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5/23/25**

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**9-2 Final Project Submission: IT Strategic Plan**

**Vermont Teddy Bear**

**Executive Summary**

This project highlights the IT strategy developed for Vermont Teddy Bear (VTB). The company has a strong brand, but its IT department has been working reactively with outdated systems.

Through a SWOT analysis, key problem areas were identified, leading to the development of strategic goals. An action plan was created focusing on customer data, cloud migration, IT governance, and cybersecurity. Each goal supports VTB’s mission and is designed to improve performance, reduce risk, and better serve customers.

The plan outlines a structured path to help VTB align its IT operations with long-term business growth, ensuring the company is better prepared for scalability, security, and future success.

**Structure and Organization**

**Company Background and Setup:**  
Founded in 1981, Vermont Teddy Bear (VTB) started off with a simple idea—selling teddy bears from a pushcart in Burlington, Vermont. Since then, the company has grown into a well-known gift delivery business, now offering three distinct brands: Vermont Teddy Bear, PajamaGrams, and Calyx Flowers. Despite this growth, VTB remains privately owned and headquartered in Shelburne, Vermont. Its internal structure is fairly flat, with department heads like marketing, IT, and operations reporting directly to the CEO.

**Communication Style:**  
Inside the company, communication is often informal. Teams tend to collaborate directly without a lot of red tape, but this also means there’s limited structure when it comes to IT requests and prioritization. On the customer side, communication happens mostly through the website, catalog orders, and call centers—especially during major holidays.

**Workforce Size:**  
VTB maintains a core staff of around 200 full-time employees. However, during peak seasons such as Christmas, Valentine’s Day, and Mother’s Day, it brings in up to 2,000 temporary workers to handle the surge in demand.

**How Decisions Are Made:**  
Strategic decisions are made at the top, by the CEO and board, while managers like the CIO are responsible for making sure things get done day to day. The IT team, for example, often has to react quickly to issues rather than follow a long-term roadmap.

**Technology in Use:**

* The tech environment is a mix of in-house and third-party systems.
* Multiple applications are linked together using middleware, covering functions like inventory, order processing, and accounting.
* Some key platforms include Circle Commerce (order management), IndustriOS (inventory), and Platinum (accounting).
* Tools and languages like UniVerse DB, Informix, Oracle, MySQL, PHP, Perl, and Access are all in the mix.
* VTB hosts its ecommerce platforms at third-party data centers to improve speed and uptime.

**Customer Profile**

**Who They Serve:**  
VTB targets customers across the U.S., mostly through online and catalog sales. The customer base spans both urban and suburban areas.

**Main Buyers:**  
The primary customer group is adult gift-givers—especially men buying last-minute gifts for wives, girlfriends, or moms. Internally, this demographic is even nicknamed “Late Jack.”

**Customer Reach:**  
The company serves tens of thousands of customers each year, but activity spikes around key holidays, leading to huge surges in order volume during those times.

**Demographic Details:**

* The biggest group: men between 30 and 60.
* Secondary markets include women and families, especially for items like pajamas or flowers.
* Marketing is slowly adjusting to reflect these real-world buying habits.

**IT-Related Challenges:**

* Customer data is scattered across systems, making CRM integration difficult.
* Systems don’t scale well during seasonal spikes.
* Marketing insights are limited due to poor data integration and outdated analytics.

**IT Department Focus**

**IT Values**

While VTB doesn’t spell out its IT values explicitly, you can see what matters by looking at how the company operates:

* **Intellectual Property:**  
  The company mostly relies on a mix of commercial and in-house software. There’s no major focus on developing unique IP internally.
* **Customer Privacy:**  
  Though the case doesn’t outline a detailed privacy policy, standard protections are likely in place, especially given the ecommerce focus.
* **Technology Use:**  
  The IT team often works reactively, without formal processes or documentation. This has led to some departments creating their own "shadow systems" to get work done.
* **Data Integrity:**  
  VTB has backup systems and some redundancy built in. But without documentation or change control procedures, data accuracy can still be compromised.
* **Security and Access:**  
  Hosting ecommerce sites offsite helps with reliability. Access controls exist, but they’re fairly basic.
* **Governance:**  
  Governance is loosely defined. Change requests often bypass any structured approval process, and critical middleware lacks documentation, making it tough to maintain.

**Internal Standards**

**Current IT Governance Practices:**

* There's little formal structure or governance in place.
* The company doesn’t have a complete map of its IT systems.
* Software development is inconsistent, often based on what individual programmers know rather than strategic alignment.
* Middleware is essential to operations, yet undocumented and fragile.
* Because of limited IT resources, business units often develop their own tools to fill gaps.

All of this points to the need for better governance, clearer documentation, and a more standardized way of managing technology.

**IT Vision and Mission**

* **IT Vision Statement**

**Vision:**  
“Our vision is to build a reliable and flexible IT foundation that helps Vermont Teddy Bear create seamless, memorable gift-giving experiences—while supporting long-term growth across all of our brands and sales channels.”

This vision supports the company’s broader goals to modernize outdated systems, respond faster to market trends, and better manage seasonal spikes in demand.

* **IT Mission Statement**

**Mission:**  
“Our mission is to power Vermont Teddy Bear’s future by delivering smart, integrated technology solutions that boost customer satisfaction, drive operational efficiency, and provide the insights needed for better decision-making—especially during our busiest seasons.”

**SWOT Analysis – Vermont Teddy Bear IT Department**

**Strengths**

One of the most notable strengths of Vermont Teddy Bear’s IT department is its ability to keep operations running smoothly during intense seasonal spikes. The company leverages a mix of in-house and third-party platforms—like Circle Commerce for order management and IndustriOS for inventory—which are all tied together with middleware. While this setup isn’t cutting-edge, it’s functional and supports the company’s core operations.

Another positive is VTB’s decision to host its ecommerce systems externally. This has proven helpful for uptime and stability, especially during peak seasons like Valentine’s Day and Christmas. The IT team is also known for being flexible and responsive. Even without formal processes, they manage to address issues as they arise, keeping things moving in a fast-paced environment.

**Weaknesses**

That said, the reactive nature of the IT department also highlights several weaknesses. For one, there’s a serious lack of formal IT governance. Decisions about changes and updates are often made without a structured approval process, which increases the risk of missteps. The middleware that connects critical systems is especially vulnerable—it’s essential but lacks proper documentation, making it fragile and difficult to maintain.

Another concern is the presence of “shadow systems”—tools created by business units to work around IT limitations. These unapproved solutions often lead to fragmented data, inefficiencies, and potential security issues. Combined with limited long-term planning and unclear system maps, the department’s current structure makes it difficult to scale or innovate in a consistent, strategic way.

**Opportunities**

Despite these challenges, there are some clear opportunities. One big area for improvement lies in integrating customer data. Right now, customer information is spread across different platforms, making it hard to get a full picture. A unified CRM system could help streamline marketing efforts and create more personalized customer experiences.

Another major opportunity is modernizing VTB’s IT infrastructure. Moving toward more scalable, cloud-based systems would not only improve reliability but also position the company for future growth. Implementing stronger IT governance and documentation standards would enhance consistency, reduce risk, and support smoother collaboration across departments.

In the long term, tapping into newer technologies like big data analytics or AI could give VTB a significant edge—helping forecast seasonal demand, optimize inventory, and better understand customer behavior.

**Threats**

At the same time, the company faces a number of threats if it doesn’t adapt. Cybersecurity is a growing concern, especially given the current lack of robust access controls and documentation. As customer data becomes more central to operations, any security breach could have serious consequences—both legally and reputationally.

VTB’s existing systems also struggle during peak seasons. Without upgrades, the risk of outages or slowdowns increases, which could lead to lost revenue during the company’s most important sales periods. There’s also the issue of talent—recruiting and retaining skilled IT professionals can be difficult, especially in a company with limited resources and outdated tools. Finally, the reliance on legacy systems and ad hoc fixes contributes to growing technical debt, making innovation harder and more expensive over time.

**SWOT Summary**

Overall, Vermont Teddy Bear’s IT department has done a lot with relatively limited structure. It’s kept the business running, especially during critical holiday periods, and supports a unique customer experience. But as the company looks to the future, it’s clear that the current IT approach won’t be sustainable long term.

Without major updates to its systems, governance, and planning processes, VTB risks falling behind competitors who are already leveraging more advanced, agile technologies. However, if the organization can invest in modern infrastructure, improve its data integration, and introduce better oversight, it has a real chance to transform its IT department from a reactive support function into a proactive driver of business success.

**Strategy Outcomes for VTB’s IT Department**

The Vermont Teddy Bear Company (VTB) has long been known for its unique and memorable gift experiences. Behind the scenes, its IT department plays a critical role in keeping things running—especially during the intense holiday seasons that define the company’s success. From managing ecommerce systems to supporting fulfillment operations, IT is at the heart of it all.

However, recent assessments—including our SWOT analysis—have made it clear that the current IT structure, while functional, is reactive and lacks the formal governance, integration, and scalability needed to support long-term growth. This document outlines key strategic outcomes for the IT department that build on organizational strengths, take advantage of growth opportunities, and address serious challenges like outdated infrastructure, data fragmentation, and cybersecurity risks.

Each of these outcomes is carefully aligned with the company’s mission and vision and reflects industry best practices in IT governance, compliance, and responsible innovation.

**Strategic Outcomes Based on SWOT Analysis**

* **Unify Customer Data Through a Centralized CRM System**

One of the biggest challenges facing VTB’s marketing and customer service teams is the disorganized and scattered nature of customer information. With data housed in multiple systems, there’s no single source of truth. This makes it difficult to truly understand customer behavior or deliver personalized experiences.

**Strategic Outcome:**

The IT department will lead the implementation of a centralized, cloud-based CRM platform that connects data from marketing, ecommerce, order management, and customer support systems.

**Why it matters:**

Creates a full picture of customer interactions

Allows for smarter marketing campaigns and better customer service

Supports personalization, which enhances loyalty

Timeline: 6–9 months

Success Metric: At least a 20% increase in personalized campaign engagement

* **Modernize Infrastructure With Cloud Scalability**

VTB’s existing tech setup struggles to handle high-demand seasons like Valentine’s Day and Christmas. The patchwork of legacy systems and middleware isn’t scalable and poses a serious risk of downtime during peak periods.

**Strategic Outcome:**

Gradually move core platforms—such as inventory, order processing, and reporting systems—to secure, cloud-based services with built-in scalability.

**Why it matters:**

Increases performance and reliability

Reduces downtime and customer frustration

Prepares the business for future growth

Timeline: 12–18 months

Success Metric: 99.9% uptime during the next major sales season

* **Create a Formal IT Governance Framework**

Today, most IT decisions at VTB happen on the fly, often without a formal approval process. There’s minimal documentation, and middleware systems are fragile and undocumented—leaving the business exposed.

**Strategic Outcome:**

Introduce a company-wide IT governance framework that includes structured change management, standardized documentation, and clearly defined roles and responsibilities.

**Why it matters:**

Reduces risk from undocumented systems

Improves cross-departmental communication and accountability

Sets a foundation for reliable, scalable growth

Timeline: 6 months

Success Metric: 90% of IT projects follow the new governance process within one year

* **Strengthen Cybersecurity and Data Privacy**

With ecommerce at the core of VTB’s business, customer trust is non-negotiable. However, current security practices—like basic access controls and inconsistent data handling—leave room for improvement.

**Strategic Outcome:**

Develop and implement a modern cybersecurity framework that includes data encryption, stronger access controls, ongoing risk assessments, and employee security training.

**Why it matters:**

Protects customer information and brand reputation

Reduces the risk of legal penalties and data breaches

Ensures compliance with PCI DSS and other regulations

Timeline: 6–12 months

Success Metric: Zero critical vulnerabilities found in quarterly security audits

* **Attract and Retain Skilled IT Talent**

Finally, none of these outcomes will be achievable without the right people in place. Currently, VTB’s IT team is under-resourced, and retention is a challenge—especially with outdated tools and limited career growth.

**Strategic Outcome:**

Launch an internal development program that includes upskilling opportunities, project-based learning, and retention bonuses for high-performing team members.

**Why it matters:**

Builds in-house expertise

Reduces reliance on shadow systems and workarounds

Boosts team morale and innovation

Timeline: Start immediately and build into yearly IT budget

Success Metric: 80% of IT team participates in training each quarter

**Alignment With Vision, Mission, and Values**

These outcomes directly support the IT department’s vision:

“To build a reliable and flexible IT foundation that helps Vermont Teddy Bear create seamless, memorable gift-giving experiences—while supporting long-term growth across all of our brands and sales channels.”

**And they reinforce the mission**:

“To power Vermont Teddy Bear’s future by delivering smart, integrated technology solutions that boost customer satisfaction, drive operational efficiency, and provide the insights needed for better decision-making—especially during our busiest seasons.”

Furthermore, the outcomes are grounded in shared organizational values—customer focus, innovation, and integrity—and are intended to reinforce trust both internally and with VTB’s loyal customer base.

**Governance, Ethics, and Legal Considerations**

Each proposed outcome reflects best practices in IT governance based on industry standards such as:

COBIT: For defining IT processes, performance measures, and governance structures

NIST Cybersecurity Framework: For cybersecurity risk assessments and controls

PCI DSS Compliance: For secure handling of payment information

State Privacy Laws & GDPR (if applicable): For data privacy and transparency

By aligning with these standards, the IT department helps ensure legal compliance, reduce organizational risk, and promote ethical, transparent use of technology.

**Action Plan:**

* **Plan**

Based on the SWOT analysis and strategic outcomes previously outlined, the following action plan focuses on four high-priority IT initiatives:

Implement a Centralized CRM System (6–9 months)

Steps: Select a CRM vendor, conduct integration analysis, pilot test with marketing/customer service, implement phased rollout.

Responsibilities: Led by IT Project Manager; supported by Marketing, Customer Service, and third-party CRM consultants.

Modernize IT Infrastructure with Cloud Scalability (12–18 months)

Steps: Audit current infrastructure, choose cloud platforms, migrate systems in prioritized phases (e.g., order management first), conduct testing and training.

Responsibilities: Led by IT Director; cross-functional support from Finance, Fulfillment, and external cloud service providers.

Establish a Formal IT Governance Framework (6 months)

Steps: Form a governance committee, define policies and roles, introduce change control process, train staff on new protocols.

Responsibilities: Led by CIO; governance committee members from IT, HR, and Operations.

Strengthen Cybersecurity and Data Privacy (6–12 months)

Steps: Conduct security audit, implement access controls and encryption, deploy security tools, schedule regular employee training.

Responsibilities: Led by Chief Information Security Officer (CISO); support from IT and Compliance team.

* **Regulations and Standards**

Each action aligns with industry regulations and frameworks:

CRM Implementation: Adheres to state privacy laws and GDPR (if international customers are involved), ensuring consent and secure handling of personal data.

Cloud Infrastructure: Compliant with COBIT for IT control and PCI DSS where payment data is concerned.

Governance Framework: Based on COBIT 2019, encouraging structured decision-making and documentation.

Cybersecurity Enhancements: Follows NIST Cybersecurity Framework for risk management and incident response.

* **Value Assessment**

CRM System: Enhances marketing precision, customer experience, and loyalty through unified data.

Cloud Infrastructure: Improves uptime and scalability, leading to better peak season performance and lower long-term maintenance costs.

Governance Framework: Increases operational transparency, reduces risk, and ensures IT investments align with business goals.

Cybersecurity: Protects brand trust and reduces the likelihood of costly breaches and legal issues.

* **Fiscal Management**

CRM and Cloud Upgrades: Require significant upfront investment (software licenses, integration, consulting) but offer substantial ROI through operational efficiency and increased revenue.

Governance: Low direct cost but high strategic value through risk reduction and improved accountability.

Cybersecurity: Mid-range investment in tools, audits, and training—justified by the prevention of potential regulatory fines and data breach impacts.

These initiatives will transform Vermont Teddy Bear’s IT department from a reactive support role into a strategic partner driving business success while maintaining compliance, efficiency, and customer trust.

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