

# Information Technology Planning

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**Course: COMP1647**

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**Due Date: 1<sup>st</sup> November 2019**

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## Part A. Introduction

### A.1 Background

#### A.1.1 The issues that are hindering the organization

- **Luxurious packages:** The costs of the tours or holiday packages seem luxurious in the travel market.
- **Manual process for holiday packages:** Manual management process of preparing holiday packages causes waste of time and storing inappropriate or duplicate data.
- **Manual payment process:** Manual payment process for the clients and the suppliers may cause the data loss, waste of time and storing the data inappropriately. Besides, the clients may feel insecure to share their payments credentials.
- **Limited booking process:** Booking over telephone call creates limitations on package bookings. Besides, specific staffs need to be assigned 24/7 for this job and one booking can be time-consuming event.
- **No organization website:** The company do not have any website for marketing their tour packages details for their clients. Therefore, the clients may find the difficulties to collect the details over a phone call and this will lead them to lose their interest of booking packages.
- **Access database for maintaining the bookings data:** Storing all kinds of data about packages, customers', suppliers' and the payments details manually on several databases can cause data loss, inappropriate data storing. Besides, it is difficult to get any kind of efficient reports.

- **Incompetent customer service staffs:** The customer service staff performing as the first line of contact with the clients and they are not trained properly for dealing with the clients effectively. This will cause losing the clients interest for booking a package.
- **Staff mentality:** Most of the staff have the phobia of using technologies.

#### **A.1.2 The way to move forward**

- The travel costs should be reduced considerably to attract the potential clients to book their holiday packages.
- An online system can be used to prepare and manage the holiday packages and thus the chances of losing any important data or misunderstanding with the clients can be reduced.
- An online payment process should be introduced for providing securities and let the customers and the suppliers to rely on the company process.
- Completing booking process more effectively through an online system can save time of the clients.
- A company website can be published to provide all the details about booking a holiday package. Thus, the potential clients can be acknowledged about the packages without calling the agency and save their valuable time.
- Managing data through online system will provide security and help them to take future decisions as well to increase the business by providing strategical reports.
- Competency level of the customer service staffs can be improved by providing proper training to communicate with the clients and they will be able to manipulate the clients to book their packages.

- Technophobes problem of the staff can be removed by arranging seminars and training on using new technologies.

## **Part B. Strategic Evaluation**

SWOT analysis of the organization's current position:

### **B.1 Strength**

- **Good experiences:** The company has 12 years' experiences of organizing tours and holidays for their clients.
- **Collecting clients Feedback:** Collecting clients' feedback through hand-written forms enables the opportunities of getting valuable suggestions for targeting the potential customers and aid to improve the services.
- **Clients' satisfaction:** The company focuses on the client's satisfaction through their services and try to please them by providing a hand written letter on an elegant paper at the end of the tours.
- **Active country specialists:** The company has sufficient country specialists in order to exploring new destinations, identifying adventurous activities and managing accommodation facilities for their clients.

## B.2 Weakness

- **Manual data management:** Manual management of data causes data duplications, increases the chance of storing inaccurate data, increases the risk of losing data or data theft. These problems effect on the company's reputation.
- **Limitations of IT system:** Managing the payment and booking processes manually restrain the company from having the benefits of using an IT system. The existing system arises the chances of confidential data loss and generate inaccurate reports for the top-level management.
- **Incompetent staffs:** Incompetent customer services staffs are unable to attract the potential clients for booking the packages and this effects on the success rate of the company.
- **No Company Website:** The company has no website for themselves in order to provide all the details about their holiday packages from where the potential clients can fulfill their enquiries.

## B.3 Opportunities

- **New IT system:** This will save time for the both company staff and the customers. The company staff will able to manage all the business process through this system and the customers will able to complete their bookings by using this. Using an IT system will able to help to increase the company sales.
- **New company website:** The company website will provide all the holiday packages details to the clients. Thus, the limitations of using telephone call for booking will be demolished. Besides, the company will able to marketing

themselves through online and able to attract the huge number of potential clients.

- **Reduce the packages costs:** Reducing the packages costs with maintaining the services quality will aid the company to compete with others and increase their sales.
- **Brand new packages for new destinations:** Exploring new destinations and introducing brand new packages will enable the chances to attract the new clients and increase the sales rate.
- **Marketing through TV program:** The company can arrange different TV programs and award the winners with the holiday packages. Thus, they can increase the company's popularity which lead to increase sales.
- **Providing training:** Providing proper training to the customer service staffs on dealing with the clients will help them to captive the clients to book their packages.

## B.4 Threats

- **Behavior of the inhabitants:** The inhabitants of the new destinations may arise security threats to the clients during their holidays. The company needs to assure the safety of their clients as their first concern.
- **Data loss:** Manual management of the confidential data will be the threat of data loss or theft. If it happens by any mistake, the reputations of the company will be at risk.
- **Competitions in the travel market:** Competitors travel agencies may provide the same quality holiday packages at cheap rate to the clients. This will cause loss of attractions of the clients about the Amazing destinations.

- **Incompetent staff:** Incompetent customer services staffs may cause of losing the clients' interests about booking their packages.

## Part C. Impact of IS

### C.1 Two new major Systems

#### C.1.1 Suggestions of two major systems for the company:

The Amazing Destinations can implement '***Customer Relationship Management (CRM)***' and '***Enterprise Resource Planning (ERP)***' to increase their sales rate. CRM will manage the relationships and the interactions with the customers and the service providers of the company and ERP will manage all external and internal business processes of the company.

#### C.1.2 Descriptions of the two major systems:

- **CRM:** CRM manages every interaction with the clients of a company by building up the customers trust and maintain a long-term relationship with them and that lead to increase company revenue (S, 2019). CRM will be used to manage all kinds of front-office activities of the Amazing Destinations through the following modules:
  - **Sales Module:** This will keep tracks of customers' details and all kind of transactions. Besides, it helps to increase sales by managing the sales process effectively.
  - **Marketing Module:** Using this module, the company will able to reach their packages to huge number of clients through various channels by targeting potential customers.



- **Service Module:** This module will help the company to increase the customer services by managing all the customers' information and inquiries to produce frequently asked questions.
  
- **ERP:** ERP manages all the internal and external business processes in order to improve the performance, profitability and productivity of a company (S, 2019). This system consists of various software modules like booking, sales and marketing, HR, finance, accounting etc. (businessjargons, 2019) ERP will manage all the business processes of the Amazing destinations through the following aspects:
  - **Sales and Marketing Module:** This module will manage sales related data like package details, clients' information, invoices, package pricing in addition to providing sales forecasting (VKInfotek.com, 2016).
  - **HR Module:** This module will manage the employees' data, payroll management, and performance data of the customer service staffs effectively. Besides, it helps to recruit and train employees.
  - **Finance and Accounting Module:** This module will track all the transactions efficiently and accurately that leads to produce financial statement as reports.
  - **Production Module:** This module will prepare the holiday packages and all kind of arrangement for the clients.

### **C.1.3 Expected Reports from these systems and the recipients**

Reports on any company's business processes are important for improving the business of the organization. Both CRM and ERP produce various types of reports based on the business processes. The following reports can be generated by these systems according to the level of management:

- ***Strategic/Top-level Management (CEO/Stakeholders):*** Reports on cost-benefits, finance, profit margin, sales rate, cash flow, Ad-hoc will be generated by *ERP* system. These reports will help the top-level management like CEO, Stakeholders of the company to take future strategic decisions.
  
- ***Tactical/Mid-level Management (Department Managers):*** *ERP* system generates weekly, monthly reports on sales, transactions and employee performance for this level management. These reports will be used for preparing the summary reports for the top-level management.
  
- ***Operational/Low level Management (Customer services staffs):*** Daily reports like packages bookings, clients' feedback can be generated by *CRM* system for this level management.

## **C.2 Data duplication**

### **C.2.1 Data duplication is a problem in areas of business**

Though data is one of the most valuable asset for any company business, it can be expensive for the company due to data duplications. It can be happened when data is stored on different storages manually (Bozeman, 2018). Data can be duplicated in the sales department and the HR department of the Amazing destination company because of managing and storing all data manually and separately. As a result, data duplication causes various problems in business. This problem has enormous effects on costs and productivity that leads to create bad impression of the company brand. Multiple data storages increase the storage costs and causes providing inaccurate data to the employees. The quality of customer service will be effected for the inappropriate data. Thus, the customer loses their interest and believe on the company. This effects on the number of customer and sales as well. Besides, data duplication creates problem on generating inappropriate reports for management. (Emery, 2017)

**C.2.2 Data duplication will not be a problem by setting up these systems**

By using, a central database for all the departments of a company can eliminates the data duplication problem. A central database can be managed for storing data and both CRM and ERP system will share this database to manage all their respective departments activities (Corporation, 2013).

As the CRM system manages the front-office activities and store all the customer centric data in the central database. And the ERP system manages the back-office activities and all the business process of the company using the same central database.

**C.2.3 Use one system's information for another system's improvement**

Though both system will work for different purposes, it is important to maintain a bridge between these two systems in order to achieving the company's main aims and objectives. At a glance ERP system will be used for the mid-level management and the top-level management. Besides, CRM will be used for the low-level management and the mid-level management. Low-level management has to act on the decisions of the mid-level management and that decisions actually come from the top-level management. However, the mid-level and the top-level management will take the decisions based on the reports derived from the low-level management. In conclusion, it can be said that both system has effects on the other system's performance improvement.

## C.3 Organizational Changes

### C.3.1 Effective organizational changes and the way to address them

The following organizational changes will be required after implementing the two new major systems:

- **Changed workflow and procedures:** The new workflows and procedures will replace the manual procedures and methodologies like manual package management, client management etc.
- **Data centralization:** All kinds of data will be stored and managed from a central database automatically and simultaneously instead of storing the data in several storages manually.
- **Generating Reports:** Both ERP and CRM will generate more accurate and efficient reports automatically by using the same database whereas the reports were prepared manually from the different data storages.
- **Automation processes:** ERP system provides accurate and efficient processes to manage HR, Accounting and Finance departments' activities like preparing HR payroll, sales and revenue of the company. Previously these departments were managed manually.
- **Online Booking:** CRM system will replace the manual package booking process with more easy and efficient online booking and payment system. This will diminish the importance of assigning a specific staff for responding the telephone calls.
- **Increase Efficiency:** As both the new systems keeps tracks of all the actions of the company, the new business model will increase the efficiency and the success rate of the company.

### **C.3.2 Impact on developing the new system**

- **New workflow and procedures:** By implementing the new business model, there will be no manual paper work of the company. As most of the staff of the company consider themselves as technophobes, using the new model will seem difficult for them.

Proper training of using these systems can be arranged for the staffs in order to eradicate their fear of using new technologies.

- **Migrating all data to central database:** Converting the old business model into the new business model need to store all the manually stored data into the central database. Any mistake during data insertion on the database can cause to business productivity.

All the manually stored data need to be inserted carefully. Any data migration software tool can be used for this purpose.

- **Division between company employees:** Some of the employees may think that introducing the new business model will be a waste of money and will not produce productivity to the company.

The top-level management should arrange different meetings and seminars to enlighten the employees about using this new business model.

- **Re-allocate staff:** Implementing the new business model will create jobless situations for many company staffs.

These employees should be allocated on other departments and trained properly if necessary.

## C.4 IT department for the company

IT department is the responsible of managing all kinds of data and preparing valuable information for the company. There are two ways for a company to manage their IT system. At first, the pros and cons of those ways are described below:

### C.4.1 Outsourced IT department

#### ➤ **Advantages of outsourcing the IT department:**

- Reduce costs: Outsourcing the IT department can reduce the costs of appointing some skilled IT staffs and the training costs of the company.
- Focus on the business: Outsourcing the IT department can let the company to concentrate on their main business and increase the success rate of selling their packages.
- Having the most current technologies: By outsourcing the IT department, the company can implement the best and most current technologies for their system as the outsourced professional are the most experienced and have up-to-date skills.
- Best Security: Outsourced IT specialists are acknowledged about the different kind of digital threats as they provide services to different clients for different situations. They will be able to provide best and effective security measures for the company's IT system.

➤ **Disadvantages of outsourcing the IT department:**

- Risk of losing confidential data: Outsourcing the IT department can arise the risk of losing all kinds of confidential data as the authorization of data access needs to be provided to the third party. Disloyal outsourced IT professionals can sell the data to the competitive companies for more money.
- Lack of personal touch: Outsourced IT professionals will not have the clear understanding of the company's business processes as an in-house IT staff has.
- Lack of customer focus: The outsourced IT professionals may be providing their services to multiple companies at a time and this can cause of lacking complete focus of the company's tasks.

(Flatworld Solutions Pvt. Ltd, 2019)



#### **C.4.2 In-house IT department**

➤ **Advantages of in-house IT department:**

- Quick support: Having an in-house IT department provides the immediate respond to any kind of technological issues.
- Business understanding: An in-house IT specialist may have better understanding about the business processes of the company. They are able to provide the best and efficient solutions, suggestions to the business in a short time when the company needs.
- Security to confidential data: As the in-house IT department members are the full-time employees of the company, they are responsible for providing the security to the confidential data. The valuable data will not be shared with any third party.
- Fixed expenditure: The company will able to develop and maintain any IT projects with their in-house IT department within the fixed salary of the employees and using their own IT infrastructure.

➤ **Disadvantages of in-house IT department:**

- Limited skills: The world of IT is always updating and upgrading. Having in-house IT department create limitations of having up-to-date technologies and skills for the company.
- Expense: Expenses become one of the disadvantages for a company of having in-house IT department. Forming up the IT team, training them when it required, stablishing an IT infrastructure require a huge amount of budget to run the department efficiently.

- Business culture: Having full time IT specialist for non-IT focused company will be appeared as consuming aspects of money. Besides, high skilled IT professionals will not be agreed to have workless hours because of their career path.

(TEKexpress, 2019)

As the amazing destinations company is going to implement the two new major system to increase their business success rate, merging the both approaches will be efficient for developing their new business model. The main business of the company is selling the holiday packages to the client, so they do not require a huge and advanced in-house IT department. They should go outsourcing to develop those two systems according to their business processes and form up a small in-house IT team consisting of one or two IT staffs in order to maintaining those systems. If any update or development of new features can be done again by outsourcing IT professional on that particular tasks.

## **Part D. Conclusion**

In this competitive world, every company needs to adopt new technologies and procedures to maintain their existence in business. This entire strategic report provides the company background issues and the solutions with descriptive SWOT analysis. Based on that analysis, implementation of two new major systems are suggested for the company's business improvement.

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