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ASSIGNMENT 3

PROF K. AUGUSTINE

INTRODUCTION TO INFO SYSTEMS

Question1

1

Target is a very big company and their expansion to the canadian market was a very ambitious one to say the very least. In the end they had a very short run as a result of one problem after another, the inability to properly implement information systems in areas of projecting sales, costs and expectations is a major factor in the steady decline of target in the Canadian market.

The first and arguably the major reason behind the failure was the number of stores opened, 133 in number were spread across Canada and this caused all kinds of problems. The number of stores and the amount of inventory being brought in for these stores did not correspond, **where if the appropriate information systems were applied, they would have known not to open as many stores as they did and would have been able to control the demand and supply. In addition to the earlier point it is not all about how many stores are put up but them being put up in strategic locations**. The large number of stores put up also left little to no room for mistakes to happen and to learn from those mistakes

Secondly, the pricing of the products were way too high for customers which was very damaging especially for the sales market where there are other giants such as Walmart who have more reasonable prices. This problem further constituted the problem of customers going there only once and after reviewing all the prices never to return. **The proper information system procedures should have been used and applied so information on prices of competitors could be acquired and prices of their more successful branches in America could be used as references on pricing**. What also contributed int the area of pricing was the bad timing, at the time the stores were up and running, US and Canadian dollar were pretty much on par with each other, so the set prices already automatically looked overpriced.

Lastly, the countless inventory issues that kept on coming up. **The information systems they had were not properly used as there was constant inconsistency in the information target had about inventory was quite clear as more times rather than naught products were often overstocked and understocked**. The normal situation went on as popular products being sold out and less popular products being overstocked. This caused customers to immediately cease going there because there is no use going to a store that doesn’t have the product that you need

2

What target should have done once these major problems is that firstly, all the appropriate information should have been gathered regarding how much all each store is making and based on current sales how much would they make in a long run. Next would be to close those stores which are bringing in the least profit or in this case losing the most money and then further focus on properly supplying the stores doing better until sales turn around and profit starts coming in. By the time things start to get better, then more stores can continue to get opened at a steady pace where steady profit would be coming in.

3

A fully integrated supply chain management (SCM) system would have helped by analyzing the chain of supply implementing either the **push-based model or the pull-based model,** whichever the case it may be. These models would have been used to determine exactly what products are needed in supply and in what amounts. In the case of the push-based model proper projections would be made on what products would be in high demand and they will be supplied in the appropriate amounts. On the side of the pull-based model, products will be supplied in accordance to the amount of orders made by the customers. This method should have been used because target would have known exactly what the customers wanted and would have been able to act accordingly. In the case of a fully integrated Customer Relationship Management (CRM) system, it would have helped with relationship between customers and the company. This would have helped in many ways, one being call centre and customer service support. This lets the company keep track of how satisfied customers are with the goods and services being rendered to them. Another form where it would help will be information collected on what products and services are being ordered the most, all this information would have helped drastically if applied accordingly.

QUESTION 2

1. A well-established ERP system will ensure that data and supporting materials for altitude online’s multiple silos working across their various locations are properly maintained and protected. It also makes it very easy and convenient to do all this because the data is properly arranged and easily accessible.

The ERP will also effectively help in customer transaction handling, keeping track of orders and all the information that comes along with them. The ERP will also effectively help with the planning process and delivery process in the sense that all the sources needed to ship and keep account of the orders will be kept track of.

1. As helpful as the implementation of and ERP is, it is not perfect and therefore has problems of its own. The first being the training of staff to get accustomed to the new system, as most of them are used to manually handling all this information for many years and will probably find it difficult learning how to use the new system. Some may not even learn, and new staff will eventually have to be hired in their place.

Secondly will be integrating it into the company’s overall processes as the ERP will take the place of some processes and it will have to be put in line with other processes within the company which may prove to be a challenge. If the ERP is more on the complex side there might have to be a complete rework of company processes

1. Value chain can be defined s a process of analyzing an organizational activity to determine where value is added to products and/or services and what are incurred doing so. Its analysis describes the activities such as primary and secondary or support activities within and around an organization and make a relationship to a survey of the competitive strength of an organization.

Parts of Altitude’s Value chain that will be supported by the ERP:

**Finance**: This is being the most important part of the organization. It will consist of the overall budget for each fiscal year, employee payroll, general ledger to mention a few.

**Engineering**: This will include Document creation, Management and control, engineering data management technical data management etc.

**Production**: Managers and supervisors will receive support from those above them being the executive management, to ensure that they have all the materials for day to day processes and production

**Marketing and sales:** All activities that are involved with satisfying a customer and bringing in new customers are handled in this area. It also assists to develop a good relationship between manufacturing and market.

**Human resources**: This area is assisted by the human resources management system to keep track of many things including applicant tracking, job descriptions, employee evaluations, benefits tracking etc.

**Customer relationship management**: this system captures and integrates data from all over the organization, it assists in distributing the results to various systems and customers touch points across the enterprise. It also assists with maintaining relationship between customer and company

**Supply chain management**: These are processes that keep track of delivery of foods and services to customers at the lowest and most convenient prices, at the same time giving constant updates at every stage of processing up until transaction is complete

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| PRIMARY ACTIVITIES | SECONDARY ACTIVITIES |
| Service | Procurement |
| Marketing and sales | Technology development |
| Operations | Human resource management |
| Inbound logistics | Administration and management |
| Outbound logistics |  |
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