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Task: Tutorial 2

1. Horizon Manufacturing's operations are currently faced with several serious challenges. Firstly, the use of manual data entry processes, such as order forms and quality control reports, is leading to errors, delays, and an increase in administrative workload. Secondly, the company is encountering difficulties in managing its inventory, resulting in problems like overstocking or shortages that disrupt production schedules and raise costs. Thirdly, there is a misunderstanding and a hindrance to the company's ability to respond quickly to customer requests due to inefficient communication by various departments. Fourthly, the company is under competitive pressure from more digitally agile rivals, who pose a threat to Horizon Manufacturing's market position by offering quicker turnaround times and competitive pricing. Lastly, the company's reputation has been negatively affected by a decrease of customer satisfaction due to late delivery and incorrect ordering.
2. The attitudes of Mr. Anderson and Ms. Bom significantly influence Horizon Manufacturing's ability to modernize. Mr. Anderson's resistance to change, stemming from his long tenure and preference for traditional methods, poses a considerable obstacle to the company's modernization efforts. His cautious approach may reduce funds for technical upgrade and delay adoption of new practice, which could result in missing opportunities to improve efficiency and competitiveness. Conversely, Ms. Bom's forward-thinking stance drives innovation and efficiency, fostering a willingness to explore digital solutions and improve operations. Her approach is in line with customer demand for a quicker response time as well as competition pricing. To succeed in modernization, Horizon Manufacturing must strike a balance between these two perspectives, emphasizing effective communication and change management to leverage the benefits of digital transformation while addressing concerns and reservations.
3. Failing to address Horizon Manufacturing's operational challenges poses significant risks to the company. First and foremost, Horizon Manufacturing risks eroding its competitive advantage, as competitors have already adopted digital transformation, enabling quicker response times and competitive pricing. This can result in a loss of market share and revenue. Secondly, customer's dissatisfaction caused by late delivery and errors may result in declining loyalty and trust which could lead to losing customers or damaging the company's reputation. Poor inventory management resulting from manual tracking can disrupt production schedules, increase costs, and impact the company's ability to fulfil orders promptly. Moreover, the rising tide of customer complaints regarding late deliveries and order inaccuracies jeopardizes the company's reputation and long-term client relationships. Lastly, internal resistance to change, exemplified by the CEO's reluctance, can create friction within the organization, hampering progress and demotivating employees eager to embrace efficiency-enhancing digital solutions.
4. Embracing digital transformation can significantly impact Horizon Manufacturing's competitive position in the market. The company can improve its operating efficiency, minimise errors and facilitate communications through the application of new technology and processes. This will enable Horizon Manufacturing to offer faster turnaround times, greater accuracy in ordering and a more competitive price. This could allow the company to regain its competitive advantage and possibly increase its market share. The adoption of Digital Transformation will also open the possibility to use data and analytical insights, enabling improved decision making and greater flexibility in response to market changes and customer needs.
5. To begin the process of modernizing Horizon Manufacturing's operations, several steps can be taken. Firstly, to determine areas for improvement, a thorough assessment of current processes and information technology infrastructure should be carried out to identify areas in need of improvement. Secondly, the IT specialist Thabo Ndlovu and Ms. Bom need to work together on developing a roadmap for digital transformation which is in line with company objectives and budgets. Thirdly, to improve communication and order processing, the company should invest in technology solutions such as Enterprise Resource Planning systems for inventory management and Customer Relationship Management systems for improved order processing. To ensure that employees can use these systems efficiently, training programmes should be put in place. There are potential advantages for this modernisation in terms of improving operating efficiencies, minimising errors, increasing communication, enhancing customer satisfaction, and strengthening competitiveness on the market. In addition, the introduction of digital transformation can create new opportunities for innovation and growth.