**BREJ Sound, Inc.**

Professional Instrument Repair

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**Project Proposal: LBMA Streamlining**

1. **Business Challenge Description**

BREJ Sound, Inc. is involved with instrument repair of the Lake Baldwin area.  As part of the repair process an inventory of instruments is maintained for record-keeping purposes.  BREJ Sound, Inc. wants to streamline this process to lower operating costs, increase its service efficiency, and create higher customer satisfaction by reducing transaction times.  BREJ Sound, Inc. wants to incorporate a server to process new orders and log repairs.  In addition, BREJ Sound, Inc. also wants to add three workstations with server access to document repairs being done.

1. **Measured Organizational Value**
   1. **Project Goal**

BREJ Sound, Inc. is dedicated to lowering the cost of instrument repair in the Lake Baldwin area. This will be done by increasing workplace efficiency through reduced time on inventory processing and increased time on instrument repairs.

* 1. **Desired Area of Impact**

Lake Baldwin Music Academy takes pride in providing a seamless operational experience for its clients. Providing a smooth operation is the most important part of Lake Baldwin’s impact areas. Client satisfaction is tied with operational objectives. Without a satisfied returning client base Lake Baldwin Music Academy would not enjoy the accomplishments it currently has. As a business, financial and strategic gains are also key features to success. However, Lake Baldwin firmly believes that providing a functional service with good service will build financial gains more reliably. Social image is important, but image is built by providing exceptional service and financial success.

* 1. **Desired Value of the Project**

By providing the same standard of service in a smaller amount of time Lake Baldwin residents will be able to receive their instruments sooner. This is due to the increased processing of instruments through inventory and also reduce repair operating costs by decreasing the amount of time an instrument is being processed by BREJ Sound, Inc.

* 1. **Organizational Metric**

Updates to Lake Baldwin Music Academy should expect to see a 15% to 25% decrease in overall instrument repair cost. This decrease in cost comes from two major areas, which are decreased time spent filling out inventory notifications and increased time of processing. These two actions are inversely related; by decreasing time spent filling out paperwork, more time can be spent repairing instruments. The goal of LBMA Streamlining is to reduce instrument repair time from seven days to no more than five days.

* 1. **Implementation Timeframe**

The LBMA Streamlining project is a straightforward project. Installation of software, hardware implementation, and training of employees should take no more than two months.

* 1. **Summary**

This project will be successful if BREJ Sound, Inc. implements a custom system to handle inventory requests of the Lake Baldwin Music Academy. This process expects to lower instrument repairs from seven days to no more than five days. Upgrades to hardware architecture should take no more than two months to complete, including training of employees on the new system.

1. **Comparison of Alternatives**
   1. **Maintaining the Current Path**

As of now, Lake Baldwin Music Academy is maintaining all inventory records by hand. While this scales well for small businesses, Lake Baldwin instrument repair is starting to pick up and upgrades should be made to the business model to keep up with demand.

The total cost of ownership is valued at around $85. This cost includes a file cabinet to store files, pencils to process inventory requests, and reams of paper. Although upfront cost is low this method leads to inefficient operation standards. Inventory requests can be automated by hardware or software and reduces human error, such as lost inventory sheets or illegible handwriting. Lowering operating costs will also increase the return of interest on employee salary.

* 1. **Software Package Upgrade**

Upgrading to new software packages comes with upfront cost increases. Software-compatible workstations will need to be purchased, with an estimated cost of $1250. Cloud server support software totals out at $200 and Budgeting Software licenses will cost $70. Total upfront cost will be around $1520. Small indirect costs are associated with software upgrades in the form of electricity and tech support in case of challenges in the workplace.

Upgrading to a software package will allow automation of all inventory requests processed by Lake Baldwin Music Academy. Accounting operations and finances are located all in one place; this reduces human error in the workplace while maximizing employee work time. Software upgrades also reduce transaction times by removing the need to search filing cabinets, synchronization between multiple workstations, and allow for real-time analysis of business operations.

* 1. **Custom System Implementation**

Implementation of a custom system will result in slightly higher upfront costs than software upgrades. A custom system will total out at $2020, with $1221 being allocated to workstations, Cloud Software at $188, and software licenses at $609. Small increases in indirect costs should be expected in the form of tech support and electricity.

Although direct costs are higher than software alone, a custom system allows for features not available to software alone. A custom system will allow for one-click financial, tax, and sales reports processed by Lake Baldwin Music Academy. Invoices and expense reports can be created easily and file management occurs all in one place. Synchronization can occur between work stations and mobile devices, allowing for increased access while not at the business. Reliable documentation can be produced with a custom system, increasing service history and removing potential recording errors.

1. **Business Recommendation**

After carefully analyzing a few different options, it is recommended to implement a custom system. This will improve efficiency as well as making it easier to track business performance, invoices, and inventory. The system currently in place can use some streamlining with documents taking longer than necessary to retrieve, as well as safety concerns as important files can be destroyed in an event such as a fire. This new system would alleviate those concerns due to centralization and ease of backing up said files. Efficiency is everything so the less time fiddling with paperwork the more time to satisfy the customer.