

2235506 Oral Nelson

Dr Oluwaseun Adegbite

Managing Business Information

LCLM 5004

Individual Report-Information Systems Improvements

Proposal for Enhancing the Information System

Introduction

Kalori Ltd. is a rapidly expanding consumer electronics retailer with 30 physical stores and a growing e-commerce platform. Despite robust revenue growth, operational performance is constrained by outdated and fragmented information systems. Key challenges include inaccurate inventory tracking, disconnected customer data, delayed decision-making, and inadequate data governance, all of which reduce efficiency and expose the organisation to significant regulatory risk. Under the General Data Protection Regulation (GDPR), non-compliance may result in fines of up to €20 million or 4% of global annual turnover, whichever is higher (European Union, 2018).

Laudon and Laudon (2022) contend that integrated information systems are essential for effective operation in digital environments, as they enable real-time data sharing and process automation. In the absence of integration, organisations experience operational inefficiencies, inconsistent data, and a weakened competitive position. This report evaluates Kalori Ltd.'s current systems, identifies critical gaps, and recommends a cloud-based integrated solution that combines Enterprise Resource Planning (ERP), Customer Relationship Management (CRM), and Business Intelligence (BI) capabilities to enhance efficiency, ensure regulatory compliance, and support sustainable growth.

Current System Environment

Kalori Ltd. relies on spreadsheet-based inventory management, standalone point-of-sale (POS) systems, and independent e-commerce databases. Because these systems operate in isolation without automated data exchange, employees must manually transfer information between departments. This process is time-consuming, inefficient, and prone to human error. Monk and Wagner (2013) note that the absence of system integration is a major barrier to operational efficiency in growing organisations, as it prevents process standardisation and eliminates the possibility of consolidated, accurate reporting.

Monk and Wagner (2013) observe that insufficient system integration leads to duplicated processes, inconsistent data, and reduced organisational efficiency. Dataversity (2024) reports that 68% of organisations identify data silos as a primary concern. Additionally, reliance on manual workarounds increases the risk of errors and suboptimal decision-making (NetSuite, 2025). Collectively, these factors demonstrate that Kalori Ltd.'s current systems are not adequate and cannot support ongoing expansion.

Inventory Management Issues

Manual inventory tracking results in inaccurate stock levels and severely limited visibility across sales channels. Customers often place online orders only to find that items are out of stock, leading to complaints, cancellations, and refunds that harm both customer satisfaction and organisational reputation. Overstocking carries direct financial consequences, including turning customers away and incurring holding costs and unsold inventory (Shopify, 2024). Chopra and Meindl (2022) emphasise that real-time supply chain visibility is critical for reducing uncertainty and improving service levels. For a retailer managing inventory across 30 stores and an active e-commerce platform, the absence of automated, real-time synchronisation represents a critical operational failure.

Customer information is distributed across multiple disconnected systems, making it impossible to construct integrated customer profiles or track individual purchase histories. This limitation restricts the marketing team's ability to deliver targeted promotions, and the customer support team cannot resolve complaints efficiently because purchase records are missing. Priority Software (2025) notes that the absence of CRM and ERP integration impedes cross-functional collaboration, resulting in slower response times and lower service quality. O'Brien and Marakas (2019) argue that CRM systems generate actionable insights from customer data, but these benefits cannot be realised without system integration.

Inefficient Decision-Making

Management relies on manually compiled spreadsheet reports, a process that is time-consuming and error prone. As a result, decisions are often based on outdated or incomplete data. Without a centralised data system, obtaining accurate, real-time information is challenging, which leads to poor demand forecasting and missed revenue opportunities. Kalori Ltd.'s current systems lack essential security features, including access controls, encryption, and audit trails, increasing the risk of data breaches and unauthorised data processing. Under GDPR, organisations must report data breaches to regulators within 72 hours and implement vigorous data protection measures (GDPR Advisor, 2025; Acumatica, 2025). Non-compliance can result in fines of up to €20 million or 4% of global annual turnover, as well as severe reputational damage (European Union, 2018).

The EU's GDPR has accelerated the adoption of ERP platforms with enhanced data governance features across European markets (Market Reports World, 2025), reflecting sector-wide recognition that modern systems are necessary to achieve and maintain compliance. Among the sales, finance, and inventory departments, it forces employees to manually transfer data between systems. This increases workload, reduces efficiency, and creates inconsistencies across the organisation. Research shows that organisations relying on disconnected systems build informal workarounds such as tracking order statuses in spreadsheets, which creates further inaccuracies and misinformed decisions (NetSuite, 2025). This fragmentation prevents Kalori Ltd. from functioning as a cohesive, unified entity.

Strategic Evaluation (SWOT)

Kalori Ltd.'s strengths include an established retail presence across 30 stores, a growing e-commerce platform, and steady revenue growth, providing a strong foundation for digital transformation. However, the reliance on fragmented, manual systems, inadequate data integration, and insufficient controls for GDPR compliance creates a weakness. The global retail ERP market is projected to grow from \$10.34 billion in 2023 to \$28.58 billion by 2032 (NetSuite, 2025), and organisations implementing integrated ERP and CRM systems can achieve 10–20% faster sales cycles. To create significant opportunities Kalori Ltd. should adopt a cloud-based, integrated system that combines ERP, CRM, and Business Intelligence (BI) capabilities.

A retail ERP system manages key business operations, including inventory, sales, financials, customer relationships, and supply chain, from a single unified platform (NetSuite, 2025). This approach will centralise all organisational data, eliminate manual processes that cause errors and delays, and enable real-time coordination across all departments. The projected growth of the global retail ERP

market reflects widespread industry recognition that integrated systems are now essential for competitive retail operations.

ERP System

The ERP system will function as the central operational platform, integrating inventory, finance, supply chain, and order management into a combined environment. Recommended vendors include Oracle NetSuite, Microsoft Dynamics 365, and SAP Business One, each offering retail-specific functionality and robust integration capabilities (NIX United, 2025). The key benefits include real-time inventory visibility across all 30 stores and the e-commerce platform, automated financial reporting that replaces error-prone spreadsheets, and integration of customer data from both physical stores and the online platform into a single unified profile. This enables Kalori Ltd. to track customer interactions, purchase histories, and preferences in real time.

An ERP with integrated CRM consolidates data from all channels into an integrated view (Shopify, 2024), allowing the marketing team to deliver personalised promotions and the support team to resolve complaints efficiently by leveraging complete purchase records. Combining ERP and CRM provides a comprehensive view of both operations and customer behaviour, thereby improving organisational performance and customer retention (Priority Software, 2025).

Furthermore, CRM and ERP integration can result in 10–20% faster sales cycles and 5–15% revenue increases for adopting organisations (NIX United, 2025), making it a financially justifiable investment for Kalori Ltd. The BI system will replace manual reporting with real-time dashboards and predictive analytics, enabling managers to identify sales trends, forecast demand, and monitor performance more effectively. Itransition (2025) highlights that BI tools enable organisations to identify patterns and make proactive, data-driven decisions, thereby improving both efficiency and competitiveness. For Kalori Ltd., this transformation shifts decision-making from a reactive, spreadsheet-based process to a proactive, evidence-based capability. Davenport (2018) reinforces this, arguing that data-driven organisations consistently outperform competitors in decision-making speed and accuracy, which is a critical advantage in the fast-moving consumer electronics sector.

Cloud-Based Deployment

A cloud-based deployment model is recommended for its scalability, flexibility, and cost-effectiveness. RFgen (2024) reports that 95% of organisations now prefer cloud ERP solutions due to lower capital costs and greater accessibility compared to on-premises alternatives. Cloud ERP eliminates the need for costly server infrastructure

and enables seamless access across all 30 stores and the e-commerce platform from a single centrally managed system. Cloud systems support GDPR compliance through built-in security features, including encryption, role-based access controls, and automated audit trails (GDPR Advisor, 2025). Kalori Ltd. must ensure that selected vendors hold certifications such as ISO/IEC 27001 or SOC 2, and that a Data Processing Agreement is established before any customer data is transferred.

Implementation Plan

GDPR Implementation should follow a structured, phased approach. Phase 1: Requirements Analysis involves conducting a gap analysis with all departments to identify organisational needs (NetSuite, 2025). Phase 2: Vendor Selection requires evaluating vendors on retail functionality, scalability, GDPR compliance, and total cost of ownership; recommended candidates include Oracle NetSuite, Microsoft Dynamics 365, and SAP Business One (Itransition, 2025). Phase 3: Data Migration entails cleansing, standardising, and validating all data before migration to minimise errors (Whatfix, 2025). Phase 4: Training consists of delivering role-specific training to all staff before go-live. Phase 5: Pilot Rollout deploys the system in selected stores using sandbox environments before a full organisation-wide rollout (Whatfix, 2025). Phase 6: Post-Implementation Review monitors KPIs such as inventory accuracy, order fulfilment times, and customer satisfaction scores (Pemeco, 2026).ci, 2024).

Furthermore, nearly 60% of employees feel hesitant about ERP transitions when training is insufficient (KPC Team, 2024), underscoring the importance of structured, role-specific preparation. Kalori Ltd. should provide role-specific training before go-live, appoint departmental change champions, maintain clear and consistent communication throughout the process, and establish regular employee feedback loops. These strategies can reduce employee resistance by up to 35% (KPC Team, 2024).

Risk Management

Four key risks must be actively managed throughout the implementation. First, budget overruns affect 38.4% of ERP projects; a contingency reserve of 15–20% of the total project cost is recommended (Prosci, 2024). Second, data migration errors can undermine system credibility and slow adoption, requiring a dedicated data validation team before go-live (Whatfix, 2025). Third, integration complexity when connecting the ERP with existing POS systems may require custom API development, making vendor pre-built integration capability a critical selection criterion (DCKAP, 2025). Fourth, GDPR non-compliance risk must be addressed by

confirming that the selected vendor holds ISO/IEC 27001 or SOC 2 certification and that a Data Processing Agreement is in place before any customer data is transferred (GDPR Advisor, 2025).

Conclusion

Kalori Ltd.'s current information systems are fundamentally inadequate to support its growth trajectory. Reliance on manual, fragmented systems has created systemic inefficiencies across inventory management, customer data handling, financial reporting, and data governance that cannot be resolved through incremental improvements. The proposed cloud-based ERP, CRM, and BI solution directly addresses all five identified challenges: the ERP delivers real-time inventory visibility across all 30 stores and the e-commerce platform, eliminating stock discrepancies that drive customer complaints and financial losses; the integrated CRM unifies customer data to enable personalised marketing and efficient complaint resolution; BI tools replace manual reporting with real-time dashboards, transforming decision-making from reactive to proactive; and the cloud deployment provides the encryption and access controls required for full GDPR compliance. Evidence indicates that organisations adopting integrated ERP and CRM systems can achieve 10–20% faster sales cycles and 5–15% revenue increases (NIX United, 2025). The global retail ERP market is projected to grow from \$10.34 billion in 2023 to \$28.58 billion by 2032 (NetSuite, 2025), reflecting sector-wide recognition that integrated systems are now essential for competitive retail operations. With a structured, phased implementation plan and a robust change management programme, Kalori Ltd. can successfully transition to a modern information system and secure long-term competitive advantage.

Reference

Chopra, S. and Meindl, P. (2022). *Supply Chain Management: Strategy, Planning, and Operation*. 8th edn. Hoboken: Pearson.

DCKAP (2025) ERP Integration Challenges Explained. Available at: <https://www.dckap.com/blog/erp-integration-challenges/> (Accessed: 21 March 2026).

Eastgate Software (2024). Security Considerations in Implementing ERP Cloud Solutions. Available at: <https://medium.com/@eastgate/security-considerations-in-implementing-erp-cloud-solutions-d905a75e14ca> (Accessed: 20 March 2026).

European Union (2018) Regulation (EU) 2016/679 of the European Parliament and of the Council: General Data Protection Regulation. Brussels: European Commission.

GDPR Advisor (2025): How GDPR Affects Cloud-Based ERP Systems and Business Operations. Available at: <https://www.gdpr-advisor.com/how-gdpr-affects-cloud-based-erp-systems-and-business-operations/> (Accessed: 20 March 2026).

Ittransition (2025) Retail ERP: Key Features, Benefits, Challenges and Platforms. Available at: <https://www.ittransition.com/erp/retail> (Accessed: 22 March 2026).

KPC Team (2024) ERP Change Management: Strategies and Best Practices for ERP Implementation Success. Available at: <https://kpcteam.com/kpposts/erp-change-management-strategies-for-erp-implementation> (Accessed: 21 March 2026).

Laudon, K.C. and Laudon, J.P. (2022). Management Information Systems: Managing the Digital Firm. 17th edn. Hoboken: Pearson.

Market Reports World (2025) ERP Software Market Size, Report, Trends by 2035. Available at: <https://www.marketreportsworld.com/market-reports/erp-software-market-14715337> (Accessed: 19 March 2026).

Monk, E. and Wagner, B. (2013). Concepts in Enterprise Resource Planning. 4th edn. Mason: Cengage Learning.

NetSuite (2025) What Is Retail ERP? Making the Right Choice. Available at: <https://www.netsuite.com/portal/resource/articles/erp/retail-erp.shtml> (Accessed: 22 March 2026).

NetSuite (2025) CRM and ERP Integration: Everything You Need to Know. Available at: <https://www.netsuite.com/portal/resource/articles/erp/crm-erp-integration.shtml> (Accessed: 22 March 2026).

NIX United (2025) CRM and ERP Integration: Benefits, Challenges and Best Practices. Available at: <https://nix-united.com/blog/blog-crm-erp-integration/> (Accessed: 22 March 2026).

O'Brien, J.A. and Marakas, G.M. (2019). Management Information Systems. 10th edn. New York: McGraw-Hill.

Pemeco (2026) Challenges Faced in ERP and Digital Transformation Projects. Available at: <https://pemeco.com/common-organizational-change-management-mistakes-in-erp-digital-transformation-projects/> (Accessed: 19 March 2026).

Priority Software (2025) ERP and CRM Integration: Benefits and Best Practices. Available at: <https://www.priority-software.com/resources/erp-crm-integration/> (Accessed: 20 March 2026).

Prosci (2024) ERP Change Management. Available at: <https://www.prosci.com/erp-change-management> (Accessed: 22 March 2026).

RFgen (2024) Cloud ERP Security: Navigating Challenges and Best Practices for Robust Data Protection. Available at: <https://www.rfgen.com/blog/cloud-erp-security-concerns-best-practices-for-a-secure-future/> (Accessed: 21 March 2026).

Shopify (2024) Best ERP for Retail: 6 Top Picks and Components to Consider. Available at: <https://www.shopify.com/retail/erp-for-retail> (Accessed: 22 March 2026).

Whatfix (2025) 8 Proven Steps to Build an ERP Change Management Plan. Available at: <https://whatfix.com/blog/erp-change-management/> (Accessed: 22 March 2026).