape a complex process.

Thus, this second prototyping phase was more intricate than the previous one. It included the consideration of CRM (Customer Relationship Management) Software and other complex



alternatives to cover all the functionalities that the process requires. Nonetheless, this exercise did not modify the requirements that had already been noted for these sub-processes. The final software selection proceeded considering the criteria described in the following table.




COMMUNICATION MANAGER PROTOTYPING & SELECTION		
SOFTWARE		CONSIDERATIONS
HUBSPOT		<p><u>Pros:</u></p> <ul style="list-style-type: none"> <li>• Free.</li> <li>• Does not require installation.</li> <li>• Meets all the requirements needed by the process.</li> <li>• Social network connections.</li> <li>• Tracking capabilities.</li> <li>• Automatic reports.</li> <li>• Established developer.</li> </ul> <p><u>Cons:</u></p> <ul style="list-style-type: none"> <li>• Steep learning curve.</li> <li>• Includes an excessive amount of functions that the user does not need.</li> </ul>
ZOHO		<p><u>Pros:</u></p> <ul style="list-style-type: none"> <li>• Free.</li> <li>• Does not require installation.</li> <li>• Meets all the requirements needed by the process.</li> <li>• Social network connections.</li> <li>• Tracking capabilities.</li> <li>• Automatic reports.</li> <li>• Established developer.</li> </ul> <p><u>Cons:</u></p> <ul style="list-style-type: none"> <li>• Steep learning curve.</li> <li>• Includes an excessive amount of functions that the user does not need.</li> </ul>
MAILCHIMP		<p><u>Pros:</u></p> <ul style="list-style-type: none"> <li>• Free.</li> <li>• Does not require installation.</li> <li>• Meets all the requirements needed by the process.</li> <li>• Social network connections.</li> <li>• Tracking capabilities.</li> <li>• Automatic reports.</li> <li>• Intuitive and easy to use.</li> <li>• Includes easy and powerful gadgets to create newsletters, invitations and visually attractive emails.</li> <li>• Established developer.</li> </ul> <p><u>Cons:</u></p> <ul style="list-style-type: none"> <li>• If the PIO requirements evolve in the future and a CRM is implemented, it will mean an extra effort to integrate the data in MailChimp with the CRM Software.</li> </ul>

Table 7

In this case, Table 7 shows that all the alternatives that were tested meet all the functionalities that the process needs. However, the simplicity of MailChimp - in contrast with the complexity

of the CRM software - made this powerful email manager the choice of preference to manage the communication sub-processes. MailChimp offers interesting gadgets that allows PIO to send more attractive emails, newsletters and invitations, while still maintaining email tracking capabilities and automatic reports generation.

## 6. User Stories and Merchant Engagement Management Process Flow

This section includes a set of “user stories” which are not only intended to help identify the functional requirements of the new “Merchant Engagement Management Process”, but can also be understood as an intuitive guide - from the user point of view - through the new process itself.

However, it is important to notice that these stories focus mainly on the technological part of the new process and may skip some non-technology-driven parts of it. Given this, the stories proceed as detailed in the table below.

PIO USER STORIES		
-	MAIN ROLE	USER STORY
1	Merchant Engagement Manager	As a Merchant Engagement Manager, I would like to check the Pico Improvement Organization (PIO) list of merchants so that I know if the PIO is missing information about any merchant in Pico Blvd Business Improvement Area.
2	Merchant Engagement Manager	As a Merchant Engagement Manager, I would like to create a Google Account for the PIO so that the PIO can access to all the free Google services associated with this account.
3	Merchant Engagement Manager	As a Merchant Engagement Manager, I would like to be able to create, edit and send online surveys to the Pico Merchants in order to gather information about them.
4	Pico Merchant	As a Pico Merchant, I would like to be able to answer the surveys I receive so that the PIO gets my feedback and receives more information to improve the community and/or our communication.
5	Merchant Engagement Manager	As a Merchant Engagement Manager, I would like to be able to access and manage the results of the surveys so that the PIO can have statistics and individual information about its merchants and get to know them better.
6	Merchant Engagement Manager	As a Merchant Engagement Manager, I would like to enter the information gathered from each survey into the PIO MailChimp merchant database.
7	Merchant Engagement Manager	As a Merchant Engagement Manager, I would like to be able to look up each merchant’s preferred way of contact in order to use that platform to contact him/her and increase the quality of the communication.
8	Merchant Engagement Manager	As a Merchant Engagement Manager, I would like to create a free MailChimp account for the PIO so that the PIO can access all the free MailChimp services associated with this account.

9	Merchant Engagement Manager	As a Merchant Engagement Manager, I would like to create and manage a merchant database using MailChimp in order to gather all the needed information about the Pico merchants here.
10	Merchant Engagement Manager	As a Merchant Engagement Manager, I would like to create and manage different “merchant lists” on MailChimp in order to obtain a better segmentation of the Pico merchants.
11	Merchant Engagement Manager	As a Merchant Engagement Manager, I would like to be able to contact the merchants through any of the platforms that the PIO manages so that the probabilities of communicating effectively increase.
12	Merchant Engagement Manager	As a Merchant Engagement Manager, I would like to coordinate and have face-to-face meetings with the merchants that do not want to be contacted online, so that the communication with them also flows effectively.
13	PIO Business Expert	As a PIO Business Expert, I would like to schedule and have meetings with the merchants to give them business support.
14	Pico Merchant	As a Pico Merchant, I would like to schedule and have meetings with the PIO Business Expert to receive business support.
15	Merchant Engagement Manager	As a Merchant Engagement Manager, I would like to create promotions and/or newsletters so that the merchants can be informed in a friendlier and faster way for them.
16	Merchant Engagement Manager	As a Merchant Engagement Manager, I would like to send promotions and/or newsletters through any of the platforms that the PIO manages so that the merchants are kept informed about the latest PIO news and events.
17	PIO Community & Merchant Liaison	As a PIO Community & Merchant Liaison, I would like to coordinate and have face-to-face meetings with the merchants so that we can discuss about the complex/legal information that they should manage.
18	Merchant Engagement Manager	As a Merchant Engagement Manager, I would like to forward the details of the PIO events to the merchants through any of the platforms that the PIO manages so that the merchants can attend these events.
19	PIO Board	As a part of the PIO Board, I would like to promote the PIO merchants and events to the public in order to increase their awareness.
20	PIO Board	As a part of the PIO Board, I would like to access the results and statistics of the merchant surveys so that the board can determine potential improvements for the PIO processes and for the Pico community.

Table 8

**RISK ASSESSMENT AND COST BENEFIT ANALYSIS**

The feasibility analysis includes three studies that when combined give a better understanding of the opportunities and limitations associated with the PICO project. The analysis started small at the beginning of the project but overtime grew into a much more complicated assessment. The intention of the analysis is to identify the important risks associated with the PICO project. Below are the three main areas that form the feasibility study.

- **Technical Feasibility**
  - Familiarity with merchant outreach: there is a high understanding of the importance of PIO to merchant communication.
  - Familiarity with technology: the technological association is high among both PIO and merchants, yet lacks in cohesiveness between the two entities. This generate a higher risk of technological familiarity.
  - Project size: includes +250 individuals. This is considered to be a large project and will inherently have more risk.
  - Compatibility: this project has many different systems that exist within the organization. The difficulty level to integrate a new system in place will have a high risk. New technological systems may not be plausible in this project scope but rather more effective usage of current systems.
  - The SaaS agents that were chosen are well established and reliable. They are not going to disappear in the foreseeable future.
- **Economic Feasibility**
  - The solution does not consider direct changes in the operational cost of the project nor initial investments either. It relies on free online tools (online surveys, email and internet access, etc.) and therefore there is no major risk associated to this variable.
  - Nonetheless, further assessments may be added including the new hours dedicated to the “merchant engagement process” by each of the stakeholders.
- **Organizational Feasibility**
  - The main goal of the PIO is to be a resource to the businesses that are located on PICO Blvd. The goal of this project is to create a more effective and efficient communication channel and increase awareness between PIO and the merchants. This project strategy is aligned with the business objective.
  - The project champions in this case are Donna, Jennifer, and David. Together they have supported the project with time, valuable information, and strategic support. This project has a high level of support from the uppermost individuals in the PIO and therefore no major risks are represented on this end.
  - One organizational issue to consider, regards the capacity of the PIO to dedicate more hours to a new process that requests so.
  - There is a “mid to low” level of connection and understanding of the merchant in the Pico community.

These risks have been measured against the metrics stated in the Alignment section. These fall under the metric of ‘grow the business.’

## RECOMMENDATIONS

### 1. Final Reflection

Business Process Analysis and (Re)Design is a complex field and often a titanic task to undertake. In fact, this task usually goes beyond the systems themselves and involves complex people and change management. Thereby, analysts are continually developing and learning new techniques and good practices, to increase the probabilities of having a successful process redesign and conversion exercise.

Throughout this project with the Pico Improvement Organization, the members of Team Pico have learned and applied several good “business process redesign” heuristics to increase their chances of effectively helping PIO. Hence, to start this reflection exercise, a set of some of the practices that were used on this project, will be listed in the table below.

BUSINES PROCESS TECHNIQUES			
-	STAKEHOLDERS INVOLVED	PICO PROJECT GOOD PRACTICES	RELEVANCE LEVEL
1	PIO Board	Make sure you have motivated and enthusiastic sponsors within the organization under study. These sponsors will be key agents that may facilitate the access to several resources and help to tackle many of the issues related to people management.	HIGH
2	PIO Board, Pico Merchants, Community Liaison	Get people excited about the change and its potential benefits, and do not shake too many things too quickly. People are usually reluctant/resistant to change, and thus, they need time to accept new processes/systems.	HIGH
3	PIO Board, Pico Merchants, Community Liaison	In the process of gathering information, meet with all the parties involved in the process and be sure to understand their concerns; these will hugely influence the design of the new system.	HIGH
4	Team USC-Pico	Use different Requirements Gathering Techniques to reach a deeper understanding of the whole process.	MEDIUM
5	Team USC-Pico, PIO Board	Define “Value” from the user’s point of view and generate metrics that will enable the users to measure the improvement in business performance.	HIGH
6	Team USC-Pico	Define a clear and robust System Request Form and do not lose sight of the main goal(s) of the project throughout the process.	HIGH
7	Team USC-Pico, PIO Board	If necessary due to the project’s constraints and resources, narrow the initial scope of the project. Smaller but good is better than larger but faulty.	MEDIUM

8	PIO Board, Pico Merchants, Community Liaison	Include the key actors that are involved in the process, in the redesign exercise (not as a decision-making agent, but more like a consultant; as a key-feedback provider).	<b>MEDIUM</b>
9	Team USC-Pico	Use different Requirement Documentation Techniques to make the process easier for the users/actors involved.	<b>LOW</b>
10	Team USC-Pico, PIO Board, Pico Merchants, Community Liaison	Keep a constant and close communication flow with the different stakeholders involved in the redesign process. Identify and address their concerns and manage the associated risks.	<b>HIGH</b>
11	Team USC-Pico	Constantly keep an eye on the different risks associated with the process redesign (technical, organizational and economic). These will evolve and addressing them on time will be key for the project's success.	<b>HIGH</b>
12	Team USC-Pico, PIO Board, Pico Merchants, Community Liaison	Guide the stakeholders through the change process. People are usually reluctant/resistant to change and including them in the process and helping them through the adoption and adaptation process, will increase the probabilities of success.	<b>HIGH</b>

Table 9

As mentioned before, the use of these practices increased the probability of reaching a better result. Nevertheless, some of these techniques had more impact on the project's outcome than others.

For example, what was undoubtedly a key for understanding the current state of the PIO merchant engagement efforts - and the root of the problems that PIO is having with this process - was the fact that during the gathering information exercise, Team Pico met with all involved parties and tried to understand the concerns of all the different types of merchants in the Pico Improvement Assessment Area. This sole consideration, had a huge impact on the design of the new system, as the interviews with some of the merchants let Team Pico know that technology would not be the solution to the current engagement issues in all the cases.

Tied to the previous point, the fact that Team Pico used different information gathering techniques, greatly contributed to obtaining all the information that was later used for the design of the new system. The observation of the PIO Board members' functions and the document analysis helped the team understand the overarching process. Additionally, the questionnaires sent to the merchants as well as the interviews that were held with the PIO Board, the Pico Merchants and the PIO Community Liaison, were the techniques that allowed Team Pico to gather the most critical data for the project.

Similarly, the constant flow of communication between Team Pico and the PIO board members (together with the enthusiasm and constant participation of PIO's project sponsors) was a crucial element in gathering accurate information and feedback. During the evolution of the design process, the conversations helped Team Pico achieve a

better solution; one that was effectively tailored to the needs that the PIO declared throughout the redesign exercise.

Limiting the scope of the project was essential to the success of the project. This allowed Team Pico to determine a robust System Request Form - defining the value of the exercise from the PIO's point of view - and to focus more actively on the obtainment of a good solution for the problem that was defined and selected.

However, the main difficulty the team faced was maintaining focus after limiting the scope of the project. And thus, it constitutes one of the recommendations that Team Pico would like to raise for future considerations. More specifically, even with a clear and well constituted System Request Form, the members of Team Pico struggled in finding a proper solution to the defined problem and allocated some of their efforts to resolve other issues that had previously been left out of the project. Not only did this distract the team from the main goal(s) of the project, but also complicated the understanding of the proposed solution due to excessive amounts of recommendations that were addressed. Thereby, after receiving feedback, Team Pico noticed this underlying problem and reduced the number of recommendations. The team was now able to focus solely on the core problem which was defined in the System Request Form. This resulted in a clearer solution with recommendations that are easier to follow because they are related to the redesign process.

The final takeaways from this project are general ideas that can be useful and should be considered in most of the business process redesign efforts. These are:

- Technology is not always the answer. In fact, it is the process that should lead the technological decisions and not the other way around.
- Every organization must understand its users. Team Pico put a great deal of effort in getting to know the merchants better. These efforts led to the conclusion that there were very different segments within “the merchants” and that, surprisingly, some of them did not want to be related with technologies at all. Following the same argument, Team Pico believes that it will be crucial for the future success of the new Merchant Engagement Management Process, that the PIO continues the efforts of gathering the merchants' information until they have a full understanding of all the merchants in the Pico Improvement Area.
- Finally, once the organization understands its users, the solutions must be designed accordingly. This, in the case of the Pico project, means that once the PIO obtains the data and preferences of all its merchants through the merchant engagement survey, they will be able to contact each one of them through their preferred platform. This will make the communication process easier and friendlier for the merchants, and therefore, will potentially increase the frequency and quality of the communication between business owners and the PIO. This is aligned with the PIO's primary goal stated in the purpose of the document.

## APPENDIX A

This section contains the following:

- Survey questions
- Survey and Interview Responses
- Template for welcome email

Survey Questions:

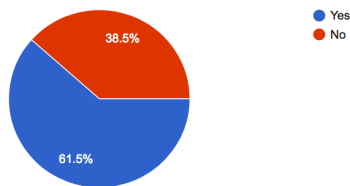
Team Pico sent out a survey of 22 questions. The most relevant 4 are included below.

The entire survey can be found using this link:

<https://docs.google.com/a/usc.edu/forms/d/1JshUiQswYCXT0s8B88Bc0mV0nRhGTOnGi6S8aBQIHHQ/edit#responses>

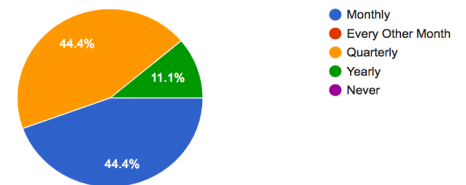
6. Have you attended any PIO Monthly Meetings?

13 responses



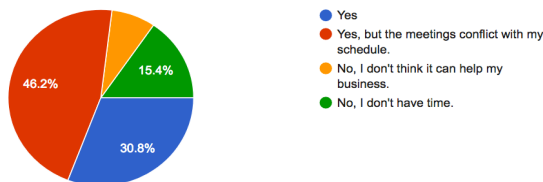
8. How often would you like to attend PIO Meetings?

9 responses



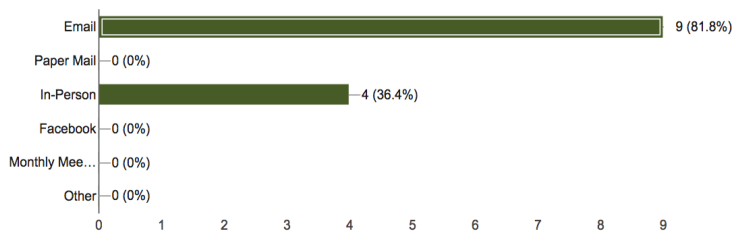
7. Would you be interested in attending PIO meetings? Why or why not?

13 responses



22. What is your preferred method of contact?

11 responses



\*Note: Question 22 has been edited to include the in-person contact preferences of the stakeholder interviews.



## Survey and Interview Responses:

### Summary of In-Person Interviews

The team conducted 5 in-depth in-person interviews (Approx 20-40 min. each) with a variety of merchants along Pico Blvd. Some of the common themes were merchants wanting to be more engaged, more events to encourage foot traffic, and personal assistance with setting up social media accounts. While most merchants were familiar with the organization itself, merchants did not know the extent to which the PIO could help their business.

In talking to the merchants, they struggled with profitability and local fees. They hoped for street beautification to encourage more people to walk along Pico Blvd instead of just driving past. They hoped to engage more with the PIO and attend meetings to have a more transparent understanding of their yearly Business Improvement District fees.

Some of the merchants who wanted to be more engaged with the PIO suggested having a larger quarterly meeting that was more merchant-centric. Because we talked to small business owners, the merchants wanted more events that encourage foot traffic like a walk-a-thon, 5k, or art walk. They liked the idea of having more events that engaged with the local community or with charities that can provide more publicity for the boulevard as a whole.

Most found the new medians was a step in the right direction. They had mentioned wanting further beautification efforts like colorful street signage, or more lights on the street. Some merchants felt concerned about homelessness and felt that it could potentially be hurting businesses.

### Summary of Merchant Engagement Survey Responses

Much of the responses received from our google survey echo our in-person interviews. The top three challenges that the businesses are currently facing are local fees and taxes, employment issues, and profitability. All of the businesses that responded to our survey overwhelmingly wanted more publicity for their business.

A few benefits from the PIO that the merchants have noticed include the growth of Pico Blvd. as well as the accessibility to the high school and college students. Some of the negative aspects mentioned were the homelessness, the lack of police presence, and vandalism. Some interesting suggestions was a desire to increase the amount of bike parking along the boulevard so consumers would feel safe parking their bikes in front of establishments.

Some suggestions for events would be to have a big street event with KRCW, more involvement with the farmers' market, a Christmas Window Decoration contest, and more events that connect the east and west sides of Pico. Overall, the merchants would like to hear more from the PIO and learn about ways to get involved.

## Template for Welcome Email

Subject: The Pico Improvement Organization Welcomes You to the Boulevard!

Hello New Business:

Welcome to Pico Boulevard! The Pico Improvement Organization (PIO) is committed to the success of its businesses. With over 250 merchants within our Business Improvement District, it is our mission to develop the local economy and connecting with the surrounding community. **The PIO is here as a resource, partner, and advocate ready to help your business succeed.**

Our organization hosts monthly meetings and events along the boulevard like Best Loved SM Businesses, Art Walks, Buy Local, etc. Our monthly meetings are held the first Wednesday of every month at Virginia Ave. Park at 6:30pm. You are welcome to attend! Your involvement with this organization is important to us. Help us, help you!

We kindly request that you take a moment to fill out our Merchant Preferences Survey so that we can learn how to best reach you.

[https://docs.google.com/a/usc.edu/forms/d/1vnHcypB304kh4Y8hwil\\_doUqACKInUsL3uTP93HVFTg/edit](https://docs.google.com/a/usc.edu/forms/d/1vnHcypB304kh4Y8hwil_doUqACKInUsL3uTP93HVFTg/edit)

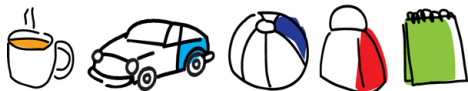
Should you have any questions or requests, please do not hesitate to contact us by email and we will gladly address them. We look forward to connecting with you soon, and we wish you great success in your new business!

Sincerely,

Donna Gentry, Jennifer Taylor, and David Ruiz

# PICO

IMPROVEMENT ORGANIZATION



## APPENDIX B

This section contains the following:

- As-is
- To-Be

### As-is

