J.E. Cairnes School of Business & Economics



Semester 2 Alternative Assessment 2021/22 End-of-Module Assignment

Module Code: MS809

Module Name: Enterprise Systems

Student ID: 21238109

*“In submitting this work I confirm that it is entirely my own. I acknowledge that I may be invited to undertake an online interview if there is any concern in relation to the integrity of my submission.”*

**Question 2**

***“The proliferation of Global Supply Chain Management (SCM) solutions has led to the realisation that these investments are no longer likely to provide strategic advantage, but simply the business basics.”***

**Discuss this statement and consider the potential strategic value of SCM to organisations. Your answer should firstly describe the key components of a Supply Chain Management system and then consider the role of technology in providing strategic advantage through the supply chain and contemporary approaches to creating value. Use a case study example (or examples) to illustrate your answer.**

Supply chain management is the process of managing the movement of goods and services from raw materials to the end user through a network of interconnected enterprises and systems. A supply chain might include several organizations; supply chain management is the process by which each company manages both its own internal performance and the movement of commodities to and from other enterprises.

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Supply chain management (SCM) is seen as a competitive strategy. Managers struggle with an increase in supply chain complexity (SCC) as a result of increased product diversity, structures, and processes, which has a detrimental impact on a firm's efficiency in terms of lead times, flexibility, and costs. Strategic collaboration between supply chain partners, as well as organizational strategies and processes, is required to build and maintain competitive advantage.

**Key Components of Supply Chain Management**

To ensure sustainability and efficacy, supply chain management has five features or components that must be examined.

**Planning**

Inventory and operational resource levelling are both possible with proper planning. The Organization may better manage cash flow and meet consumer wants by controlling supply through source planning and regulating demand through demand planning. Organizations use analytical tools to forecast market demand and certain material planning systems, such as Material Requirement Planning, to plan the required raw materials.

**Sourcing**

Identifying vendors who are not just capable, but also adaptable to the needs and preferences of the customer. Vendors must also be able to meet demand on a constant basis, especially during peak seasons, and not rely on customers to place orders during slow periods. Before sending the product to the customer, the vendor must meet the customer's needs and be able to identify non-conformance to the standard at their end.

**Making**

From the transformation of raw materials to the end product, the organization will handle everything. At this level of supply chain management, activities like assembly, testing, and packing takes place. Even with the most advanced automated production lines, there is almost always room for improvement in the manufacturing process.

**Delivering**

Customers expectations for finished goods and services must be met through the company's delivery routes and logistics services. This stage also includes warehousing and inventory management, or contracting a service provider to do both.

**Returning**

This process is called as ‘Reverse Logistics’. It is the post-delivery customer service process for all types of returned merchandise. Damage, defective products, products approaching or exceeding their expiration dates, or incorrect products/quantities being sent are all possible causes.

**Role of Technology in providing Strategic Advantage of Supply Chain Management**

Third-party logistics providers that are outsourced

* Adjust storage and distribution demands based on client demand by utilizing warehouse and storage flexibility.
* Move items between third-party logistic providers' warehouses and distribution networks to get them closer to clients.
* Negotiate for lower logistics costs and fixed pricing by using economies of scale.
* For insight into the location, transfer, and timeliness of commodities, use IoT devices.

Flexible Demand and Supply Management

* To ensure that supply levels will satisfy demand, get a head start on new product releases and marketing initiatives.
* Measure seasonal supply and demand trends and forecast demand using AI modeling and machine learning.
* Prepare manufacturers and other suppliers for increased demand, and enlist the help of other groups to handle production scaling.
* Understand the influence of supply and demand on the overall supply chain and optimize SCM using predictive and prescriptive analytics.

Supply Chain Process Management That Works

* Incorporate supply chain improvement initiatives into contracts and service level agreements with other supply chain entities.
* For maximum visibility and verifiability, store documents, metrics, contracts, and other details in the blockchain.
* To eliminate rework, manual errors, or duplication of labor, move firms to a single, integrated supply chain management software platform.
* To query datasets provided by supply chain processes and present alternatives for simplifying operations, use machine learning and artificial intelligence.

Supplier Relationship Management that Works

* Use integrated natural language processing to overcome language and other hurdles with suppliers when blockchain or IoT technology decides that products have been dispatched or received.
* Collaborate with suppliers on quality improvement efforts and invest in process improvement.

Document Management Load Reduction

* Machine learning can be used to translate documents into various languages.On the blockchain, capture and verify documents, including digital signing and tracking.
* Integrate unique identification into papers like bills of lading or shipment notices using IoT devices or other tags.

The consumer's overall evaluation of a product's utility is dependent on perceptions of what is received and what is given.

In business markets, value refers to the monetary value of a set of economic, technical, service, and social benefits received by a customer firm in return for the price paid for a product, taking into account the offerings and pricing of available suppliers.

**Case Study Example**

Apple's supply chain includes a large number of third-party vendors. Apple has 785 suppliers in 31 countries, with 349 of them situated in China, according to recent research. Apple has a number of long-term exclusivity relationships with its main suppliers, and it employs prepayments to secure favourable price terms, obtain vital raw materials, and ensure high production quantities.

Apple has also expanded its supply chain to include new manufacturing partners in China and Taiwan. For future goods, it has also purchased a number of important component suppliers (such as the Apple Watch).

Apple's policy of having numerous vendors for the same component gives it a significant competitive advantage.

* sustain gross margins by minimizing supply chain disruptions and delays
* Increase production capacity fast to meet changing consumer demand
* As several suppliers compete for its business, reduced supply costs are encouraged
* enormous amounts of pre-orders, which it then analyzes to provide demand predictions
* reduce the risk of third-party concerns associated with volume dependency by adjusting ordering ratios with existing suppliers

**Question 3**

***“CRM is a strategic business initiative, not a technology”***

**Discuss this statement. In your answer you should outline the key components in a Customer Relationship Management (CRM) system and how these contribute to the business strategy of an organisation. You should use case study examples to illustrate your answer.**

Customer relationship management (CRM) is a set of technology and methods that businesses employ to manage and analyse customer interactions and data across the customer lifecycle. The goal is to boost customer loyalty and sales by improving customer service relationships. CRM systems collect information from customers via a variety of channels, such as the company's website, phone, live chat, direct mail, marketing materials, and social media. CRM software allows you to keep track of customer or potential customer interactions, data, and notes. The information is maintained in a central database that may be accessed by different persons inside a company.

CRM is the process of recognizing and developing new value for individual customers and distributing the advantages throughout the course of a long-term relationship. Thus CRM is a Strategic business initiative.

**The main key components of the CRM are,**

**Collaborative CRM Systems**

Collaborative CRM allows you to establish contact between different entities involved in customer support. This could comprise internal departments (such as marketing, sales, customer service, and technical support), as well as external stakeholders, vendors, suppliers, and distributors.

No matter which department or channel they work in, collaborative CRMs ensure that all teams have access to the same up-to-date customer data. Not only does customer support have access to all of the data gathered by marketing and sales teams when working with a prospective customer, but call center operators also have access to current data on email conversations.

**Benefits of Collaborative CRM Systems**

**Interaction management**

It is easier to help customers when they have a centralized access point to their data and interaction history.

**Channel management**

Customers will communicate with your firm through a variety of methods.

**Document management**

Document management solutions are also supported by collaborative CRMs, the team can access any formal documents like proposals, technical docs.

**Operational CRM Systems**

Automation functions are common in operational CRM systems. Marketing automation, sales automation, and service automation relieve your employees of some of the tasks they need to do. In the business-customer interaction, this CRM solves problems. High call volumes are common in companies that are having trouble with customer relations, for example. Organizations can discover the right information faster and track the development of interactions to a successful finish by applying an operational fix.

**Benefits of Operational CRM Systems**

**Sales automation**

You can ensure that you get new clients and deal with existing ones by establishing service standards through sales automation.

**Marketing automation**

It lets marketers to determine the most effective strategy to market and sell their goods and services.

**Service automation**

This system is intended to assist you in providing better customer service and increasing customer satisfaction.

**Contact Management**

When someone interacts with your company, the CRM immediately updates the contact information.

**Analytical CRM Systems**

The primary goal of this system is to manage and analyze data. As a result, an analytical CRM will gather, organize, and analyze data from the business process. Large amounts of data may now be collected using digital technologies and platforms. Its principal function is to comprehend client behavior, delivering information on broad demographics as well as highly personalized patterns that can be used to make crucial decisions.

**Benefits of Analytical CRM Systems**

**Data Extraction**

It will arrange and store the data in a centralized area, making it easy to examine.

**Tracking Employee Performance**

Customer engagement and complaints aren't the only things that analytical CRMs track. These tools can also keep track of how well your personnel handle customer service concerns.

**These key components helps in building effective business strategy of an organisation, Some of the examples of effective business strategies are,**

**Healthy relationships requires well-planned contact**

With a CRM strategy in place, your entire staff is on the same page when it comes to maintaining customer relationships healthy. But sometimes it is left with poor collaboration.   The client suffers as a result of this bad collaboration. Interactions can get stale and acquisition chances can be missed without the proper follow-up.

Although every company prioritizes its clients. Because the customer is king, your firm will remain in demand and operational. However, many businesses are unaware that business is not a democratically driven constitution. It implies that no two clients are of comparable worth. Certain clients are more profitable than others, and they should be given higher priority as a result.

**Consider Employee suggestions**

Your workforce are equally as important as your consumers. Your employees would be in charge of determining whether or not you are meeting your objectives. The correct way to go is to lay out strategic strategies and adopt a step-by-step strategy with employee consultation. It will not only make your employees feel more accountable, but it will also enable them to take the best possible approach for the benefit of the firm.

**A well trained team outperforms**

Assist your personnel in comprehending why they're employing a CRM and the advantages it provides them and their consumers. They'll be eager to use it once they realize how much easier it will make their tasks and how much more effective they can be. Demonstrate how to use the system so they feel comfortable navigating the CRM and solicit ideas on how to improve it.

**Decide who is in responsible of what**

Responsibilities must be explicitly designated in any team so that no one assumes they are being handled by someone else. Determine who will be in charge of which roles in the CRM system and make sure everyone is on the same page. If your teams are performing the same tiresome and repetitive duties, there's a good chance you can automate them. Allowing your sales, marketing, and customer support staff to focus on more vital tasks can free up time for them.

**Combine your CRM strategy with your overall business goals**

When you achieve smaller targets through CRM strategy, you are inadvertently working toward your long-term business objectives. Every corporation has a corporate strategy that focuses on growing the company and increasing profitability. In contrast, the CRM strategy is more concerned with establishing and maintaining a positive relationship between the customer and the employee. It is more concerned with accomplishing immediate goals than with long-term objectives. If a strategy decision isn't implemented successfully, organizations should never second-guess themselves for taking the time to analyze, review, and improve it.

**CRM Case study example about Sephora**

Sephora creates Digital Customer experience and also creates community by Inspiring loyal customers. One of Sephora's main objectives is to provide a high-quality shopping experience for all customers, whether they shop online, on mobile, or in-store. Sephora accomplishes this by using data acquired from their customers' shopping behaviours to tailor information on the app to each shopper's specific needs. In the same way that a personal shopping assistant or a Sephora sales associate would provide product recommendations, reviews, and pricing information in a straightforward format, the app is designed to make it simple for customers to purchase things.

Sephora then uses a tiered reward program to drive client involvement and purchases. This gives personalized gifts, offers, and discounts to its most loyal consumers. It has created excitement and exclusivity around its loyalty program, which helps to promote sales and keep customers.

Sephora creates online digital alternative solution to educate customers on their way to making a better purchase decision and feel confident with their selections.

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