

Information Systems Improvements for Kalori Ltd.

Student Name: Pellegrino Venturino

Student ID: 2336525

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Lecturer: Amitave Banik

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1. Introduction

Kalori Ltd. is a rapidly growing consumer electronics retailer operating through both physical stores and an online platform. Over the past year, the company has experienced significant growth in sales, which has created new opportunities for expansion and market development. However, this rapid growth has also exposed several weaknesses in the organisation's current information systems, particularly in relation to efficiency, integration, and decision-making processes.

One of the main issues faced by Kalori Ltd. is the reliance on manual processes, especially in inventory management. Manual systems are often slow and prone to human error, which makes them unsuitable for a business that is expanding quickly. In this case, discrepancies between physical stock and online availability are frequent. As a result, customers may place orders for products that are not actually available, leading to dissatisfaction, complaints, refunds, and ultimately a loss of trust in the company.

Another key issue is related to customer data management. The organisation currently stores customer information across multiple systems that are not integrated. This makes it difficult to gain a clear understanding of customer behaviour and limits the company's ability to provide personalised services or targeted marketing campaigns. In today's competitive retail environment, data-driven decision-making is essential, and this limitation puts Kalori Ltd. at a disadvantage.

In addition, decision-making within the company is relatively slow and inefficient. Managers rely on manually created reports, which are often outdated or incomplete. This reduces the quality of decision-making and limits the organisation's ability to respond effectively to market changes. According to Laudon and Laudon (2020), organisations require accurate and real-time information in order to make effective strategic decisions. This report critically evaluates the current information systems used by Kalori Ltd. and proposes appropriate improvements. The aim is to enhance operational efficiency, improve data integration, and support more effective and timely decision-making within the organisation.

2. Evaluation of Existing Systems

The current information systems used by Kalori Ltd. present a number of operational and strategic weaknesses. These systems may have been suitable when the business operated on a smaller scale, but they are no longer capable of supporting the company's current level of growth.

Firstly, the reliance on manual inventory tracking is a major limitation. Employees are required to update stock levels manually, which increases the likelihood of errors and delays. In a fast-moving retail environment, this creates inconsistencies between physical stores and the online platform. This has a direct impact on customer experience, as customers may purchase products that are no longer available. Over time, this leads to increased refunds, additional administrative work, and reduced customer satisfaction.

From a financial perspective, these inefficiencies also create additional costs for the organisation. Incorrect stock information results in lost sales opportunities, inefficient use of resources, and potential reputational damage. In the long term, these issues can significantly affect profitability.

Secondly, the absence of a centralised Customer Relationship Management (CRM) system represents a significant strategic weakness. Customer data is fragmented across multiple

systems, making it difficult for employees to access complete and accurate information. As a result, the company struggles to build strong relationships with customers or provide personalised experiences. This limits the effectiveness of marketing strategies and reduces the company's ability to retain customers.

Another important issue is the reliance on spreadsheets for reporting and analysis. While spreadsheets can be useful for smaller organisations, they are not suitable for managing large volumes of data in a growing business. Reports are manually created, which is time-consuming and increases the risk of errors. In addition, the data is often outdated, meaning that managers do not have access to real-time information when making decisions. O'Brien (2019) highlights that organisations relying on manual reporting systems often face delays in decision-making and reduced operational efficiency.

The lack of integration between departments further reduces efficiency. Systems used by sales, finance, and inventory teams operate independently, requiring employees to manually transfer data between them. This not only wastes time but also increases the risk of duplication and inconsistencies. As a result, the organisation operates in a fragmented manner rather than as a fully integrated system.

From a strategic perspective, the lack of data integration limits the organisation's ability to generate meaningful insights. Managers are unable to easily identify trends, forecast demand, or respond proactively to market changes. This reduces the company's competitiveness in a data-driven industry.

Finally, there are concerns related to data security and compliance. The current systems do not provide adequate protection for sensitive customer data. This increases the risk of data breaches and potential violations of GDPR regulations (Gov.uk, 2023). Such issues can lead to legal penalties and damage the company's reputation.

Another important aspect to consider is the impact of inefficient systems on overall business performance. When inventory data is inaccurate, it affects not only customer satisfaction but also internal operations such as purchasing and logistics. Employees may spend additional time correcting errors instead of focusing on more productive tasks, which reduces overall efficiency.

In addition, the lack of reliable data makes it difficult for managers to plan effectively. Without accurate inventory and sales data, the company cannot forecast demand or optimise stock levels. This may lead to overstocking or stock shortages, both of which have negative financial consequences.

There is also a competitive disadvantage associated with outdated systems. Many modern retailers rely on integrated digital systems that provide real-time insights and automation. In comparison, Kalori Ltd.'s current approach limits its ability to compete in a fast-paced and technology-driven market. Overall, the weaknesses identified are not only operational but also strategic, as they affect the organisation's long-term ability to grow and remain competitive.

3. Recommended Solution

To address the issues identified, it is recommended that Kalori Ltd. implements a modern and integrated information system. This solution should combine Enterprise Resource Planning (ERP), Customer Relationship Management (CRM), and cloud-based technologies.

The implementation of an ERP system would allow the organisation to integrate key business functions such as inventory management, sales, and finance into a single platform. This would

eliminate the need for manual data entry and ensure that information is updated in real time. For example, when a product is sold, stock levels would be automatically updated across all channels. This would significantly reduce errors and improve accuracy. According to Stair and Reynolds (2020), ERP systems provide organisations with a unified data source, which supports better coordination and decision-making.

In addition, the introduction of a CRM system would improve the management of customer data. A centralised CRM system would allow the company to track customer interactions, analyse purchasing behaviour, and develop more effective marketing strategies. This would enable the organisation to provide personalised services and improve customer satisfaction. Over time, this can lead to increased customer loyalty and higher revenue.

Cloud-based technology would support both ERP and CRM systems by providing flexibility and scalability. Cloud systems allow data to be accessed from different locations and ensure that information is always up to date. This is particularly important for a business operating across multiple stores and an online platform. In addition, cloud solutions offer improved data security and support compliance with data protection regulations.

From a strategic perspective, the implementation of these systems would also provide a competitive advantage. Real-time access to accurate data would allow managers to make faster and more informed decisions. This would improve the organisation's ability to respond to market changes and customer demand.

Another advantage of implementing these systems is the ability to improve coordination between different departments. When all functions operate within a single integrated system, communication becomes more efficient and errors caused by data duplication are reduced. This leads to a smoother workflow and better overall performance.

Furthermore, ERP and CRM systems provide valuable data analytics capabilities. These tools allow managers to analyse trends, monitor performance, and make data-driven decisions. For example, sales data can be used to identify popular products and adjust inventory accordingly.

It is also important to consider scalability. As Kalori Ltd. continues to grow, the systems must be able to handle increased data volume and operational complexity. Modern cloud-based solutions are designed to scale with the business, ensuring long-term sustainability.

It is also important to consider the long-term cost benefits. Although the initial investment in these systems may be high, the reduction in manual work, errors, and inefficiencies can lead to significant cost savings over time. Therefore, the implementation of ERP, CRM, and cloud systems should be viewed as a strategic investment rather than simply a technological upgrade.

4. Implementation Plan

The successful implementation of new information systems requires careful planning and a structured approach. The first step is to conduct a detailed analysis of the organisation's needs and identify the most appropriate systems. This ensures that the selected solutions align with business objectives.

The second stage involves system installation and integration. This process should be carried out gradually to minimise disruption to daily operations. Testing is essential at this stage to ensure that the systems function correctly and that any issues are identified early.

Employee training is a critical factor in ensuring successful implementation. Staff must be provided with the necessary skills and knowledge to use the new systems effectively. Without

proper training, there is a risk of resistance to change, which could reduce the overall effectiveness of the systems.

Data migration is another important step. Existing data must be transferred accurately to the new system. This requires careful planning to ensure that data is clean and consistent. Errors during this process can create long-term issues and reduce system reliability.

In addition, the organisation must consider potential risks, such as implementation delays, high costs, and technical challenges. A phased implementation approach can help reduce these risks and allow employees to adapt gradually.

Gantt Chart for System Implementation

A Gantt chart should be introduced in the implementation plan because it provides a clear visual timeline for the ERP, CRM and cloud system rollout. It helps Kalori Ltd. identify the sequence of tasks, allocate resources, monitor progress and reduce the risk of delays. In project management, Gantt charts are useful because they show when each activity should start and finish, making it easier for managers to control the implementation process (PMI, 2021).

For Kalori Ltd., the Gantt chart supports a phased implementation strategy. This is important because the company is already operating through physical stores and an online platform, so introducing all systems at once could disrupt daily operations. By spreading activities across five months, the organisation can complete needs analysis first, then move into installation, integration, data migration, training, testing and final go-live. This approach gives employees enough time to adapt to the new systems and allows technical problems to be corrected before full implementation.

Implementation Activity	Month 1	Month 2	Month 3	Month 4	Month 5
Needs analysis and software selection	X				
System installation and integration		X	X		
Data migration			X		
Employee training			X	X	
Testing and adjustments				X	
Full implementation go-live					X
Performance monitoring					X

Figure 1: Proposed Gantt Chart for Kalori Ltd. information system implementation

The chart shows that planning and software selection should take place in the first month, followed by installation and integration across months two and three. Data migration and staff training are scheduled before testing, because employees need to understand the system and existing data must be transferred accurately before the company goes live. The final month focuses on full implementation and performance monitoring. This structure improves project control, supports change management and increases the likelihood that the new information systems will be implemented successfully.

Another key consideration during implementation is change management. Employees may be resistant to adopting new systems, particularly if they are comfortable with existing processes. To address this, management should communicate the benefits of the new systems clearly and provide ongoing support during the transition.

Time management is also important. The implementation process should be planned carefully to avoid delays and ensure that each phase is completed successfully. A phased approach allows the organisation to introduce changes gradually and reduce the risk of disruption.

In addition, the organisation should allocate sufficient financial resources not only for implementation but also for maintenance and system updates. Without continuous investment, the systems may become outdated over time.

Finally, the organisation should continuously monitor system performance after implementation. Feedback from employees and performance data can be used to identify areas for improvement and ensure that the systems remain effective over time.

5. Conclusion

In conclusion, Kalori Ltd. faces several operational and strategic challenges due to outdated and inefficient information systems. These challenges affect inventory management, customer relationships, and decision-making processes.

The implementation of ERP, CRM, and cloud-based technologies provides a comprehensive solution to these issues. These systems would improve data accuracy, enhance integration, and support more effective decision-making. Although the implementation process requires time and financial investment, it is essential for supporting long-term growth and maintaining competitiveness in the market.

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