

Project: Analyzing a business transformation case study

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Step 1: Review the expanded case study

VastraCraft Innovations has experienced rapid growth due to the popularity of its online store, showcasing a blend of traditional and modern designs. However, their internal systems, particularly order processing and inventory management, have not kept pace with this growth. This has led to frequent errors in order fulfillment, delays in shipping, and a growing number of customer complaints, both domestically and internationally.

To address these challenges and ensure continued growth and customer satisfaction, VastraCraft Innovations implemented a new, integrated enterprise resource planning (ERP) system. This system aimed to streamline their operations, improve data accuracy, and enhance their ability to respond to customer needs, while also respecting the unique aspects of their traditional craft.

The implementation of the ERP system resulted in a 30% reduction in order fulfillment errors, a 25% decrease in shipping delays, and a 15% increase in customer satisfaction scores within the first year. The system also enabled VastraCraft Innovations to better manage their inventory of unique, handcrafted materials and designs, ensuring that traditional artisans could continue to contribute to the company's success.

Step 2: Case analysis

What was the core problem or opportunity the company faced?

VastraCraft Innovations was experiencing **operational inefficiencies** due to outdated and fragmented internal systems. Their order processing and inventory management systems could not keep up with the rapid growth of the online store.

How did the company assess its current state and identify needs?

VastraCraft Innovations assessed its current state by closely monitoring customer complaints about shipment delays and fulfillment errors, tracking key operational metrics that revealed increasing order-processing mistakes and inventory inefficiencies, and reviewing internal process workflows to identify gaps between growing demand, processing speed, and system capability.

What was the impact of the problem or opportunity on the business?

The company's outdated systems caused frequent fulfillment errors, shipping delays, and rising customer complaints, which collectively threatened brand reputation. Inefficient inventory management—especially critical for limited handcrafted materials—further disrupted production planning. These issues created significant operational inefficiencies, reducing productivity and increasing overall operational costs.

Who were the key stakeholders involved, and what were their interests?

Inside the company, key stakeholders ranged from leadership aiming for steady growth, to operations and logistics teams looking for smoother, more accurate order handling. Inventory and production managers needed clearer, real-time stock information, while traditional artisans wanted reassurance that their craft wouldn't be compromised. The IT team oversaw the ERP rollout, and customer service staff relied on having all customer and order information in one place. Externally, customers expected fast and accurate delivery, and the ERP vendor and consultants played an important role by supporting the system's implementation.

Step 3: Solution evaluation

Assess the solution's impact

The new ERP system delivered strong results. Order accuracy improved significantly, with a 30% drop in fulfillment errors thanks to better automation and standardized workflows. Shipping delays also decreased by 25%, showing that coordination across order processing, packing, and logistics had become more efficient. Customer satisfaction rose by 15%, driven by fewer mistakes and faster deliveries. The system also strengthened inventory control—especially for limited handcrafted materials—by providing real-time visibility and more accurate tracking, helping the company avoid stockouts and support artisan production more effectively.

Consider alternatives

Several alternative solutions were explored. One option was to implement only an Order Management System alongside basic inventory tools, which would have been quicker and less costly but would still leave major gaps in finance, production planning, and overall integration. A Warehouse Management System, paired with redesigned workflows, could have improved picking accuracy and reduced delays, though it wouldn't address wider data and process disconnects across the company. Working with a third-party logistics provider could have strengthened shipping reliability, especially for international orders, but would reduce control over the handling of delicate handcrafted items.

Another possibility was to use separate ‘best-in-class’ tools for CRM, inventory, and accounting, connected through an integration layer. While flexible, this approach can become complex and harder to maintain. Process improvements and staff training, supported by light automation, could offer short-term benefits but would not scale as the business continued to grow. A hybrid model—using an ERP as the core system while adding specialized tools where needed—offered a balanced path, but required strong integration planning and long-term governance.

Understand success metrics

VastraCraft measured the ERP implementation's success using several key performance indicators. Operational metrics included order fulfillment error rates, on-time shipping performance, inventory accuracy through cycle counts, and stockout frequency for handcrafted items. Customer metrics focused on satisfaction scores (CSAT), Net Promoter Score (NPS), complaint volumes, and return patterns. Financial indicators tracked cost per order, inventory carrying costs, and revenue and margin trends to gauge profitability impact.

The company also monitored system adoption and data quality by tracking user engagement, training completion, and data reconciliation issues. Governance metrics, such as adherence to rollout milestones and vendor SLA compliance, were evaluated against pre-ERP baselines. Targets—like a 30% reduction in order errors—helped quantify progress and confirm the system's effectiveness.

Extract key lessons

- Technology should support processes: Automate validated workflows without compromising craftsmanship.
- Measure first: Use baseline metrics to quantify impact.
- Manage change carefully: Train staff and preserve traditional practices to reduce resistance.
- Prioritize data quality: Accurate, real-time information improves forecasting and inventory control.
- Roll out in phases: Implement modules step by step to minimize disruption and cost.
- Invest post-launch: Continuous improvements and audits sustain results.
- Focus on customers: Efficiency should enhance trust, satisfaction, and retention.

Step 4: Recommendations

Final recommendations for VastaCraft Innovations:

1. Leverage ERP for Growth and Brand Strength

Use the ERP to expand global reach, improve cross-border logistics, enable multi-currency/multi-language support, preserve craftsmanship through traceability and quality control, and support scalable operations and product innovation.

2. Anticipate Challenges and Mitigate Risks

Address potential resistance to digital adoption, integration complexity, data quality issues, over-reliance on ERP, and cybersecurity risks through training, governance, phased rollouts, audits, and continuous process improvement.

3. Framework for ERP Implementation

Follow a structured approach: assess current state and define KPIs, design the solution with cross-functional input, prepare people and processes through training and change management, implement in phases, and continuously evaluate and optimize performance.

4. Critical Success Factors

Ensure strong executive sponsorship, align technology with cultural and craft priorities, foster cross-functional collaboration, define clear measurable KPIs, maintain data quality, manage change effectively, and roll out the system in phases to minimize disruption.