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**CASE-2**

**SOUTHWEST AIRLINES TAKES OFF WITH BETTER SUPPLY CHAIN MANAGEMENT**

**GIST**

* The Southwest Airlines is the largest low-fare, high frequency, point-to-point airline in the world.
* This company is founded in 1971 with four planes serving three cities, the company now operates over 500 aircraft in 68 cities, and has revenues of $10.1 billion.
* lack of information visibility is one of the biggest problem for Southwest Airlines.
* For southwest, which prides itself on its excellent customer service, getting passengers from one place to another with minimal delay is very important.
* Repairing aircraft quickly the company spent $325 million in service inventory.
* This inventory and reduced aircraft groundings would have a strong impact on the airline`s bottom line.
* After an extensive search, Southwest choose i2 Technologies, a leading supply chain management software and service company.
* To improve the data visibility and overhaul its supply this company implemented i2 Demand planner, i2 Service Parts Planner, and i2 Service Budget Optimizer.
* Planners are able to differentiate among individual parts based on critically and other dimensions such as demand volume, demand variability, and dollar usage.
* I2 Service Parts Planner helps the company and ensures that “the right are in the right location at the right time”.
* From the i2`s solutions the southwest can recognize demand shortages before they become problems.
* Zimmerman added that i2 “will help us lower inventory costs and keep our cost per air seat mile down to the lowest in the industry.
* I2 implementation were increased availability of parts, speed, intelligence of decision making.
* The company increased service levels from 92 percent prior to the implementation to over 95 percent afterwards.

**ANALYSIS AND INTERPRETATION**

* Lack of information visibility is one of the biggest problem.
* The data that Southwest`s managers needed were safely stored on their systems but weren`t “visible”, or readily available for viewing or use in other system.
* Information about what replacement parts were available at a given time was difficult or impossible to acquire.

**QUESTIONS AND ANSWERS**

**Q1: Why is parts inventory management so important at Southwest Airlines? What business processes are affected by the airline’s ability or inability to have required parts on hand?**

* Parts inventory management system is so important for the company like Southwest Airlines because the company claims itself to be excellent in customers services.
* getting passengers from one place to another with minimum delay and if the repairing of craft takes much time it may hamper its image and profitability.
* The effective inventory management system helps to get the repairing done so easily and efficiently at any point in time.
* The company cannot have the required forecast about the parts, location of the inventory at right place and replenishment of the parts at lower cost that would tend to increase company’s bottom line.

**Q2: Why management, organization, and technology factors were responsible for Southwest’s problems with inventory management?**

* The Southwest’s inventory management problems were owing to improper information system.
* The Management did not have the required information owing to lack of visibility that was attributed to poor technology implemented at the Airline.
* The organization was not having the updated system if any manager required any data; the system did not provide the ready viewing.

**Q3: How did implementing the i2 software change the way Southwest ran its business?**

* I2 Technologies a leading supply chain management.
* It also demand planner improves Southwest`s forecasts for all the part of location combinations in its system.
* It provides the better visibility into demand for each part.
* It optimizer to overhaul its supply chain management and data visibility.

**Q4: Describe two decisions that were improved by implementing the i2** system.

* It optimizer to overhaul its supply chain management and data visibility.
* Demand planner improves Southwest`s forecasts for all the part location combination in its system, and provides better visibility into demand for each part.

**CASE-5**

**Virtual Models Sells Clothes at Sears.com**

**GIST**

* Sears & Roebucks was one of the first businesses to develop a mail order catalog business.
* There isn`t much difference between ordering from a catalog and ordering from many e-commerce sites.
* While books, music, and airline tickets are relatively easy to sell online, physical merchandise-especially clothing- is much more challenging.
* IBM and a company named My Virtual Model have partnered to provide powerful e-commerce tools for online clothing stores such as Sears.
* My Virtual Model provides a custom-designed 3D virtual model for shoppers to use to see how clothes look when tried on.
* Body size and shape, skin colour and style, and facial features can be customized to look like the customer.
* Sears combined My virtual Model with IBM`s WebSphere Commerce software to provide a visual catalog of apparel that can be dragged onto a virtual model.
* The impact of social networks on sales is sometimes referred to as the “Twitter effect”. Bad publicity for a product on Twitter can have a devastating effect on sales.
* Businesses are realizing that consumers are drawing information that shapes their shopping decisions from numerous sources.
* Businesses are responding to this by taking a holistic approach to advertising and marketing.

**ANALYSIS AND INTEPRETATION**

* Bad publicity for a product on twitter.

**QUESTION AND ANSWER**

**Q1: What recent technologies are being harnessed to invigorate e-commerce sales?**

* 3D technologies are used in e-commerce sales.
* Augmented Reality for product Visualization
* Social networking are also taking part in e-commerce sales.

**Q2: Why is it important for retailers to turn to social networking as a tool for building positive brand recognition?**

* To improve brand awareness
* Marketplace awareness
* It is cost effective

**Q3: How might a company respond to negative publicity on social network like Twitter?**

* By ignoring them
* By deleting them
* Responding in kind
* By offering an apology

**Q4: What other types of products might benefit from the integration of virtual 3D technologies with e-commerce sites?**