2020

Strategic IS Management

Strategic IS Managament

Baber M (FCES)

Table of Contents

[1 – Introduction – (100) 2](#_Toc32562516)

[2 - Analysis of problem situation – (250) 2](#_Toc32562517)

[2.1 - Introduction 2](#_Toc32562518)

[2.2 - The Law of the Market – Law 0 2](#_Toc32562519)

[2.3 - The Law of Flexibility – Law 1 2](#_Toc32562520)

[2.4 - The Law of Focus – Law 2 2](#_Toc32562521)

[2.5 - The Law of Velocity – Law 3 2](#_Toc32562522)

[2.6 - The Law of Complexity and Cost – Law 4 2](#_Toc32562523)

[3 - Application of problem-solving technique – (250) 3](#_Toc32562524)

[4 - References 5](#_Toc32562525)

[5 - Appendix 5](#_Toc32562526)

# 1 – Introduction – (100)

This report evaluates the company HMV and looks at how the organisation can make use of Lean Thinking to optimise their workflow. HMV is somehow still relevant in this fast-paced digital age with a high growth of streaming platforms, but report focuses on a core issue which could benefit their workflow.

HMV’s main complaint via Trustpilot shows that most of their problems are due to deliveries, with automated emails which aren’t very helpful and their products being out of stock when they state online, they are in stock. This could be human error if using the older paper-based method, or it could simply be an out of date database. With these reviews being publicly available, it could be damaging to their reputation and other potential customers would choose to shop somewhere else.

# 2 - Analysis of problem situation – (250)

## 2.1 - Introduction

The main problem which was found whilst researching HMV is their deliveries and their ambiguity around their stock, this can be seen with their reviews on publicly available review sites such as Trustpilot. With 593 reviews, 39% of the reviews are below average which mostly touch on the area of deliveries, loyalty scheme and stock.

Before tackling these problems, some form of analysis can be carried out with the Five Laws of Lean. Lean can be described as the elimination of waste (Rand. G - 2014) and is the process of working smarter, not harder. Whilst carrying out this analysis it is important to treat each law as a link, which should have a strong foundation and a good connection to build up a good analysis.

## 2.2 - The Law of the Market – Law 0

The first law of lean is value, and through investigation understanding how to find the values your customers really seeks. This can be discovered with a Value Stream Map (VSM) which helps the company identify at which stage offers the customers value.

## 2.3 - The Law of Flexibility – Law 1

The second law of lean is flexibility, and as the name states it is about flexibility in the workplace. Being receptive to changes allows the company to optimise performance, this can be done by looking at the VSM and identifying which parts provides value. If there are any parts which don’t provide value, these tasks can be optimised and removed from the VSM.

## 2.4 - The Law of Focus – Law 2

**FLOW**

The third law of learn is focus, and with this law the focus has moved to flow. Flow is how smoothly and efficiently the tasks moves from each different step. When analysing the law of focus, it is important to make sure that make sure no part of the process is in batches. Batches are also known as just in case, works in progress, and errors, these are all inefficient and can create disruptions to the flow. There are also other types of disruptions to flow which sometimes can’t be optimised completely, and that is departments.

(If a product is damaged, more work is put in to catch up and disrupts the flow) & Departments (By splitting up the teams, communication and disrupt the flow)

## 2.5 - The Law of Velocity – Law 3

The velocity of any process is inversely proportional to the amount of ‘work in progress’ (WIP). This is also known as little’s law.

**Allow customers to pull the product as needed.**

Minimising work in progress (unfinished tasks) gets to the goal quicker

Little’s law?

## 2.6 - The Law of Complexity and Cost – Law 4

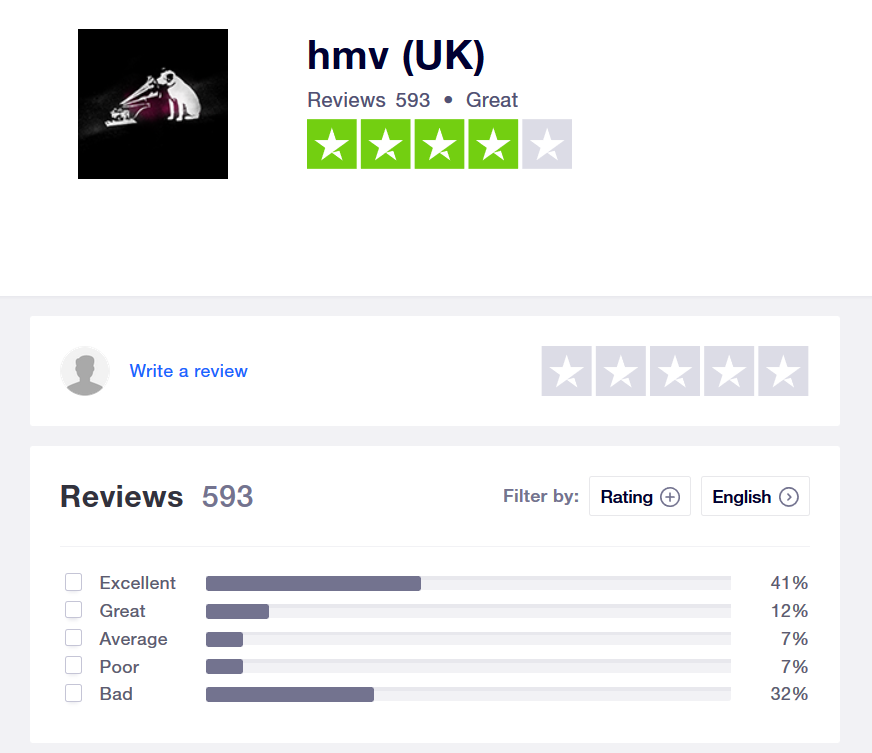
**Perfection?**

Work only on what we need to, producing the minimum viable solution

“The complexity of the service or product offering adds more non-value, costs, and WIP than either poor quality (low sigma) or slow speed (unlean) process problems.”

We should aim to develop the minimum viable solution.

Do what needs to be done, no more



# 3 - Application of problem-solving technique – (250)

HMV’s problem can be broken down into a bunch of tasks known as a Value Stream Map, which outlines the description of each task with the type of Muda and value it offers.

|  |  |  |
| --- | --- | --- |
| Task | Description | Muda / Value? |
| 1 – Go to Shop | The customer would be required to go to the store and search for a product. | Type 1 Muda.  Whilst some customers might prefer to go to a store in person, this process could be made easier with an online store. |
| 2 – Find Product | Now at the store, the customer can look for the required product or browse for other products. | Type 1 Muda.  Like task 1, this process could be made easier with an online store and a search function. |
| 3 – Seek Assistance | If the customer can’t find the product, they can ask for assistance from a member of staff. | Type 1 Muda.  Whilst customers would require assistance for some thing, like task 1 and 2, this could be optimised with modern technology. |
| 4 – Check Stock | Staff can check for product in specified location, which was arranged by hand, if none is on the shelf the staff member can check stock. | Type x Muda |
| 5 – Track stock levels | When staff member grabs the product out from the warehouse, stock levels must be tracked on a paper stock book which should record the unique item number, stored location, seller price, stock number, cost, quantity and so on. | Type x Muda |
| 6 – Update Stock | Stock levels would need to be tracked and updated every time the stock is moved from warehouse to store front. This process should be done by a stock taker or a member of staff. | Type x Muda |
| 7 – Ring up order | Staff member can now ring up the customer and proceed with the check out. | Type x Muda |

|  |  |
| --- | --- |
| Task | Description |
| 1 – Go to Website | User goes to HMV’s website, must click an additional button to get to the shop. |
| 2 – Find Product | User can now look for a product on HMV’s online store, if product is |
| 3 – Purchase Product | Can select click and collect or give delivery details |
| 4 - | Details are collected and passed onto the delivery company. |
| 5 - | Delivery company can |
| 6 - |  |

# 4 - References

HMV (UK) (2020) *HMV (UK) Reviews.* Available at: <https://uk.trustpilot.com/review/www.hmv.com> - (Accessed: 07/02/2020)

The Guardian (2020) *HMV confirms three stores are closing with job losses expected.* <https://www.theguardian.com/business/2020/jan/04/hmv-confirms-three-stores-are-closing-with-job-losses-expected> - (Accessed: 10/02/2020)

BBC News (2018) HMV: Did streaming cause retailer to fail. Available at: <https://www.bbc.co.uk/news/technology-46703208> (Date accessed 10/02/20)

Companies House (2019) HMV GROUP PLC. Available at: <https://beta.companieshouse.gov.uk/company/03412290/insolvency> (Accessed 06/11/19)

Queensland Government (2020) *Keeping track of your stock.* Available at: <https://www.business.qld.gov.au/running-business/finances-cash-flow/stock-control/keeping-track> (Date accessed: 13/02/2020)

Rand, G. (2014) ‘Lean Thinking-Banish Waste and Create Wealth in Your Corporation. by JP Womack; D. T. Jones‘ *The Journal of the Operational Research Society*, Vol. 48, No. 11 (Nov., 1997), pp. 1148-1149, Accessed: 14/02/2020.

Huthwaite, B. (2007) *The Lean Design Solution, A practical guide to streamlining product design and development.* Institute for lean innovation Mackinac Island, Michigan 2007.

[https://www.theguardian.com/business/2016/sep/29/hmv-down-41m-as-decline-in-physical-media-continues - Date Accessed 28/01/20](https://www.theguardian.com/business/2016/sep/29/hmv-down-41m-as-decline-in-physical-media-continues%20-%20Date%20Accessed%2028/01/20)

<https://www.retailgazette.co.uk/blog/2018/12/hmv-officially-falls-administration-extremely-weak-christmas-trading/> - Date Accessed – 28/01/20

<https://completemusicupdate.com/article/hmv-owner-sunrise-buys-us-retail-chain-fye/> - Date

<https://thevinylfactory.com/news/hmv-new-store-birmingham-25000-records-hmvvault/>

<https://www.hmv.com/music/hmv-vinyl-week-2019-more-exclusives-revealed>

# 5 - Appendix