INTRODUCTION TO SUPPLY CHAIN AND OPERATIONS MANAGEMENT

OPER1160 Group Case Study Project

Marked out of 60 worth 20% of course mark

Must be completed as part of the assigned team.

Case Study – Concol Customer Services

Introduction

Concol Customer Services (CCS) is an Internet Service Provider (ISP) that caters to individual consumers and small businesses who require a high level of service and are willing to pay a premium for it. Specifically, CCS offers state-of-the-art office applications and web-building software and design, as well as plenty of secure storage space and fast access via its high-speed servers. The territory it serves is Ontario and east. It offers its service in English and French.

Meaghan Lafolte, Vice President-Marketing, puts it this way: "There are a lot of companies out there promising the cheapest Internet access. But what do you get for your money? Limited service, slow or no-access, a mailbox full of spam, and an endless stream of system crashes. And I won't even mention the lack of support if you have a technical question! Our support desk quickly determines where the customers' problem lies and gets it fixed fast! For a few dollars more a month, we give our customers the environment they need to be productive--without having to think about whether or not they can retrieve their documents, or whether their Web site has crashed. Our focus is on providing an "exceptional" customer experience with each interaction. It's no surprise that we have the highest customer satisfaction and retention rates in Canada."

The Online Support Desk

One of CCS's services is its support desk. The online support works as follows: Customers who are experiencing technical problems, or who simply have questions enter a one-on-one online "chat room", where they can interact directly with an expert. Problems are usually resolved within 10 minutes and customers have listed it as one of the top three reasons why they stick with CCS. Presently, CCS has enough capacity to handle up to 800,000 requests per year, although management doesn't expect the number of requests to change much from the current level of 700,000 per year.

A firm located in Mumbai, India, has approached CCS about outsourcing the online support desk. The offer is attractive. The Mumbai firm's own personnel would handle the support desk functions. These personnel are fluent in English, some have limited French and have college degrees or appropriate technical backgrounds. Since they are located in India, labour costs would be a fraction of what they are in Canada. (Ontario), a saving that would be passed on, in part, to CCS. And, because the "chat room" exists on the Internet, CCS customers should be unaware of the switch.

 CCS management has put together Figure 1, outlining the yearly costs associated with the current system and the Indian proposal. As a team, you have been given the job of preparing answers to a set of questions. They are to be prepared as a written report for your manager (instructor).

Figure 1: Yearly Costs of the Present and Proposed Contact (Call) Centre Alternatives

Current Online Support Centre	Mumbai Proposal
Personnel Costs 60 full-time equivalent (FTE) technical experts @ $60,000 per year (salary and benefits) 3 supervisors @ $ 75,000 per year (salary & benefits)	Fixed Cost $3,600,000 per contract year (covers all administrative and IT costs)
Equipment Costs 3 servers @ $6,000 each per year 25 PCs @ $900 each per year	Variable Cost $1.25 per contact Use 700,000 contacts per year.
Variable Costs $1.40 per contact (office supplies, fax paper, etc.). Use 700,000 contacts per year.	

Source: internal records and written proposal from the Mumbai company

Questions to Answer:

1) Analysis for the Case (27 marks)

Based on your total cost analysis of Figure 1 and the findings from your research on the industry, list and explain your choices for the five performance dimensions or criteria, then utilize a weighted-point evaluation matrix to evaluate the two options.

a) **Select five criteria** for choosing between the two alternatives (insource or outsource). Cost should be one of the criteria. A total cost analysis chart should be shown to justify costs. Totals and conclusions should be clearly stated for the reader (3 marks). But, cost is just one of the five criteria and should be included as such in the writeup-- not as a standalone section.

b) Then list and explain why you selected the four additional criteria that were researched. Explain why each is important to consider when making this sourcing decision. Ensure that these dimensions assist in differentiating between the 2 options. Be careful to avoid overlap between them. Each one should be independent of the others. (12 marks – 3 x 4 criteria)

c) Assign and explain a **relative weighting** for each of the five criteria. Explain why you chose to weight them like you did? (4 marks)

d) Assign a **ranking** to each of the two options (insource or outsource) for each of the 5 criteria. Explain the reasoning for each of the rankings. Then, utilize the weighted matrix model to evaluate the two choices. (8 marks)

2) State your final recommendation (4 marks)

Should Concol continue on as is or outsource its Customer Services? Be sure to justify your answer based on your numeric and researched findings pertaining to advantages/disadvantages of insourcing or outsourcing. (4 marks)

3) Benchmarking the Support Desk (8 marks)

Regardless of the outcome from your analysis, management is looking for ways to benchmark or evaluate their Support Desk. Your manager wants to know how we are going to specifically measure performance of the online assistance whether we continue to insource or outsource it.

You must provide four specific measurements (preferably quantifiable) for different metrics to measure the performance of your Support Desk. Your measures must contain reasoning on why these are important, how each measure could be evaluated and how the measurement is to be done. Be specific. You can't manage it if you can't measure it. (8 marks – 2 marks for each performance measure)

**Research Note- CCS is NOT a real company, so please do not try to find information on it as it does not exist.

Instructions for the Case

First off, you need to understand the industry. Research the industry and identify what additional performance criteria or dimensions, other than costs, Concol should be considering. Take some time and divide up areas to explore. Then, each person in the group should research his/her area and provide at least one different article. (Hint: Advantages and disadvantages of in/outsourcing is in the text.) Think of other topics you need to explore for the criteria to make an informed recommendation. This might include city and country information. Your college Learning Resource Centre (LRC) likely has free Business databases that will assist in focusing your research. Post copies of the articles (with links) to your common space and ensure the full sourcing is included.

Then, answer the questions within the body of your text. An Introduction and Summary/Conclusion sections should also be used as it is a report.

Remember to use in-text citations or references to the various articles in the body of the report as it builds credibility. Prove you have researched this! Informal referencing is also encouraged …for instance, from the January 2012 edition of the Inbound Logistics Magazine, we found…then, ensure the full APA reference is at the end of the document.

Main Learning Objectives Being Utilized In This Assignment:

- Work effectively in groups to accomplish objectives in a timely fashion.
- Communicate information accurately and credibly in oral, written and graphic formats.
- Describe the advantages and disadvantages of in-sourcing (make) and outsourcing (buy).
- Prepare a recommendation on supplier selection using the weighted-point evaluation system.
- Describe some of the concepts of an effective Total Quality Management (TQM) program including: Continuous Improvement, Employee Empowerment, and Benchmarking.
- Apply time management and organizational skills to facilitate the completion of tasks and to meet deadlines.
- Discuss the determinants of service quality and how it can be measured.

Teams

Students will be organized into groups by the instructor. Each team is to immediately:

- exchange schedules noting other time commitments to help communications and deadline setting
- set up a common file area. Consider using One Drive or Google Docs or Dropbox.
- provide contact information with two or more points of contact and
- create a team contract that everyone agrees to abide by
- a Discussion Forum for the entire class, will be set up to facilitate

This case is due according to the Instructional Plan and Evaluation Deadlines in the Assignment Box: Case. All late assignments will receive a reduction in marks.

In addition, the Assignment Box will include the team contract and peer evaluation.

a) Formatting (5 marks)

Utilize what you've learned in Communications and Computer classes to lend a professional appearance to the report. See the Marking Guide for specific requirements.

b) Team Contract and Log Book (5 marks)

All areas of **the Contract** must be filled in, signed electronically by each member of your team and submitted to the instructor via the Group's Assignment box for the Team Contract on the due date as specified in the Instructional Plan. Two meetings per week are recommended to allow for enough research and not be rushed at the end.

If the contract is incomplete (eg a signature missing), this section of the project will be reduced in marks. If later than the due date, the mark will be zero for this section. Even if zero, the Contract must be completed to the satisfaction of the instructor before the assignment will be accepted for marking.

Organization and coordination is important in teamwork. If weather or other unknowns interfere, anyone who has not physically signed the contract could consider sending an email, using Conestoga email to the instructor AND all the team members with a copy of the contract attached stating it is accepted….but this is a last resort. The signed copy of the contract will be kept in the team's folder for the duration of the project and will be available to all group members in the Assignment box. It should be referred to for clarification as needed.

If for any reason, the submitted team contract is different from what you thought was agreed to, within 24 hours of submission, please notify all members of the team and the instructor via Conestoga email and arrange to have a corrected copy resubmitted with everyone signing it.

The Log Book should be used to record meeting attendance and preparation. Hopefully, everything will go smoothly but if someone is not performing as laid out in the contract, please utilize the Progressive Conflict Resolution Method (Levels). If not followed, major mark deviations (over 15 marks different from highest to lowest on peer evaluation) resulting from the Peer Evaluation recommendation will not be accepted.

c) Peer Evaluation Form (4 marks)

One Peer Evaluation form must be completed and signed by all members of the team and attached to the final report. A paper will not be marked if it is missing. If a paper is handed in without everyone signing the Peer Evaluation sheet, the Peer Evaluation portion will be graded as zero. If a completed Peer Evaluation sheet is not handed in, the entire paper, at the discretion of the instructor, may be graded as zero.

The contract has 5 areas that will be rated out of 5 marks for each person. Thus, a cumulative score out of 25 will be agreed to, by everyone, for each person in the team.

The peer evaluation will be used to adjust group members' marks should unequal effort occur. The goal is to work together so all group members will receive the same mark.

If the peer evaluation indicates 22/25 for a group member and the others in the group received 25/25 this student would receive a mark of 22/25 or 88% of the project mark. All other members would receive the grade of the report.

Students that contribute more, will receive a maximum of the grade of the report. Taking extra responsibility for the report will not be rewarded.

If there is a major discrepancy, or difference in the marks you should have followed the progressive disciplinary actions outlined in the Team Contract file and had at least notified the instructor of problems. Please recognize this is a mechanism for the students if they feel a group member is not pulling their weight or exerting too much influence and control. The instructor and all members of the team must be notified, in writing, Conestoga email, when problems escalate.

d) Proofing (spelling, grammar) and plagiarism (up to 20% off)

It is important to proof your work. In addition, the report should be uploaded to the Group Assignment Box at least 12 hours before the due date so it can be checked for plagiarism. No need to attach the Originality report as it can be viewed online.

e) Research done and Reference Page Created using APA format (4 marks)

f) Citing Sources with Intext Citations (3 marks)

Documenting Sources help – APA Citations Format and Examples

Some Tips

Before you even start, discuss your personal strengths and weaknesses then leverage them. Maybe someone has experience in a related field and can lead a discussion.   Or, maybe someone acknowledges they are a poor writer but is really good at researching and pulling together ideas. Maybe someone else is good at producing charts and formatting. Maybe someone else wants to set up agendas and do minutes (short ones)

This project is not designed to be split up with each member doing a different question. The questions are integrated and rely on a team agreement for each question. If the project is assigned out by question it becomes a "patchwork project" and it will show.

Utilize the collaboration techniques learned in Computing and central storage space and pass around for editing ideas and adding comments.

Utilize file space that is available to everyone like Googledocs or Microsoft OneDrive.

Set a schedule to finish early. I'd suggest having it completed a week ahead to give everyone time to review, finalize references and then meet to complete the Peer Evaluation Sheet.

Do NOT wait until the morning it's due to complete and finish the Peer Evaluation sheet. Weather and personal delays happen. Ensure it is signed before that last day.

Keep notes. For instance, someone should set a short agenda for each meeting and send it out ahead of the meeting. Make notes at the meeting and file in the common storage area. Take attendance using the Log Book. Note late arrivals. Write down decisions made and write down all action items, when they are to be completed, and who is responsible for each item. Then, send out to everyone after the meeting (within 12 hours is best) so there is no misunderstanding of what was decided or what is to be done by whom and by when.

Keep meetings short and productive. Don't turn them into work sessions or a social "happening". I'd suggest 20 minutes 2 or 3 times per week outside of class time will be sufficient.

If problems are arising and people are not following the team contract ensure someone takes point and addresses the problem as soon as it arises. Email or texting is not effective to solve problems. Speak in person or by telephone. Don't let it slide. Do NOT tell others outside of your group – tell your group!!

If you are unable to continue in the team project and/or the course, please let the instructor and all the team members know as soon as possible. Disappearing hurts everyone.