



# E-Commerce Report: Kalboard

Prof Liette Lapointe

Yvonne Yuen Chee Ko  
Sang-Ju Chuang  
Nidal Khalifeh  
Maxime Chambreuil

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## Executive Summary

The decision for a company to go online has to be part of a greater strategic commercial assessment. A company does not go online just because everybody else is doing it, but it has to correspond to specific business and marketing strategies.

In marketing terms, the major goal of our project is to establish an online presence for Kalboard, which will allow the company to gain a competitive edge over its major competitors in the offline market. In business strategy terms, the project will streamline the company's current internal procedures by offering e-procurement to Kalboard's customers. In the context of our class, e-procurement mainly involved the process by which electronic transactions are made for indirect materials such as office supplies, janitorial and maintenance services, staff travel bookings and so on. However, in the scope of our project, it will not only involve indirect materials, but the entire process by which Kalboard is selling to customers. Therefore, the strategic value of our project really stems from the benefits provided by e-procurement - achieving large time and transaction cost savings, reducing invoicing and ordering errors, and improving productivity and return on investment.

Because Kalboard follows a Business-to-Business model, our project will not only benefit the company as a supplier, but also the buying companies and the payment authorities - the banks - by helping all parties to maintain long term relationships. As a note, were Kalboard's raw material supplier in China to adopt e-procurement, this long-term relationship chain would be greatly enhanced.

Where applicable, Kalboard would also be able to cut the retailers slice and entice large institutional buyers to buy directly from Kalboard, and thus save on the retailers margin. Yet, because Kalboard's goal is not to take on a Business-to-Customer model, selling to retailers to distribute its products will stay its priority.

Nevertheless, the decision to go online will need to be assessed with a complete review of the existing strategies, which will obviously require and depend on the willingness of the company to restructure its current processes.

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# Chapter 1

## Introduction

The online Business-to-Business market across the world is increasing in value rapidly. While companies continue to increase their online Business-to-Business adoption rate, most organizations still report that they are in the early stages of full-scale Internet-based buying. Therefore, KALBOARD (Khalifeh Group for Advanced Industries) has decided to step ahead of the game and increase its market share by adopting a new strategy that will provide the company with a unique competitive advantage.

## Chapter 2

# Company history

Since 1997, Khalifeh Group for Advanced Industries has been producing Educational & Business Aids. Khalifeh Group has been endeavoring to improve models and materials used in producing KALBOARD products. Technical perfection, elegant designs and reasonable prices are their main concerns with all their products.

Khalifeh Group provides a wide range of office supplies, for example:

- White & Green magnetic board
- Bulletin board
- Mobile board
- Flipcharts and Easels
- Projector Screens
- Mini board
- Articulated board
- Bulletin cabinet
- Transparencies

Khalifeh Group for Advanced Industries implements the international quality management standard system ISO 9001:2000 to ensure the continual improvement of the quality management system of KALBOARD.

Currently, Khalifeh Group is taking a significant decision in accessing the European Union market by the end of this year. To Kalboard the EU market is an important, advanced, and highly competitive market that requires commitment and obligation from the firm.

## Chapter 3

# Competition analysis

In the offline world, before you open a store in a shopping mall, you probably want to know if the mall does not already contain a store offering the same goods or services that you intend to sell.

You would look at your competitors' stores and try to make your products better, easier to access, or less expensive. You would want to know what your competition did well, and what they did poorly.

Moving on to the Internet will be no different for Kalboard, and designing a successful online storefront to replace the existing online catalog will not be an easy task. How exactly can Kalboard exceed the efforts of its competitors ? First, it is important to perform an extensive competition analysis. We will look at Kalboard's competition in order to help determine what it wants the website to do. We will define precisely what customers like and do not like about competitors' sites, so that we can use their mistakes to make Kalboard's site better.

Our competition analysis will consist of:

- Brief industry analysis and target market
- Competitors and their online presence and popularity
- Keyword Analysis
- Comparison of Search Engine positioning and placement
- Design

### 3.1 Brief summary of industry

Based on our research both over the Internet and in the offline world, the industry of board manufacturers includes players based in China, Taiwan and

Korea, which together account for more than half of the total number of manufacturers, and the remaining are shared by players in United Kingdom and the United States.

The market in Asia is currently self-sufficient; board manufacturers in China, Taiwan and Korea are producing massively and at low-cost. Therefore, even though the market is growing at an incredible pace, Kalboard has not yet considered breaking into the Asian market, thus avoiding fierce competition and price wars. In Europe, most of the board manufacturers are located in United Kingdom, with some in Germany. However, Weyel<sup>1</sup>, a German manufacturer, is the major player in Europe which accounts for more than one-third of the European market share. In the United States, Da-Lite has the largest market share, and is Kalboard's major competitor. The two tables in Appendix C provide some other American competitors and their comparison of advantages and disadvantages with and without the solution we are proposing for Kalboard.

According to our research, a key negative aspect of the entire industry turns out to be the absence of direct online selling. All manufacturers are only using the Internet to post their "catalogues", and are currently processing orders either over the phone, by fax, emails, or in person. So this is where our project comes into play to help Kalboard in gaining a competitive advantage.

A rapid overview of Kalboards current list of customers<sup>2</sup> shows that buyers are exclusively retailers of educational and office supplies, stationary supplies and some medical equipment supplies. According to the information provided to us by the Khalifeh group, these existing customers are not currently selling online.

However, our investigation shows that many other retailers of educational and office supplies are already selling their products over the Internet with a shopping basket; therefore, it seems obvious that some, if not all, of these retailers would also like to replenish their inventory with a simple mouse click. If Kalboard were e-procurement enabled, it would be the first company to apply this strategy and could easily become these online retailers' favorite supplier.

Another reason why Kalboard should implement the solution we are proposing is the following. According to the sales' history and projections<sup>3</sup>, the company has more than doubled in size since it has been established in 1997, as shown by the green line. The red line represents the sales projections prepared by the Khalifeh group up to the year 2008, which take into account the predicted sales once they would have broken into the European market. However, we strongly believe that without the automation of their current processes, the projected sales in the

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<sup>1</sup><http://www.weyl-boards.com>

<sup>2</sup>See Appendix B

<sup>3</sup>See Appendix A



newly entered market will not be appropriately handled, thus, bringing the sales back down to the yellow line.

## **3.2 Competitors and their online presence and popularity**

As for any company, staying on top of the competition will be important to Kalboard. Just being on the internet these days will not be sufficient because competitors will soon follow, especially if Kalboard succeeds in its e-procurement strategy. Thus, we will help the company gain that necessary competitive edge not merely by going online, but by building a solid online presence before any competitor can do so and by achieving large savings to prepare Kalboard for the expected price wars that will take place when all players in the industry will be progressively selling online. Strong brand recognition will reserve a robust position for Kalboard in this virtual market even in the face of fierce competition.

Da-Lite has significant market share and national presence in the physical world, as can be seen when looking at the products used in our own university. On the other hand, Da-Lite has no presence in the online market. When keywords such as 'whiteboard(s)', 'blackboard(s)', 'projector screen(s)', or 'boards manufacturer(s)' are typed in, there are no instances of Da-Lite appearing in any of the pages listed on Google or Yahoo, the two major search engines. The only way to find Da-Lite's website is by literally typing 'dalite' or 'Da-Lite' into the search engines. Therefore, as paradoxical as it may seem, a new buyer unaware of Da-Lite's existence would simply not find Kalboard's major competitor.

In the European market, rivals will most likely be Weyel and some other important board manufacturers in UK. By bringing Kalboard online by the end of this year, we will enable the company to establish an online presence prior to breaking into the European market in 2005, which will facilitate Kalboard in competing with UK and German players.

## **3.3 Keywords analysis**

Offline, Kalboard's closest competitors are apparently some local competitors and Da-Lite. After conducting a simple online research, we have identified many other competitors that Kalboard was not yet aware of, or did not consider to be threatening. This research helped us define who the competitors were and their exact location. Moreover, by exploiting the marketing savvy used by the competitors, this allowed Kalboard to assess areas that should be improved.

To do so, we first used Metacrawler's MetaSpy and a keyword suggestion tool found at <http://www.digitalpoint.com/tools/suggestion/> to observe trends in

how people are making their searches. Obviously, the most reliable search terms would be obtained from Kalboard's customers, who would be in a better position to suggest terms that we may not have thought of, but contacting the company's customers was not feasible for us. Therefore, we simply combined some keywords and phrases suggested by the above Internet tools, which we thought customers would most likely use, such as 'whiteboard(s)', 'chalkboard(s)', 'blackboard(s)', or 'projector screen(s)', and so on, associated with 'manufacturer', and typed them into major search engines:

- <http://www.Altavista.digital.com>
- <http://www.Excite.com>
- <http://www.Google.com>
- <http://www.Infoseek.com>
- <http://www.Lycos.com>
- <http://www.Yahoo.com>
- <http://www.Webcrawler.com>

Most customers will not look beyond the first three result pages of an Internet search, but we went through most of the pages just to be certain that no other company was hiding repeatedly in the last few pages. Top sites that came up in each of the search engines were Dong Yong, a Korean manufacturer, some miscellaneous players in China and Taiwan, and Weyel. However, such board manufacturers were much more difficult to find as opposed to board retailers, which appeared in abundance. This again proves the potential sales that Kalboard could gain by using the most pertinent keywords to assure itself a solid position in key search engines. In developing the actual webpage, further research on relevant keywords to use will be necessary.

### **3.4 Search engine ranking and optimization**

Kalboard's website will not receive the amount of target internet traffic it needs to succeed if ranking techniques are not appropriately handled. There are certain rules by search engines that need to be followed so that the website will not be banned from their index. The search engine optimization techniques used will not include spamming, keyword stuffing, automated submission, cloaking or redirects which are some of the techniques used by certain online firms to achieve top placement. We thought that these techniques will do more harm than good to Kalboard's search engine marketing campaign, since time and money will need to be spent in fixing these problems before the search engines will allow the site to be reindexed again. Instead, we will monitor the campaign, and suggest additional online marketing techniques if needed, to continuously meet the changing needs of the company and website in the future, converting traffic into sales.

### 3.5 Design

The next task is to perform a design analysis of the competitors to learn from their mistakes.

Kalboard's competitors in China and Taiwan, and most of the other rivals, have very basic websites. An example can be found at [www.whiteboard.com.tw](http://www.whiteboard.com.tw). Once launched, this site plays unpleasant music that has no direct relationship with what the company is selling. The text is written on an annoying colored background with the company's logo printed repeatedly. These are basic don'ts in website design that we will clearly strive to avoid. Moreover, on the home page, it says "welcome to make orders by phone", meaning that customers cannot directly make purchases online.

Da-Lite's website<sup>4</sup>, is slightly more comprehensive in terms of design and products. Graphics are fairly simple, with a simple blend of two primary colors, blue and red, with text written on a white background. However, no flash media has been used, and the site is short of creativity and lacks professionalism, which was the contrary of what we expected for such a full-fledged company. And again, they do not allow customers to purchase online. What is interesting in Da-Lite's website is their Screen Design Software, which allows buyers to design their own projector screens. However, as implied by "software", it needs to be downloaded, which can be a significant waste of time for the user, depending on the speed of the computer.

To avoid foregoing such a good inspiration and opportunity, we have discussed with the Khalifeh group about the feasibility of making such customized products. The company is currently only equipped for minor customizations, but significant changes in the design of products will also be feasible in the near future. Therefore, we have decided to include such a page in the website, where customers will be able to design not only projector screens as in Da-Lite's case, but practically all its products, in terms of color, board size, border design, and so on. The customization page will be directly integrated into the website without the need to be downloaded, will be developed at the same time as the entire site, but will not be launched until Kalboard is entirely equipped for such customizations.

Weyel's website, which is the most comprehensive site we have encountered in our entire research, is comparable to Da-Lite's in terms of content and text, but has a more eye-catching design in terms of graphics. It uses flash media in the introduction page, colors are green and dark blue on a white background, which provide an image of professionalism. Content is available in four different languages - Dutch, English, French and German - which is readable by many different countries across Europe. For Kalboard, a multiple-language website would obviously be a prospect to be considered within the EU market, but in the scope

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<sup>4</sup><http://www.da-lite.com>

of our project, we will limit the discussion to allowing customers to make purchases online. Again, the same revolving drawback in Weyel's website is that orders can only be made over the phone or by submitting an application form so that the user will be contacted later.

It is surprising to see in our "Information Age" that millions of websites still have such lack of creativity and imagination. Some might argue that the industry does not require sophisticated and innovative designs for their sites when the actual product remains archaic. But why can supermarkets, for which the concept has existed long before the blackboard manufacturer, have powerful and modern websites that allow customers to choose vegetables and milk online, and have the products delivered directly at home, whereas Kalboard and its rivals have to compete on "boaring" and behind-the-times websites ?

Of course, the use of excessive flash media, annoying banners and ads should be avoided to allow customers to make purchases smoothly and efficiently, from the introductory page up to the payment page. On the other hand, because sites in other industries are extensively developed in terms of graphics design and a wide variety of media, we might want to keep up with some relevant technologies to publicize an image of up-to-date information and prevailing use of technology.

Other important design issues will consist of analyzing copyright regulations, layout of the site, navigation, uniformity, accessibility and links.

However, they will not be covered in this paper, but will certainly play a vital role in the success of Kalboard's website. In addition, Kalboard's offline advertising should, once the official website has been launched, send its customers to the site to help increase traffic.

To enhance the site we will develop, we will include a comment page that will pop up after the first use by a customer. Sample questions would be:

- What was your first impression of the site?
- What did you enjoy the most about this online purchase?
- What did you especially dislike?
- How does this compare to Kalboard's previous catalog or printed advertising?
- Were you able to find everything you were looking for on the site?
- Did you know where you were all the time or did you have to stop to think about how to get somewhere?
- Did you have to use the back button of your browser?

This questionnaire will help us follow closely the positive and negative aspects of our site, which will enable us to make changes and continuously improve based on real-time opinions and comments.

## Chapter 4

# E-Commerce Strategy

Customization is the process where customers will be recognized while surfing the website. They will also have their own user ID and password to access the ordering page, to view their orders' history, and to update their own profile. For a new customer to get an account at Kalboard's website they will have to go through five steps in order to access the shopping cart. Firstly, the new customer will complete an application with his company's description. Secondly, Kalboard will reply with an email including the new ID and password. Thirdly, the new customer proceeds in online ordering using his new account. Fourthly, Kalboard investigates the new customer's company and level of trust. Fifthly, depending on the investigation Kalboard agrees or disagrees to proceed with the order, if not, the account will be blocked, and a full explanation will be given to the applicant for the reason of his refusal.

Customer's data will be stored in a separate database from the website's file server, and depending on Kalboard's budget, either an ISS server using ASP & SQL language can be purchased for \$30,000 including software, or Kalboard can go with open source, an Apache server using PHP language to communicate with the database.

The ordering process online is going to be the first of its kind. The customer chooses the items and their quantity, then moves to secure checkout where the customer gets to pick a method of payment (L/C, CAD, T/T&etc), according to the method the page will change. For example, if the customer selects L/C the page will transform to the L/C form that the customer needs to fill.

## Chapter 5

# Business Model

Kalboard will have to integrate vertically and horizontally in order to develop the B2B e-procurement. The first step is the vertical integration which integrates the internal part of the organization. The company will replace the paper work needed to store customers' information and orders' records with an automatic method such as storing the document in a database and accessing it by creating an intranet within the company. This will lower the transaction cost, reduce invoicing, and reduce ordering errors.

The second step is horizontal integration. This method automates the external communication with the customers and the suppliers. Customers will be able to order online, create or edit their own profile, and check their order history and current status of the last order. Also, customization will provide a better customer service that will help to maintain long term relationships. In the future, this system is flexible to expand so it can reach the suppliers' side and automate the inventory ordering process in order to improve the productivity and return on investment (ROI).

## Chapter 6

# Needs Analysis

After reading the gathered information about the company, we were able to obtain a general concept of how the business is currently managed. We have been able to visualize the flow of information and the workload of each employee, his tasks and responsibilities.

The main employee concerned by the new system is the secretary. Indeed, she is actually in charge of centralizing all orders that arrive by e-mail, fax, mail or visit. This centralization could easily be done by a computer and would not require a full-time employee.

The company is already maintaining a website, which proves that the company shows a certain interest in this medium of communication. Enhancing the website would be the next step for the future of this company.

By designing the system, Kalboard will have this opportunity to digitize a lot of information and automate its processes in order to ease the work of employees, such as the shipment agent or the director. As such, they will be able to focus on how to better serve the customers : Presently customers use phone to place an order and to stay in touch with the director. The customer will still be able to call in to make sure that his order has been created in the system.

That is why we have distinguished different actors (human or not) that will interact with the system:

- A visitor : a person visiting the website, who has not yet provided any information to Kalboard before
- A customer : a visitor who has registered, has a profile and is logged in
- Bank : Financial institutions or online payment third-party to supervise the payment method
- The secretary : a visitor logged in as a secretary



- The shipment agent : a visitor logged in as a shipment agent

Each of these actors has a different set of possible actions:

- Register : sign in and create a profile in Kalboard database (Visitor)
- Browse the Catalog : get information about products (Visitor, Customer)
- Consult his information : update his profile information (Customer)
- Order : make an order and pay (Customer, Bank)
- Manage products : add, update, delete product information (Secretary)
- Manage customers : add, update, delete customer information (Secretary)
- Receive order : see the list of orders, change their status (Secretary, Shipment agent)

All this information are summed-up in the UML use case diagram below:

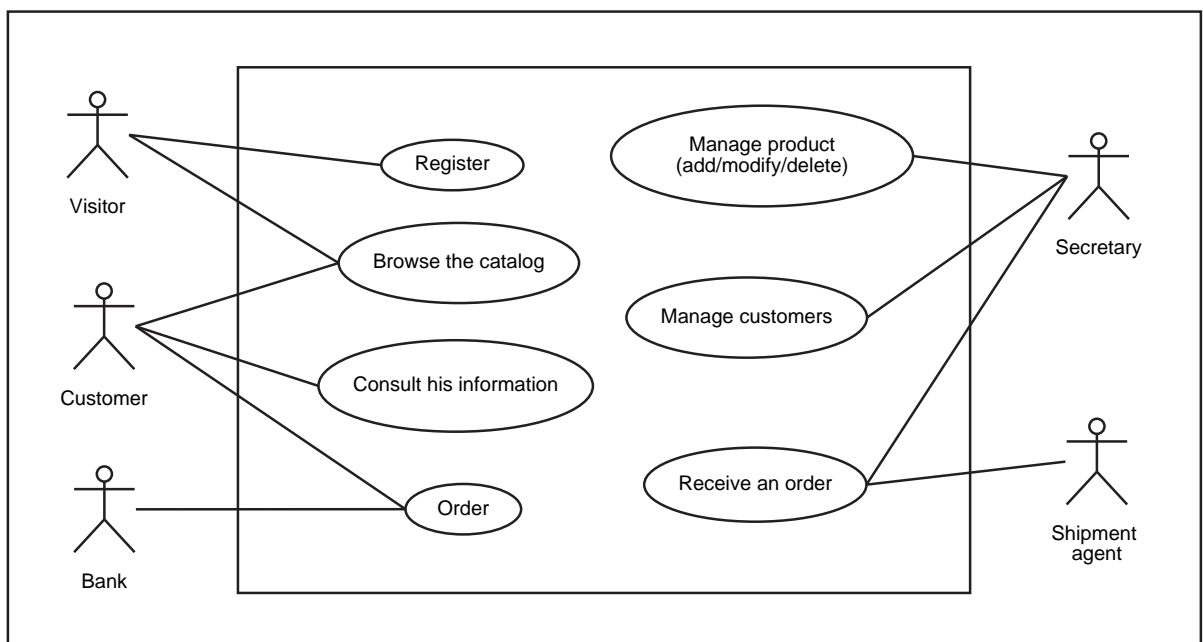


Figure 6.1: UML Use Cases Diagram

This diagram is part of 9 diagrams, gathered in the Unified Modelling Language (UML). UML is a graphical language that allows Kalboard to communicate and responds to what its system is going to be. It's a formalized way of communication between designers, developers and clients. So this schema is not complete and will need to be altered with Kalboard's managers.

## Chapter 7

# Legal, social and security considerations

Setting up the new system is one thing, but getting the employees and the customers to use it is a completely different thing. Resistance to change is a major challenge to every business trying to implement a new strategy. The solution is to train the employees and to make sure that they understand how the new system operates, such as security measures and the importance of the customers' privacy. Kalboard should train its' employees to act in emergency situation to avoid data loss, for example, by backing up and having an Image drive (Ghost Drive).

Kalboard's customers will receive booklets introducing the new method. The booklets will first contain guidelines on how to use the new website to place an order. It will also explain the security measures taken by Kalboard to insure its customer's safety during online transactions, and, lastly, it will clarify how this new way of ordering will be more efficient for doing business. Furthermore, Kalboard will contact its customers to measure their satisfaction with the new system, and to assist them in problems they may encounter using the system. Do all our customers use Internet in their business? Compatibility and meeting the customer's facilities used to make orders is a main concern to Kalboard. After studying the existing customers ordering methods, we found out that many are using emails in ordering. Nevertheless, we believe that keeping the choice open to customers to use phone or fax is important. The key in this new system is not to limit the customer's ordering methods, but to offer the customers a better, safer, and faster solution.

Protecting customers' privacy is an essential aspect that encourages the customers to use Kalboards website for ordering. A privacy policy that protects the customers' information will be present online and in the explanatory booklets. Also, the customer service center in Kalboard will contact each customer and assure them that their information is in safe hands. This privacy policy will state that Kalbaord is committed to guard its customers' data from being shared by a third party or misused.

Security is a major worry for who ever process payments online. Kalboard can solve this issue by using SSL technology provided by a trusted third party, for example VeriSign. This technology will uses 128 bit encryption to encrypt all the information written on the website until it reaches the database, so no one can view it while it is being transferred from the clients' disk to Kalboard's database server.

Kalboard is under the government of Jordan's judicial system. That prevents any company to use online payment methods due to taxation purposes. This can be simply solved by opening a new account in Canada to transfer the money to.

What is the best way to pay online? There isnt! Well all the B2B businesses that are online are using the same old online bank-to-bank money transfer. The big deal about it is that both, Kalboard and its customer have to sign on paper to insure their rights. Some online marketplaces have their own payment methods where a customer has to have an account with a third party that connects to his bank account. But this will limit the customers' ability to choose their method of payment, and may result in sale losses to Kalboard.

The following are the payment methods covered by KALBOARD's new system.

## **7.1 Cash in Advance**

For Khalifeh group, Cash in Advance is, of course, the most desirable method of all since the shipper is relieved of collection problems and has immediate use of the money.

## **7.2 The letter of credit**

Generally speaking it is undertaking by a bank on behalf of an importer (the buyer) to guarantee payment to Khalifeh group (the seller) on receipt of his draft along with proof that he has complied with al conditions specified in the credit. The purpose is to substitute a bank's credit for that of the importer.

In practice the importer (buyer) makes an application to his local bank, giving complete details of the purchase transaction, and deposits sufficient collateral to cover the purchase or satisfies the bank that he is a good credit risk for the amount involved. The issuing foreign bank informs the Arab Bank (the Khalifeh Group's Bankers) by wire or fax that a letter of credit has been issued, giving all important details, and the notifying Arab Bank make the L/C information known to the Group.

Please note that the wire, cable or bank letterhead advice that an L/C has been opened is not the actual letter of credit instrument, but merely a communication confirming that a an L/C has been opened and will be forthcoming.

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### **7.5 Cash Against Documents (CAD)**

Buyer deposits cash with its local (foreign) bank. Seller (Khalifeh Group) presents documents to its bank (Arab Bank) for "collection". Arab bank sends documents to foreign bank which remits payment back through Arab bank and forwards documents to buyer.

### **7.6 Sight Draft/Documents Against Payment (SD/DP)**

The same procedure as CAD (item 3). The exception is that a Draft accompanies the documents. The Buyer has made arrangements with its bank to repay the amounts due under the Draft. Until such arrangements are made the bank holds the Draft and the documents. SD/DP means the bank pays at "sight", i.e., upon presentation with the documents.

## **7.7 Sight Draft/Document Against Acceptance (SD/DA)**

Also known as "Time Drafts" because a prescribed period of time elapses before payment; e.g., 30, 60, 90, 180 days SD/DA. The procedure is the same as SD/DP (item 5) except, in lieu of payment at sight, the bank returns the Draft stamped "Accepted" to the Arab bank which presented it for collection on behalf of the Seller. When the prescribed time period elapses, the Arab bank presents the Draft for payment and the local foreign bank honors its acceptance and remits payment.

## **7.8 Telegraphic transfer**

Electronic transfer of money between two parties on the sale/purchase of products. Will often incur a fee from your solicitor and monies sent from a lender is usually in this form<sup>1</sup>.

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<sup>1</sup>Please see end of complete report for Payment Form

## Chapter 8

# Graphical Model

After browsing and studying Kalboard's website and their competitors', we have designed a model for the new website. As a UML diagram, this model is aimed at giving Kalboard a first overview on how we are conceptualizing what they need, so that alterations can be made if we are not on the same wavelength. This is not a prototype, as a prototype is the first version of the system with less functionalities. This model is not functional, only visual and is used to give a basic idea of the design, the navigation and organization.

### 8.1 Lay-out and organization

The model is based around the logo, the language menu, the registration status, the main menu and the content pane :

#### 8.1.1 The logo

The logo is present at the top left-hand corner and is a link to the home page. This is not a standard but a habit that everyone has on the internet, so that anyone visiting the website won't be surprised and lost.

#### 8.1.2 The language menu

The language menu is also present on each page and allows the visitor to choose his language wherever he is on the website. We have included the language of the current website (Arabic and English) and other European languages as Kalboard expands in the European market. Assuming that the visitor chooses his language at the beginning of the visit, his mouse will not need to come back again to the top right-hand corner of the website.

#### 8.1.3 The registration status

The registration status consists in a form to register or to sign in in the case of a visitor, and a basket reminder in the case of a customer who has already logged

in.

#### **8.1.4 The main menu**

The main menu contains the main part of the website : company information, catalog, customers' information and employees' tools. It is a scrolling menu as there are many items for each choice. This guarantees the clarity of the presented information and enables the website to be strongly structured and well-organized. This menu is located on the left-hand side as in many website and the visitor's mouse should stay in this area all along his browsing.

#### **8.1.5 The content pane**

The content pane displays everything the visitor or user needs to know. Therefore it is the part that takes the largest surface of the website. With such space, it is easier for the content to be clear and to convey information.

### **8.2 Content**

Let us now move on to the content, in which each items of the menu can be accessed.

#### **8.2.1 Home Menu**

"Company" displays the same content as the current website : company information and a brief history. "Careers" allows Kalboard to post some job proposals, who they are looking for and what kind of profile, specify how to apply, etc... "Contact" contains mail address, e-mail address, phone and fax number, plan and directions to visit Kalboard's plants. "Sitemap" displays the whole architecture of the website.

[Logo Home](#)
[Arabic](#) | [French](#) | [German](#) | [Spanish](#) | [Italian](#)

**Registration**  
 Login :   
 Password :   
[New user](#)  
[Forgot your password](#)

**Menu**  
 - [Home](#)  
   - [The Company](#)  
   - [Careers](#)  
   - [Contact](#)  
   - [Sitemap](#)  
 + [Catalog](#)  
 + [My Kalboard](#)  
 + [Administration](#)

## Welcome on Kalboard Website

Enjoy your visit... ;o)

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## 8.2.2 Catalog Menu

It displays a list of link to each product page :

[Logo Home](#)
[Arabic](#) | [French](#) | [German](#) | [Spanish](#) | [Italian](#)

**Hi Donald !**  
 You have **100 items** in  
 your basket and your  
 total is **1 000\$**.

**Menu**  
 + [Home](#)  
 - [Catalog](#)  
   - [White board](#)  
   - [Green board](#)  
   - [Bulletin board](#)  
   - [Mobile board](#)  
   - [Flipcharts](#)  
   - [Mini board](#)  
   - [Articulated board](#)  
   - [Bulletin cabinet](#)  
   - [Transparencies](#)  
   - [Webpages](#)  
 + [My Kalboard](#)  
 + [Administration](#)

## Product of the Week

**Get incredible discount  
for the purchase of 10 White boards !!!**



and here is an example of a product page for a logged in user:

## White Magnetic Board

Model 1

White Magnetic Board picture

### Technical features:

- Polyester coated steel surface
- Wall Mounted White Magnetic Marker Boards
- Light weight

### Possible sizes:

Code	Size (cm)	Size (inch)	Price (\$)
MW 64 /D	40 x 60	16 x 24	100
MW 64 /D	40 x 60	16 x 24	100
MW 64 /D	40 x 60	16 x 24	100
MW 64 /D	40 x 60	16 x 24	100

### Customization (+ 1\$/board):

- Logo on the  hand corner:

### Basket :

Add  White Magnetic Boards Model 1, code  to my basket

- ☐ with my customization
- ☐ without my customization

We have included a basic customization tools that will be improved after with a Flash animation, a Java applet or a software. At the end, the customer can add the product to his basket, which directly appears in his registration status.

### 8.2.3 My Kalboard Menu

It contains all information about the customer and allows him to update his profile, access his basket and see his previous bills :



This screenshot shows the 'Offers' page. The left sidebar contains a navigation menu with links: Home, Catalog, My Kalboard (selected), Account, Basket, Bills, and Administration. The main content area is titled 'Offers' and displays a message: 'With your 2000 points, you can get:' followed by a bulleted list of three options: a 10% discount on white board, a 50% discount on a bulletin board, or shipment fees for the next ordering. The footer includes a copyright notice for 2004 and a link to the privacy policy.

Logo Home [Arabic](#) | [French](#) | [German](#) | [Spanish](#) | [Italian](#)

Hi Donald !

You have 100 items in your basket and your total is 1 000\$.

**Menu**

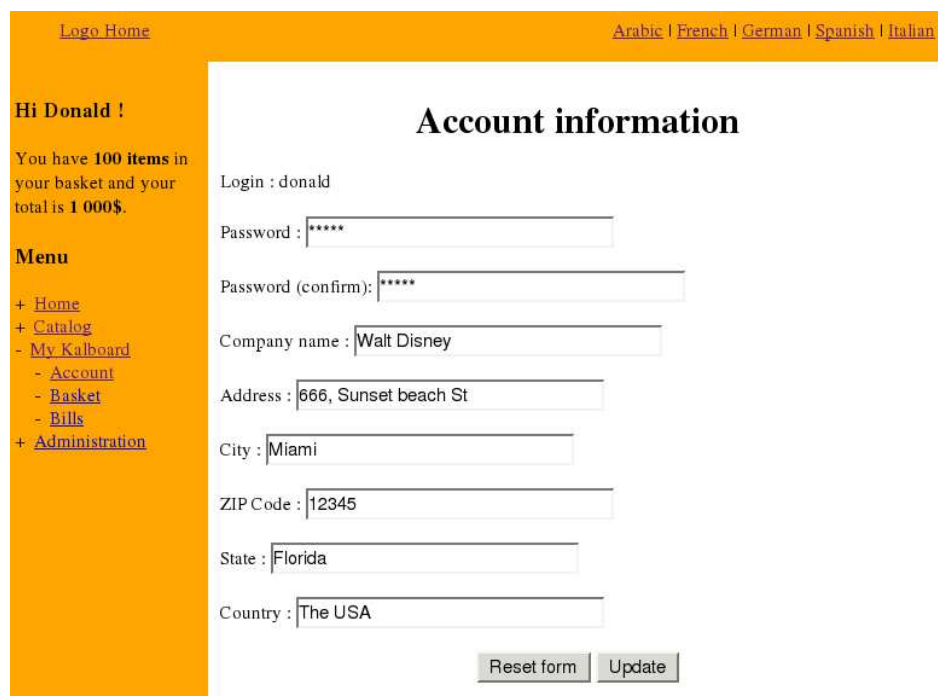
- + [Home](#)
- + [Catalog](#)
- [My Kalboard](#)
  - [Account](#)
  - [Basket](#)
  - [Bills](#)
- + [Administration](#)

**Offers**

With your 2000 points, you can get:

- a 10% discount on white board
- OR 50% discount on a bulletin board
- OR the shipment fees offered for your next ordering

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This screenshot shows the 'Account information' page. The left sidebar is identical to the previous page. The main content area is titled 'Account information' and contains a form for updating user details. The form fields are: Login (donald), Password (masked with asterisks), Password (confirm) (masked with asterisks), Company name (Walt Disney), Address (666, Sunset beach St), City (Miami), ZIP Code (12345), State (Florida), and Country (The USA). At the bottom right of the form are two buttons: 'Reset form' and 'Update'.

Logo Home [Arabic](#) | [French](#) | [German](#) | [Spanish](#) | [Italian](#)

Hi Donald !

You have 100 items in your basket and your total is 1 000\$.

**Menu**

- + [Home](#)
- + [Catalog](#)
- [My Kalboard](#)
  - [Account](#)
  - [Basket](#)
  - [Bills](#)
- + [Administration](#)

**Account information**

Login : donald

Password :

Password (confirm):

Company name :

Address :

City :

ZIP Code :

State :

Country :

[Logo Home](#)
[Arabic](#) | [French](#) | [German](#) | [Spanish](#) | [Italian](#)

**Hi Donald !**

You have **100 items** in your basket and your total is **1 000\$**.

**Menu**

- + [Home](#)
- + [Catalog](#)
- [My Kalboard](#)
  - [Account](#)
  - [Basket](#)
  - [Bills](#)
- + [Administration](#)

### My Basket

Product	Quantity	Price/unit	Total	
Transparency ▾	10	10	1 000	<input type="button" value="Update"/>

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[Logo Home](#)
[Arabic](#) | [French](#) | [German](#) | [Spanish](#) | [Italian](#)

**Hi Donald !**

You have **100 items** in your basket and your total is **1 000\$**.

**Menu**

- + [Home](#)
- + [Catalog](#)
- [My Kalboard](#)
  - [Account](#)
  - [Basket](#)
  - [Bills](#)
- + [Administration](#)

### My previous bills

Date	Reference	Total	Status
March 11th 2004	<a href="#">325546456757567655</a>	1 000 000	Payed
March 11th 2004	<a href="#">325546456757567655</a>	1 000 000	Payed
March 11th 2004	<a href="#">325546456757567655</a>	1 000 000	Payed
March 11th 2004	<a href="#">325546456757567655</a>	1 000 000	Payed

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## 8.2.4 Administration Menu

This menu is only available to Kalboard's employees, as My Kalboard is only available to customers. This menu gives access to the different list of orders depending on his status : queued (submitted to the secretary approval), approved by the secretary (and so sent to the shipment department) and completed (order has been shipped).

[Logo Home](#)
[Arabic](#) | [French](#) | [German](#) | [Spanish](#) | [Italian](#)

### Registration

Login :

Password :

[New user](#)  
[Forgot your password](#)

### Menu

- + [Home](#)
- + [Catalog](#)
- + [My Kalboard](#)
- [Administration](#)
  - [Queued Orders](#)
  - [Shipped Orders](#)
  - [Completed Orders](#)

## XXX Orders List

Date	Reference	Client	Total
March 11th 2004	<a href="#">325546456757567655</a>	<a href="#">Client X</a>	1 000 000
March 11th 2004	<a href="#">325546456757567655</a>	<a href="#">Client Y</a>	1 000 000
March 11th 2004	<a href="#">325546456757567655</a>	<a href="#">Client Z</a>	1 000 000
March 11th 2004	<a href="#">325546456757567655</a>	<a href="#">Client W</a>	1 000 000

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The website also contains information concerning the privacy policy to inform the customer on how their information will be safely sorted and managed, and what will be done with them. There are also different payment methods to choose from. A Frequently Asked Questions section can also be added to answer the customers' fears.

This model will be used to design the website, that Kalboard really needs. This model is not complete but it should be clear and detailed enough to retrieve and to convey as much information from Kalboard as we need to specify and realise their best system.

## Chapter 9

# Costs and Benefits analysis

### 9.1 Costs

#### 9.1.1 The Fixed costs of the new system

Due to the use of the privacy policy and KALBOARD being fully responsible for its customers information, KALBOARD decided to buy the server, so that customers data stays within the company, and not shared with a third party.

Hardware: \$7,000: Server + Peripherals+ Desktop

The applications KALBOARD need to build the website and to insure its security are the following:

- Dream weaver to build HTML, Fire Works for image design, both from Macromedia MX.
- Windows Server 2003 to manage the server operation.
- Windows XP professional operating system.
- ISS database that is compatible with ASP. ASP is the language that will allow the website to interact with the database.
- Symantec Security kit including anti-virus and firewall.
- WebTrend for website analysis. This application will allow KALBOARD to monitor its website logs. This will help KALBOARD to analysis the website, locate pages that customer dont use and identify the areas their customer surf their website from.

Software: \$20,000: Web Design, OS, Office, DB, Norton, Security, Web analysis

### **9.1.2 The Annual costs of the new system**

KALBOARD will have to pay a connection fee for it to be connected to its website and server. Also the company will pay a Web hosting fee fees to host its website on the World Wide Web.

Connection: \$1,500: Web hosting & Connection fees

The website will be administrated from the company by a full time employee that will update the site with the new products and maintain the website.

Web Administrator: \$1,000 per month = \$12,000

Total (Minimum): \$40,500

## **9.2 Benefits**

### **9.2.1 Reduce time investigating a client**

By doing so, KALBOARD will be able to create more customers in a shorter time, with will increase the orders and thus increase the sales.

### **9.2.2 Reduce the workload of the employees**

This new system will automate many processes that are currently done by more than three employees in the company. Now, the employees can have more time to work on the orders instead of looking through the files and trying to contact customers by using long distance calls that increases the company's cost.

### **9.2.3 Reduce the time to order for a new customer**

New customers will now be giving the right to order from the first time they register on the website. Not like the current system where the customer stays on hold for a few weeks not knowing if his order will be processed or not. KALBOARD will have a time limit of two working days to contact the new customer by email and inform him/her that the order has been approved or otherwise.

### **9.2.4 Reduce ordering errors**

Unfortunately, KALBOARD are currently having major problems with communication. The language barrier and the technical difficulties they face with placing long distance calls are making the ordering processes complicated. For example, a customer calls from overseas and places an order, but his voice is not really clear, so KALBOARD employees accidentally enter the wrong amount.

### 9.3 The Effect on the EU market (Break even analysis)

We decided to predict how this new system will affect the sales when KALBOARD enters the EU market. Recently, we contacted KALBOARD and request an explanation to the sales increase they expected to obtain when they go into the EU market without using our new system. This is to compare what sales increase we predicted to occur in the EU market to their sales increase and see when the project will break even.

KALBOARD current Profit estimated this year by the company's president Jalil Khalifeh is approximately \$1 million, their costs are approximately  $\frac{1}{2}$  million dollars, and their revenue is \$1.5 million.

Current	\$\$
Cost	500,000
Revenue	1,500,000
Profit	1,000,000

KALBOARD Predicted to increase their sales in the year 2005 by 3%, year 2006 by 5%, and year 2007 by 10%. Those assumptions are based on previous experiences KALBOARD had from entering different markets. Their cost is going to stay constant. KALBOARD explain their costs will stay the same because they will not change the ordering methods and that the number of employees is not going to increase.

#### 9.3.1 Without the new system

	2005	2006	2007
Cost	\$500,000	\$500,000	\$500,000
Revenue	\$1,530,000	\$1,575,000	\$1,620,000
Profit	\$1,030,000	\$1,075,000	\$1,120,000



Figure 9.1: Before implementation

Following this predication, we asked KALBOARD to predict their sales using our new system, keeping in mind the benefits of the new system. KALBOARD predicted the following; in the year 2005 5% increase, due to name recognition in the market and that customers are unfamiliar with the new system, in year 2006 10% increase, and in year 2007 25% increase.

### 9.3.2 With the new system

	2005	2006	2007
Cost	\$540,500	\$513,500	\$513,500
Revenue	\$1,575,000	\$1,650,000	\$1,875,000
Profit	\$1,034,500	\$1,136,500	\$1,361,500

The project will break even from the second year:

Cost: \$40,500

Profit in 2005:  $\$1,034,500 - \$1,000,000 = \$34,500$

Profit in 2006:  $\$1,136,500 - \$1,000,000 + \$13,500 = \$123,500$





Figure 9.2: After implementation

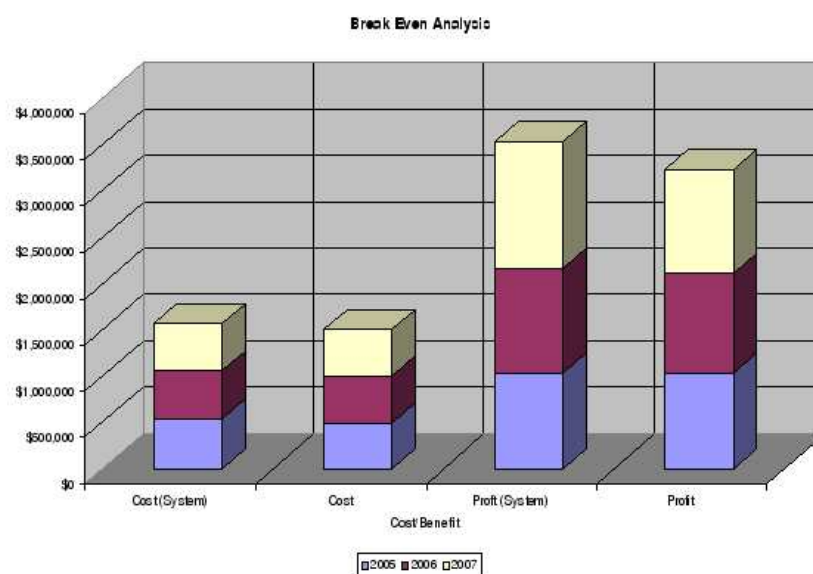


Figure 9.3: Break even analysis

The increase of sales with and without the new system is demonstrated in the graph provided in Appendix A.

## Chapter 10

### Conclusion

To conclude this report, we have made an accurate analysis of Kalboard situation in his industry in order to help them reaching their future objective: Entering the european market.

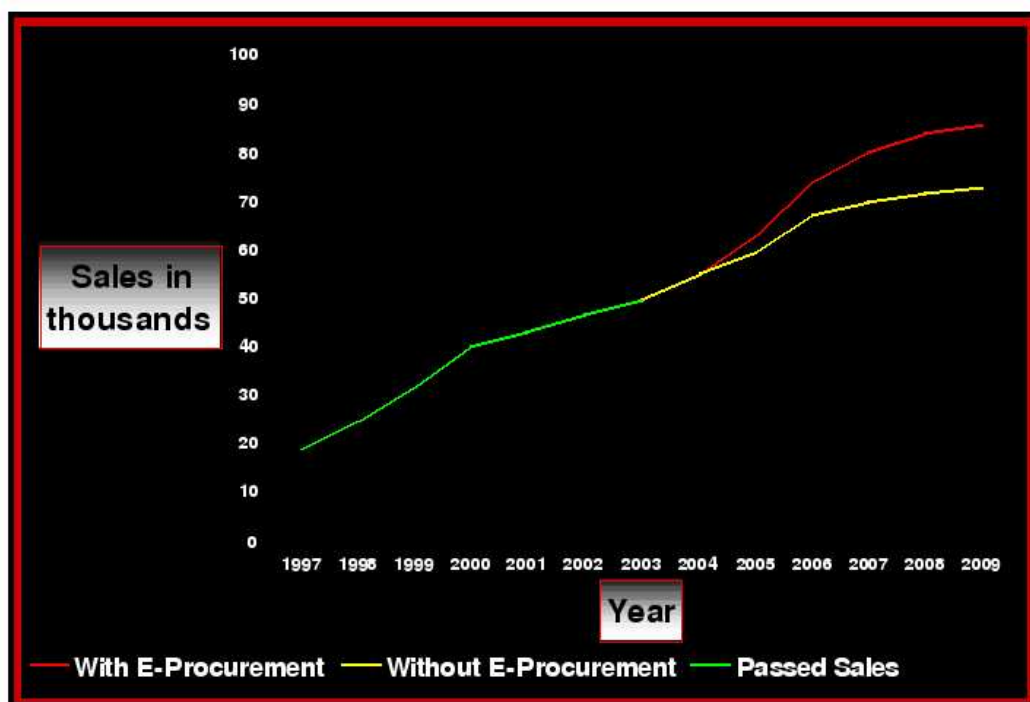
We have pointed out the main issues they will have to handle to complete this goal and provide an answer to those problems.

Thanks to our recommendations, Kalboard should be able to enhance his processes and reduce his running costs at a minimum risk and change for his employees, customers and partners.

With experience using the new system, we can predict a good future for Kalboard and entering the european market should be a great success for the company.

# Appendix A

## Sales History and Projections



## Appendix B

### List of Kalboard's current customers

**M/S: AL BADR OFFICE EQUIPMENT, United Arab Emirates**

**M/S: Al Haramain Trading Co. Ltd., Saudi Arabia**

**M/S: Al Hathboor Group LLC., Dubai - U.A.E**

**M/S: Al Karawan Medical & Scient. Equipm. Est., United Arab Emirates**

**M/S: Al-Samer Stationery, Kuwait**

**M/S: Alam Al Maktabat Company, Egypt**

**M/S: Jarir Marketing Co., Saudia Arabia**

**M/S: Ali Adam Trading Est., Kingdom of Saudi Arabia**

**M/S: Al-Jeel Al-Jadeed Group, Yemen**

**M/S: Al-Maktaba Office Supplies, Rep. Of Yemen**

**M/S: Almana & Partners W.L.L., State of Qatar**

**M/S: Al Raja Commercial Est., Saudi Arabia**

**M/S: Al-Rayan Stationery & Office Eqpt. Trdg., Sharijah - U.A.E**

**M/S: Al-Shahama Inv. Co.**

**M/S: Al-Sitteen Stationery, Saudi Arabia**

**M/S: Aluloom Stationery, Dubai - U.A.E**

**M/S: Ambassador Office Supplies Co., Abu Dhabi - U.A.E**

**M/S: Ashibami Agencies for Stationery, Rep. of Yemen**

**M/S: Ateb Techniques de Bureaux, Tunis**

**M/S: AWAL STATIONERY, MANAMA-BAHRAIN**

**M/S: Central Trading Corp, Saudi Arabia**

**M/S: Dar Al Marefa Co., Saudi Arabia**

**M/S: Dar Al-Alm Trading Est., Saudi Arabia**

**M/S: Dubai Library Distributors, Dubai-UAE**

**M/S: El-Helou Commercial Establishment Co. Ltd., Gaza / Palestine**

**M/S: Emirates Trading Est., Dubai / U.A.E**

**M/S: Energy International, United Arab Emirates**

**M/S: Esra'a Library, R.A.K. - UAE**

**M/S: Farook International Stationery L.L.C., Dubai - UAE**

**M/S: Makhzan Al-Maktab**

**M/S: Manifattura del Tigullio Srl, (GE)**

**M/S: Mirza Library, Saudi Arabia**

**M/S: Mogahwi Stationery & Office Equipment, Kuwait**

**M/S: Mohammed Rashid Al-Suwaigh Est., Saudi Arabia**

**M/S: Mostafa Khouli Office Supply & Stationery, Syria**

**M/S: Mousa Ibrahim & Partners Trad. & Cont. L.L.C., Sultanate of Oman**

**M/S: Office 1 Superstore, Saudi Arabia**

**M/S: Riyadh House Est. Riyadh / Saudi Arabia**

**M/S: Salem Al-Korbi Est., Riyadh / Saudi Arabia**

**M/S: Three Dimensions International, Saudi Arabia**

**M/S:Victoria Furnitures Limited, Kenya**

**M/S: Saudi Home Furniture, Riyadh-Saudi Arabia**

**M/S: Al-Abeer Industrial Est.,, Jordan**

**M/S: SENDIBAD INTERNATIONAL TRADING EST., Amman**

**M/S: S.A.R.L. AL-ASEEL, Imp. Export Grossiste, Rouiba Alger(Algeria)**

**M/S: El-Helou Commercial Est., Ltd., Gaza-Palestine**

# Appendix C

## Competition analysis

Competitor s						
Design	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Online Ordering	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Customized products	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Customize Customers	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Security	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Registration	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Online Login	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
RESULT	2/7	2/7	5/7	1/7	1/7	1/7

Figure C.1: Current situation

Competitors		 www.shutton.com			 Alliance Ceramicsteel Board Products	
Design	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Online Ordering	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Customized products	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Customize Customers	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Security	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Registration	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Online Login	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
RESULT	7/7	2/7	5/7	1/7	1/7	1/7

Figure C.2: With the new system



## Appendix D

### Framework of the project

