# **Case Studies in Digital Transformation and Environmental Policy: Hafford Furniture and European Recycling Platform Analysis**

# **INFORMATION SYSTEMS Guided by: Prof. V.N Rajesh**

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| **1. Case: A Crisis at Hafford Furniture: Cloud Computing Case Study** • Discuss the current situation at Hafford furniture. **[Ashish]**  • How is “Cloud Computing” helpful for firms such as Hafford furniture? Why didn’t “Cloud Computing” help Hafford furniture? What mistakes did they make? **[ Dilip ]**  • How should “Hafford Furniture” respond to this crisis? Prepare a road map for the same. In addition, explain the changes in IT infrastructure that Hafford furniture would have to make in order to avoid problems in the future **[Manohar]**  Hafford Furniture should respond to the crisis by following the steps, viz.,   **Immediate Response (0 to 30 days)**   1. **Data secure:** Hafford furniture to secure all datafrom PFI services before they file for bankruptcy. 2. **Legal Counsel:** The company should engage their legal teamto protect company assets in bankruptcy proceedings. 3. **EDI (Electronic Data Interchange) processing:** Hafford should identify their top 5 customers and initiate the EDI processing to maintain orders. 4. **Email Communication:** Hafford furniture should send out an email to all 23 customers citing the potential crisis situation and next steps.  **Short-term Response (30 to 90 days)**  1. **New cloud provider’s evaluation**: Hafford furniture should start seeing options that are available in the market, viz., Amazon Web Services (AWS), Microsoft Azure, Google Cloud, etc., based on their needs and requirements. 2. **Conduct proper due diligence:** Hafford furniture should check for vendors that have financial stability, technical capability to implement them, and the ability to comply with the security practices. 3. **Execute data migration:** Hafford should pick the suitable vendor, and start on the data migration (with zero data loss during migration) 4. **IT Staff Training:** Hafford furnitureshould train their staff on the latest cloud infrastructure.  **Long-term Response (90 + days)**  1. **Multi-cloud architecture deployment:** Hafford furniture should implement and deploy multi-cloud architecture to eliminate single points of failure in the systems. 2. **Enhanced security implementation:** The company should implement multi-layered cybersecurity monitoring systems that include intrusion detection and data encryption. 3. **Governance support:** The company should deploy cloud health monitoring dashboards for downtime. uptime, response time, system load, etc.,   **IT infrastructure changes that are warranted to avoid future problems:**  **Multi-cloud strategy**   * Hafford should move from **SaaS** to **Hybrid Cloud** (to bring SaaS for core BIS and IaaS for custom solutions). * Also, based on the traffic on the network, configure the auto-scaling capabilities and backup data redundancy.   **Vendor Evaluation Criteria**   * Hafford should talk and sign partnerships with the cloud vendors with **SOC 2 and ISO 27001 certifications**. * The company should shortlist vendors that have a global presence, a local service center for support, and an SLA of 99% or higher for response time.   **Redesign of EDI Systems**   * The company should replace VAN-based EDI with internet-based real-time EDI. * Leverage APIs and integrate customer systems for real-time inventory and order status monitoring.   **Disaster Recovery and Backup**   * Hafford should implement multi-region encrypted backups so that they get to roll back swiftly when a crisis hits. * Schedule automated scripts for audit jobs (Cron jobs) to run periodically, testing the DR simulations quarterly and assessing their efficiency.   **Security Enhancements**   * The company should implement role-based access within their organization and, most importantly, factor in MFA (multi-factor authentication) to validate the users and curtail their access. * Stress test the systems and conduct a periodic check to spot any vulnerabilities. * Leverage AI powered firewalls that employ machine learning algorithms (k-means, etc.) to analyze and identify patterns and anomalies in large datasets, such as malware behavior or network traffic.   **Change management:**   * Incorporate change management workflows for any tech deployments, and conduct training sessions and workshops conducted by practitioners that aim to bridge the gap between IT and Business.   **IT Staff Organization**   * Appoint a Cloud Architect to orchestrate the cloud systems and their configuration, a Vendor manager to oversee purchased systems, deal with communication channels, etc., and a Security specialist to monitor the network layers and application firewalls. * Start a continuous learning program titled “Skillx” and train the IT staff.   **2. Case: The European Recycling Platform: Promoting Competition in E-Waste Recycling**  • Discuss the current situation at ERP i.e. The European Recycling Platform. Discuss its competition and growth path till date. **[Prathamesh ]**  **• What were the deficiencies of the national consortium model for recycling, such as the green dot system? [Rohit ]** The national consortium model, like the Green Dot system, was honestly a bloated, outdated setup that completely killed any scope for efficiency or innovation. It operated like a monopoly where producers had no choice but to go through one government-approved compliance body. No competition, no cost pressure, just fixed high charges that didn’t even reflect actual recycling costs. The worst part, they were charging based on arbitrary metrics like product weight or packaging type, not real backend costs. So, even if a company built something eco-friendly and easy to recycle, they got zero benefit, same pricing, same treatment. Absolutely no incentive to design better.  Now add to that the old boys’ club nature of the whole system, trade bodies, regulators, and these schemes all sat in the same room, writing rules that suited themselves. No transparency, massive reserves sitting idle, and zero accountability. Producers were paying through their nose, not even knowing where that money was going. And then you had this collective responsibility nonsense, everyone paying equally for everyone’s junk, so why would anyone care about designing better or reducing waste? The model rewarded mediocrity and punished the ones actually trying to build responsibly.  On top of all this, the system just couldn’t scale. Each country had its own way of doing things, different rules, reporting formats, compliance checks, so if you were a company operating across Europe, you were basically running in circles trying to keep up with inconsistent local schemes. The whole thing was fragmented, inefficient, and completely out of sync with how modern pan-European businesses operate. That is exactly why ERP came into the picture, to break this closed system, bring in competition, cut costs, and actually reward responsible product design. Without something like ERP, producers would have just continued bleeding money into a system that never evolved.    **• How did “The European Recycling Platform” address the deficiencies of the National consortium model/Green dot system? [Saurabh ]**  Established in 2002 by Braun, Electrolux, Hewlett-Packard, and Sony, the European Recycling Platform (ERP) offered a competitive, reasonably priced pan-European approach to e-waste recycling, therefore addressing the flaws in the national consortium model, typified by Germany's Green Dot scheme. The national consortium model was beset by high costs, inefficiencies, and monopolistic conduct. Run by Duales System Deutschland (DSD), the Green Dot system managed just 3% of Germany's waste and imposed considerable fees depending on material weight, therefore generating enormous running costs—about €2.4 billion annually in the mid-1990s. Apart from long-term contracts and regional monopolies, these fees impeded innovation and competition by marginalizing small recyclers and imposing arbitrary pricing not consistent with real recycling costs.  ERP addressed these issues with a business model focusing competitiveness, efficiency, and Individual Producer Responsibility (IPR). Running across multiple European countries, ERP leveraged economies of scale by aggregating e-waste volumes to substantially cut takeback costs—sometimes by up to 90%, as Gillette's cost drop from €12 million in 2005 to €1.3 million in 2007 indicates. ERP charged members based on actual recycling costs, adjusted for scrap metal value, so ensuring openness and fairness unlike the per-unit or weight-based pricing of the Green Dot. Unlike some national programs, such DSD's €200 million in 1998, its lean structure—with just 25 people by 2009—along with contracting to two general contractors further decreased overheads.  ERP also questioned the monopolistic approach by pushing competition among businesses by means of collection and recycling practices. ERP's entrance helped small appliance recycling costs from 70 euro cents per kilogram reduce from 2005 to 2007 as rival CROs dropped rates. This competitive dynamic not only helped to reduce costs but also increased recycling efficiency across Europe, therefore benefiting consumers and businesses. ERP's pan-European architecture provided international companies with a single compliance interface, therefore simplifying adherence to the diverse EU Waste Electrical and Electronic Equipment (WEEE) Directive standards, which the national model battled to fulfill due to fragmented, country-specific systems.  ERP also backed IPR, thereby supporting eco-design by assigning producers responsibility for the end-of-life management of their own products instead of the shared requirement of national consortia that lowered such incentives. ERP's efforts—including waste sampling and IPR Works' lobbying—advanced this principle even though unified national legislation faced challenges for complete IPR implementation. By 2009 ERP's actions in 11 countries managing over 700,000 metric tons of e-waste proved successful in developing a more sustainable, competitive, and cost-efficient recycling environment, addressing the inefficiencies and monopolistic tendencies of the national consortium model.  **• Should ERP expand its scope? If so, discuss the information systems that would help it achieve its goals.**  **[ Swapnil ]**  **\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\* THE END \*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*** |
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