

Homework 1: Business Case

THE BUSINESS CASE

GO, ANIELLE JOLEANNE

Part A: Strategic Planning Memo

To: Julia Thompson
From: Robert Hanover
Subject: Strategic Planning

Good Afternoon Julia,

I wanted to give you a brief rundown of my strategic planning ideas and walk you through the steps I want to take from my preliminary systems investigation.

Strategic Planning

It is important for me to understand your company, your goals, resources, and strategies. Strategic planning involves making sure that the project we intend to deliver supports your operational needs and is realistic and feasible. The investigation will be held to find out how I can help make a plan to support your vision for the company.

Preliminary Systems Investigation

To strategically plan for this upcoming project, the following steps will be covered:

1. **Identifying and Understanding the Problem** – in this step, I will develop a proper business profile that describes what proper business is like for your company.
2. **Defining the Project Scope** – here, constraints and boundaries will be investigated. I will create a list with sections and what their relevancy is to the problem.
3. **Fact-Finding** – this step aims to gather and review all documentation, including organizational charts and data. In this step, I will analyze your current processes and business model and how effective it has been for your company so far. This includes what processes are most beneficial, and should not be changed, and identifying areas that need attention that can hopefully be enhanced with technological services.
4. **Studying Data** – I will take all the gathered data, including data from outside sources who have faced similar problems, and study them. Assorted options will have their costs, usability and benefits compared to find the best options for recommendations.
5. **Evaluate Feasibility** – the overall feasibility is evaluated based on past data collection and study of processes and budget.
6. **Present Recommendations** – the data and findings will then be presented for further action.

I will work with various teams to cover all the topics listed above. If you have any further questions don't hesitate to send me a note back or notify me if you need me to set a meeting date.

Best Regards,
Robert Hanover
Systems Analyst

Part B: Mission Statement Memo

To: Julia Thompson
From: Robert Hanover
Subject: Mission Statement

Hello Julia,

Thank you for meeting with me to discuss the results of the preliminary systems investigation. You asked me about what a mission statement would look like for your company. Here is a general description of what a mission statement should include and why is essential to every company:

A mission statement defines your company's fundamental purpose. This should include your company's vision, purpose, and values. When your company continues to engage in new projects and endeavors, the solution should be in line with and prioritize the goal stated in your mission statement.

I hope this helps. Again, if you have any questions, don't hesitate to contact me and I'll be happy to answer as soon as I can.

Best Regards,
Robert Hanover
Systems Analyst

Part C: SWOT Analysis

Strengths

- What is the company's strongest asset?
- How is this business different from similar businesses?
- What do your customers like about your company?

Weaknesses

- What are the most regular complaints we receive from customers?
- Are there any stigmas that keep us from expanding the market?
- What are some practices that need to be updated?
- What are employees most unhappy about?

Opportunities

- Where can the company hire new talents?
- What do your customers ask for that the company has not yet delivered?
- How do you capitalize on your competitors' weaknesses?
- What areas of your operations are prone to issues, error or inefficiencies?

Threats

- Are there any up-and-coming competitors?
- Are employees happy and supported?
- Is your target market shrinking?
- How has the pandemic impacted supplies?

Part D: IT System Factors

External Factors

1. **New Competitors** – Thompson Packaging started out as a new business in Rhode Island, and while there is little competition in Rhode Island for jewelry packaging, big name brands can interrupt the company's demand if Thompson Packaging is not able to keep quality up.
2. **Economy** – Spending trends in the future could decrease the demand for jewelry packaging. For example, the recent COVID-19 pandemic has greatly affected the amount that people are spending. In the jewelry industry, there are less marriages and less demand for jewelry as marriages are being postponed or halted.

Internal Factors

1. **Employees and Managers** – managers can grow new talents and employees that show company values will create products from their work that are in line with company interests.
2. **Company Culture** – having a consistent and productive company culture can increase employee satisfaction and increase retention rates of new talents within the company. In addition, a great company culture helps create a productive work environment

Part E: Business Case

Problem Statement

Thompson's Packaging continues to run on outdated technologies and practices that negatively affect employee productivity, customer satisfaction, and sales. The following are some areas of concern that need to be addressed:

- Marketing strategies (like cold calls and attending company conventions) from the 90s have become outdated and have not been yielding significant increases in sales while marketing costs continue to be high.
- The company runs on a representative-dependent system, where customers receive their information directly from employees. However, existing technologies already allow customers to access information independently and instantly online. This bottleneck causes an increase of customer complaints.
- The systems that process orders, produce packaging, billing, tracking, and delivery are separate and disjointed which causes two problems:
 1. Each process is highly dependent on human input and intervention, which increases the likelihood of error.
 2. Sales representatives must contact finance and operations to receive information on they need such as estimated time and billing information, which significantly slows turnaround time.
- Employees show hesitation to change and adapt to new processes and technologies.

Situation Analysis

Here are some data collected during investigations that support the areas of concern:

- The company spends an average of \$308 per outside sales call. (1)
- 40% of the time spent by sales representatives are used to find people to call. (1)
- 62% of customers have stated that receiving information from a sale representative is frustrating based on a customer satisfaction survey done in 2021. (8)
- During the individual operational processes where heavy human intervention is required, the likelihood of error can be as high as 28%. (8)

An ideal solution will address the company's productivity issues and streamline company processes throughout each affected department to increase accuracy and provide the customers the ability to access their order information independently.

It has also been determined that to expand the company's market, a powerful and scalable marketing, and customer data solution will have to be considered. This will address the low return of marketing investment and increase yield by digitalizing operations that mimic modern and effective business practices. *However, this is determined to be outside of the project's scope and will not be covered in the report.*

Solution Implementation

Thompson's Packaging must have its processes updated to improve the overall health and competitiveness of the company. It is recommended that the company implement an Enterprise Resource Planning (ERP) Software (7) from a vendor to collect and organize key business information and create efficient operations between each department. Implementing this software solution for a

mid-size business can cost \$400,000 to \$500,000 (2), which includes costs for software licensing, data conversion, testing, training, and vendor consultancy support post-implementation. ERP software contains features that fix the issues of each department of concern.

Sales Department

Sales and Marketing will greatly benefit from ERP software, as it will address the issues with long turnaround times to obtain information from other departments and help track sales statistics that will help with customer retention in the future. This software will:

- Organize information like order data, customer data, shipping, tracking and payment status in a centralized cloud for employee access
- Monitor customer interactions and provide information for future marketing endeavors
- Provide live order information and tracking to customers

Finance Department

The software also aims to make calculation of operational costs simpler. This addresses prior department dependency issues and improve accuracy within calculations by significantly reducing human intervention within the production processes. The department will benefit from the following features:

- Tracking of financial information including all accounts payable and receivable
- Tracking procurement information and numbers
- Tracking and calculating assets

Operations Department

Update in systems streamline processes and connect them to operations. Creating operations software solves department dependency issues by keeping track of information passed to production. Features include:

- Displaying distribution information for delivery
- Keeping track of product inventory and warehouse information
- Obtaining real-time order and production information from sales

Risks and Issues

1. **Maintenance** – Creating software with a vendor required leadership and direction from Product Owners and the creation of a team to improve and implement critical system updates and maintenance work. This will contribute to company costs. (7)
2. **Mandatory Employee Training** – Company-wide training to learn how to use the new software will be conducted to ensure competency in operationalizing the solution. (6)
3. **Time** – Full solution implementation and training will take up to 12 months total but can be planned to have incremental delivery through multiple project phases. (5)
4. **Security** – Implementing user policies, permissions, and safeguards against cyber attacks
5. **Skilled Resource** – finding the right people with the right skills. Understanding that there will be new roles that need to be filled by hiring and the ability to upskill existing resources OR in the worst case, letting go or re-allocating resources who are unable to adapt.
6. **Change Management** – ability to have a top-down approach to effectively implementing changes across the organization without significantly affecting employee engagement and performance.

Cost-Benefit Analysis

- Projected 15% year over year company growth after implementation. (3)
- Increase productivity and decrease the time to create normal processes, saving \$46 an hour, or \$744,152 per year in resource productivity. (4)
- Estimated return of investment 2-3 years after implementation. (2)

Conclusion and Recommendation

Though the process brings up considerable costs and can take time, implementing ERP Solutions streamlines already existing processes which will increase company productivity and support its growth as it aims to expand its market. This solution centralizes critical information for easy access and cuts downtime created when waiting for responses from different departments. This provides the company with the ability to scale up and adequately support operations as it prepares for growth. It is highly recommended to invite multiple ERP vendors to make bids on implementing the solution and determine which one can best implement the solution w/in the scope, time and budget that is available.

Part F: Sources and References

Template Reference

Here is a link to the template I plan to use: <https://www.smartsheet.com/business-case-templates>

Information References

Each corresponding number is used to refer where the information was obtained in the report.

1. **Sales Statistics:** <https://spotio.com/blog/sales-statistics/>
2. **ERP Statistics:** <https://www.netsuite.com/portal/resource/articles/erp/erp-statistics.shtml>
3. **Business Website Statistics:** <https://review42.com/resources/what-percentage-of-small-businesses-have-a-website/>
4. **Projected Growth Statistic:** <https://www.insureon.com/blog/small-business-online-sales-revenue-poll>
5. **Time Saved:** [Measuring Time Saved | How to Calculate the ROI of Online Communities | FeverBee](#)
6. **Potential Risk:** [Assessing risk when upgrading IT systems \(saxonsit.com.au\)](#)
7. **ERP Resource:** <https://www.netsuite.com/portal/resource/articles/erp/what-is-erp.shtml>
8. **Assumptions Based on Calculations from Sources 1 and 2**