

**Project Report**  
**Eltron Case**  
**University of Tartu**  
**Business Analysis (MTAT.03.310)**  
**Group #18**  
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### **1. Context Analysis**

The external context analysis in the business analysis report has a weakness, it gives too much focus to the-trends analysis without any concerns for other different external context aspects, although the Trends analysis maybe is the easiest part, as many sources can perform the task for us, many organizations produce high-quality reports indicate each industry and markets trends, and those reports are easy to find.

To address this weakness, we need to perform PEST and Porter's Five Forces Analysis:

- **PEST Analysis**

- Political Factor: digitalization is a new process for the company, so getting familiar with safety laws, environmental laws, data protection laws, and Intellectual Property laws in every country is an important task.
- Economic Factor: taxes for instance.
- Social Factor: this is a significant factor in our analysis as we need to define online customers' buying habits, economic status, age distribution, education levels, hobbies and interests; and then consider this knowledge in implementing a special customer experience.
- Technological Factor: the recent technological developments, the technology's impact on the market, impact on the value chain structure, and the rate of technological diffusion.

- **Porter's Five Forces**

- the most relevant factor to our business is the threats of new entrants to the online high-quality electronics market, the other factors could be considered irrelevant.

#### **The value of PEST and Five Forces Analysis**

- **PEST**

- gives advance warnings of significant threats that lie ahead, which makes the company always ready for any obstacles or challenges to come.
- awareness allows taking actions to either use the potentials that lie ahead or divert the threats.

- **Five Forces**

- helps to understand the factors affecting profitability in the industry.
- examines the business environment in the industry.

Conducting the external analysis trying to comprehend the external context of the project is aligned with the solution and business model, as it encourages the business growth into new areas e.g., "small cities where we don't have physical stores", the external analysis

helps in taking advantage of the opportunities to maintain the business position above the competition, it also helps in understanding the business environment and the customer needs that would lead to a good customer experience, which maintains customer loyalty, and it also keeps the business always ready to handle potentials, obstacles, and threats.

## **2. Current State Analysis**

The current state analysis performed in the business analysis report is not quite sufficient, whereas there is not adequately analysis related to the business processes, the product and services that the company is offering at the current time, in addition to the need to develop the BP metrics to keep the measures of the business growth and sustainability, besides the fact that the report lacks to the analysis from the data perspective.

To address the mentioned above weaknesses a better current state analysis needs to be performed through:

- Analyze and model the business processes, as that would act as a link among different stakeholders' perspectives.
- Analyze the products and services that the company offers, and how they will be customized for the opportunities ahead, as we need to gain new customer's category and expand our market share.
- Develop metrics to quantify and keep track of all the business aspects, the report already includes metrics in the evaluation of the solution part, but it's important to deal with the metrics as an ongoing process.
- Analyze the data perspective, data flow within the business, and maybe consider the possibility of transforming to a data-driven process.

Analyzing the current state allows us to understand the business needs, how those needs relate to how it works today, and how to find a context for the solution.

By analyzing the current state adequately, we will be able to clarify the digitalization and online selling needs, define what this digitalization project requires, indicate how it would be performed, and assess whether it would be beneficial.

Analyzing the business current state would be like a base to build on, through the way from future state analysis to designing, delivering, and evaluating the solution.

Adequately analyzing the current state through the recommended approaches is aligned with the project processes, as it is a significant part of business strategy, so through the way to design and deliver the right solution, the current state analysis will be a milestone and a starting point towards achieving the project potential value, therefore supporting the business growth and sustainability.

## **3. Future State Analysis**

### **Problem found:**

From the BA report, it is clearly stated that the way of creating an online shop was chosen. The idea, of course, is good, however expensive and comparably time consumable (from my own experience, 5-6 months the development may take).

Additionally, in the given architecture for the future state only own shops are considered. If ordering the development of such a big web portal, why not make additionally a small module? (stating further)

### **Addressing the weakness:**

It is clearly stated that the plan Eltron has is to expand to other countries' markets and that the main difficulty - to make a unified solution.

There are models which were already implemented (frog.ee for instance) which cooperate with other shops from other countries (inside of the EU) on special conditions and distribute their products.

Thus, it would be good to modify the proposed future state architecture in the following way (Appendixes - Figure 1).

#### **Why it is better?**

The possibility to work with other shops from different countries and simplify this process via webshops API is the best solution in this case. Such API won't increase the price of the web project or its complexity and may be very suitable.

Considering the reputation of the Eltron shop in Germany, other companies will use the opportunity to cooperate with it, to use its inventory and distribution system, or maybe to use their own but still, to get access to better suppliers.

This particular solution implements the development of cooperation with other companies, particularly with their webshop via the development of an additional API module. As was stated before, it won't increase the price of the project significantly (from my personal experience, approx. 500 euro).

#### **How does it align with the solution and rest of the report?**

We are speaking of increasing a company's income and reducing its expenses, so in these terms, the modified solution does not disagree with the main one because the modification concerns a very small change (just developing additional simple API), which will imply both income and expenses (for instance, the cost of the localization may be very significant). However, the main approach remains.

### **4. Change Strategy Analysis**

#### **Problems found:**

The observed report has no mention of how to expand Eltron's service to other locations or how to minimize time while resolving issues. Eltron's advantages are high-quality electronics products and excellent customer service. Additionally, the tracking of goods is not available.

#### **Addressing the weakness:**

According to the gap analysis (**Appendixes - Table 1**), the company has certain customer service issues. They must improve their customer service system. For service and client satisfaction there are two options suggested:

- To optimize the customer service system - customers can contact the repair office by phone, by submitting a web form or by visiting the nearest store, where staff can handle the problem. Also, customers can contact the repair shop directly, to have in person communication and to determine a completion time. Additionally, a web page may be added for tracking the state of product repairs.
- To expand shops in small regions/areas - it will increase the amount of customers, however precise area analysis is needed.

Concerning other abilities - combining customer service and IT systems with order tracking and issue progress functionalities in the user interface allows consumers to receive exceptional service while also receiving transparent information about order service. It is more likely for customers to be more satisfied and less nervous if they will have the ability to track the order process and the status of the problem solution.

## **5. Solution Evaluation Analysis**

There are several weaknesses, that will be specified below:

### **1. Implementation Time of the Solution**

In the solution evaluation part, in the cost-benefit ratio analysis, the implementation time of the solution was not considered properly, regarding its influence on the results, and knowing that the final state can not be 100% predicted, it is valuable to think through the alternatives.

The possible alternatives:

- Change the way the solution is being implemented (organizational change);
- Change the solution, for instance, in the way it is proposed in the Future state analysis of this report;
- Do nothing;
- Retire the solution.

### **2. The Evaluation of Customers Satisfaction**

Eltron's goal is to maintain a sustainable business model, the solution was only evaluated from the company's point of view, therefore, the customer's point of view should be analyzed, as the user satisfaction is an important aspect in assessing the effectiveness of the solution.

Analyzing user satisfaction gives a clear view of whether the product is qualified, and whether the service is up to the expectations, so that it can be determined whether the solution is able to create value for the customer and whether it is necessary to continue implementing it to help maximize the benefits.

#### **Metrics to assess satisfaction:**

1. Collect user reviews (goods, services, logistics),
2. Visit customers to collect users' feelings about the use of products, service evaluation, and opinions.
3. Collect data by asking the customers to fill a survey or questionnaire online

After the data acquisition, classify the collected data, if the positive rating is less than 60%, proving that the program is generally feasible and needs to be improved, if the positive rating is higher than 60% and lower than 85%, proving that the feasibility is good, this time you need to focus on the bad reviews and analyze the causes, A positive rating higher than 90%, proves that the program is very successful and has a high degree of feasibility.

Evaluating the solution from the time perspective is a significant task and it should be taken into consideration every time a solution being developed as it is one of the company main resources, through the evaluation of the implementation time for every alternative solution we will have a very effective metric to evaluate every solution effectiveness and feasibility, even after choosing the solution that's going to be implemented, implementation time would be one of the aspects to evaluate the solution feasibility.

At the current time user's satisfaction is the main key to any business success. By assessing the customer satisfaction average we will have a method to assess to what extent the project is going to be successful, as satisfied customers will pay more money which will increase the revenue.

The good thing is that Eltron already has a good reputation in the market, based on customers' experiences in the physical stores, and the qualified staff Eltron always has.

Now based on that good reputation and the customers satisfaction assessment, we can develop the business over time to gain the customers satisfaction and the quality reputation for the online stores that match the physical ones.

## Appendixes:

Figure 1 - Future State Architecture modification.

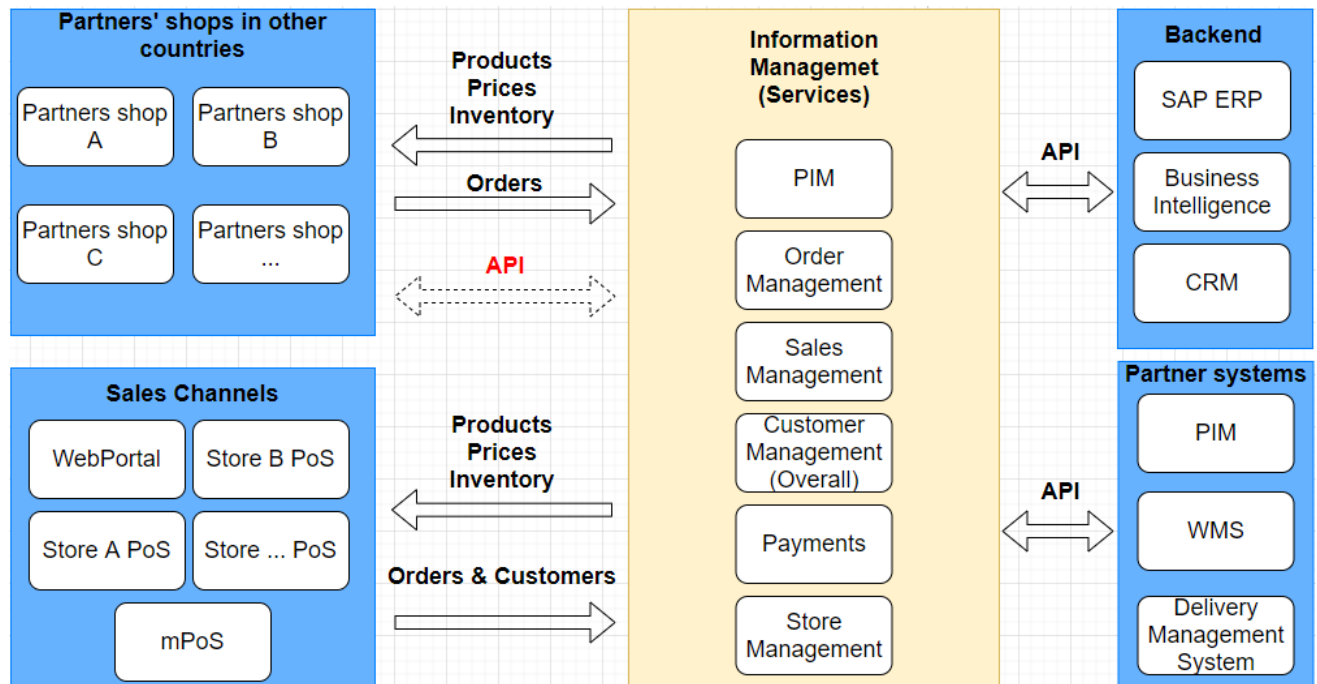


Table 1 - Gap analysis.

Area	Current state	Target state	Gap description	Examples	Responsible units	Actions	Estimation of size
<b>IT infrastructure</b>	Struggling to collect and manage valuable current data	Efficient and flexible management process; Transparent order and delivery data	There is no digital platform aggregating data of customers, delivery, and order; Lack capacity to manage extra markets; Needs to improve efficiency and transparency	If company can supply customers, delivery information after they make the order by efficient IT system, it will increase customer's satisfaction, and improve reputation of the company and revenue grow	IT department; Market department;	Establish a publishing website, integrate all services, including purchasing, order track, repair, information of POS, add customer feedback interface, etc.	All valuable information will be collected, and coupled back in time;

<b>Service and customer satisfaction</b>	<p>Company has physical shops in big cities, but not in small cities;</p> <p>Service is not everywhere;</p> <p>They need a long time and steps to solve the product's problem from customers ;</p>	<p>Provide service for all customers wherever they are, and less time spending with high efficiency on solving customers' products issues;</p>	<p>Potential customers in small places are difficult to get the service from the shops and solve problems, Eltron should open shops in small places.</p> <p>Meantime, enhance their customer service system, cut down processes of solving the problem;</p>	<p>Because there are no service points in small places, customers need to go to the service points in big cities by themselves, which is a waste of time. After a problem occurs, the company needs to consult with various departments to give a solution, which is a tedious process and cannot give a satisfactory answer in a short time, and customer satisfaction is reduced.</p>	<p>Service department;</p> <p>Marketing department;</p> <p>Repair department;</p>	<p>Company can then set up a store in the center of an adjacent area so that customers in those areas can easily access the service. Customers can ask questions by phone, website customer service, or by visiting the nearest store, where staff can have permission to handle the problem, or contact the repairer directly, allowing the customer to communicate with the repairer and determine a completion time.</p>	<p>Agile service</p> <p>Expanding market</p> <p>Establish a perfect LOT system.</p>
<b>Supply chain and logistics</b>	<p>Lacking of trace ability;</p> <p>Struggling to control the delivery period;</p> <p>No efficient management;</p>	<p>Transparent order trace;</p> <p>Fast problem handling;</p> <p>Low logistic cost;</p> <p>Impeccable supply chain system;</p>	<p>Company has ERP system and SAP team, but No ETA;</p> <p>No timely tracking information;</p> <p>No better capacity helping customer solve order problem, even with the third party to deal with it;</p>	<p>If company can improve the capacity of tracking orders, they will improve their work efficiency, avoid needless trouble;</p>	<p>Logistics department;</p>	<p>Enhance IT system, synchronize information on the platform, update delivery rules, establish delivery monitoring system</p> <p>Negotiate with logistics companies;</p>	<p>Real-time monitoring system;</p>