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Managing business information

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Proposal for Improving Information Systems at Kalori Ltd.

Introduction

Kalori Ltd. is a consumer electronics retailer that has experienced strong growth in the past year. The company currently operates 30 physical retail stores alongside an online shopping platform. While this growth shows that the business is performing well in the market, the company is now facing several internal operational challenges caused by outdated information systems. These issues are beginning to affect customer satisfaction, internal efficiency and management decision-making.

One of the main problems is the company's manual inventory tracking system. Because stock levels are not updated automatically between physical stores and the e-commerce platform, discrepancies occur frequently. Customers sometimes purchase products online that are not actually available, which leads to cancelled orders, refunds and complaints. At the same time, store managers struggle to identify products that are overstocked or understocked, making it harder to manage inventory effectively.

Another key issue relates to customer relationship management (CRM). Customer information is stored across several separate systems that are not connected. This makes it difficult for staff to access a complete view of customer purchase history or interactions with the company. As a result, the marketing team cannot easily run targeted campaigns and the customer service team finds it harder to resolve complaints quickly.

In addition, the company's reporting and decision-making processes are inefficient. Sales data is manually compiled using spreadsheets, which can lead to mistakes and outdated information. Without accurate real-time data, the management team struggles to identify sales trends or forecast demand.

Kalori Ltd. is also facing concerns related to data protection. The current system does not provide strong access controls or secure data management processes, meaning the organisation may not fully comply with the requirements of the General Data Protection Regulation (GDPR). Failure to address these issues could expose the company to legal penalties and reputational damage.

Finally, the lack of integration between departments is slowing down operations. Different teams use different software systems that do not communicate with each other, forcing employees to transfer data manually. This not only wastes time but also increases the likelihood of errors.

This proposal will analyse the weaknesses in Kalori Ltd.'s current information systems and recommend a modern solution that can improve operational efficiency, enhance customer experience and support better decision-making.

Evaluation of Existing Systems

Kalori Ltd.'s current information systems appear to have developed gradually over time without a clear long-term strategy. While this approach may have worked when the company was smaller, it has now created several limitations as the organisation continues to expand.

Manual Inventory Management

The most significant weakness is the manual inventory tracking process. Store employees and managers are responsible for updating stock levels manually, which increases the risk of human error. When inventory information is not updated in real time, the company cannot maintain accurate stock records across its stores and online platform.

According to Laudon and Laudon (2020), organisations that rely on manual inventory systems often experience stock discrepancies, inefficient warehouse management and delays in order fulfilment. These problems can directly affect customer satisfaction and operational costs. In Kalori Ltd.'s case, customers placing orders for unavailable products is clear evidence that the current system is no longer suitable.

Fragmented Customer Data

Customer data is currently stored in several disconnected systems. For example, online purchases, in-store transactions and customer support interactions are likely recorded in separate databases. This fragmented approach makes it difficult to build a complete profile of each customer.

Modern businesses rely heavily on customer data to improve marketing strategies and customer service. When information is scattered across different platforms, it becomes harder to analyse customer behaviour or develop personalised promotions (Chaffey and Ellis-Chadwick, 2019). As a result, Kalori Ltd. is missing opportunities to increase sales and strengthen customer loyalty.

Inefficient Reporting and Decision-Making

The organisation currently relies on manually created spreadsheets for sales reports. While spreadsheets can be useful tools, they become inefficient when handling large amounts of data from multiple sources. Errors can easily occur when data is copied manually between systems.

Accurate and timely information is essential for business decision-making. O'Brien and Marakas (2017) explain that organisations require integrated information systems to generate

reliable business intelligence and support strategic planning. Without real-time data analysis, Kalori Ltd.'s management team cannot respond quickly to changing market conditions.

Weak Data Security and GDPR Risks

Another concern is the lack of strong data protection controls. GDPR requires companies to manage personal data responsibly and ensure that only authorised individuals have access to sensitive information (Voigt and Von dem Bussche, 2017). If Kalori Ltd.'s systems lack proper access controls, encryption or monitoring tools, the company could face serious compliance risks.

Data breaches can also damage customer trust and harm the company's reputation. For a retailer that relies on online sales, maintaining secure systems is especially important.

Lack of Integration Between Departments

Different departments within Kalori Ltd. use separate systems that do not communicate with each other. This means employees must manually transfer information between systems used by sales, finance and inventory teams.

Integrated systems are essential for organisations that want to operate efficiently. When systems are not connected, data duplication and inconsistencies are more likely to occur (Stair and Reynolds, 2021). This problem becomes more severe as companies grow larger and handle greater volumes of data.

Overall, the evaluation of Kalori Ltd.'s existing systems shows that they are outdated, fragmented and unable to support the company's current growth.

Recommended Solution

To address these challenges, Kalori Ltd. should implement an integrated **Enterprise Resource Planning (ERP) system combined with a modern Customer Relationship Management (CRM) system.**

Enterprise Resource Planning (ERP) System

An ERP system integrates different business functions into a single platform. This allows departments such as sales, inventory, finance and logistics to share data in real time.

By adopting an ERP system, Kalori Ltd. could automate its inventory management processes. Stock levels would update automatically whenever a product is sold either in a physical store or online. This would significantly reduce stock discrepancies and prevent customers from ordering unavailable items.

ERP systems also improve supply chain management. Managers can monitor stock levels across all locations and reorder products when inventory falls below a certain threshold. According to Monk and Wagner (2013), ERP systems help organisations reduce operational costs and improve efficiency by integrating data across the entire business.

Customer Relationship Management (CRM) System

A CRM system would allow Kalori Ltd. to store all customer data in a single database. This would provide employees with a complete view of each customer's purchase history, preferences and previous interactions with the company.

Marketing teams could use this data to create personalised campaigns and promotions. For example, customers who previously purchased gaming accessories could receive targeted offers for related products. Research shows that personalised marketing can significantly increase customer engagement and sales (Buttle and Maklan, 2019).

Customer service teams would also benefit from improved access to customer information. When a customer contacts support, staff could quickly view their purchase history and resolve issues more efficiently.

Business Intelligence and Data Analytics

Modern ERP and CRM systems also include built-in analytics tools that provide real-time business insights. Managers would be able to generate accurate reports on sales performance, product demand and customer behaviour.

These insights can support better forecasting and strategic decision-making. For example, the company could identify which products are selling well and adjust stock levels accordingly.

Improved Data Security and GDPR Compliance

Most modern enterprise systems include strong security features such as user authentication, role-based access controls and data encryption. These features help ensure that sensitive customer information is protected and only accessible to authorised employees.

Implementing a modern system would also help Kalori Ltd. meet GDPR requirements by improving how customer data is stored, managed and monitored.

Scalability for Future Growth

As Kalori Ltd. continues to expand, it will need systems that can handle increasing volumes of transactions and customer data. ERP and CRM platforms are designed to scale with business growth, making them suitable long-term solutions.

Cloud-based systems are particularly beneficial because they allow companies to add new users, locations and services without major infrastructure investments (Rainer and Prince, 2021).

Implementation Plan

Successfully implementing a new information system requires careful planning. The following steps outline a possible approach for Kalori Ltd.

Step 1: Needs Assessment

The first stage involves analysing the company's operational requirements in detail. This includes identifying key processes that need improvement and determining which system features are essential.

Consulting with employees from different departments is important during this stage, as it helps ensure that the new system meets the needs of the entire organisation.

Step 2: System Selection

After identifying requirements, the company can evaluate different ERP and CRM vendors. Factors such as cost, functionality, ease of use and scalability should be considered.

Cloud-based platforms such as Salesforce, Microsoft Dynamics or SAP Business One could be suitable options depending on the company's budget and requirements.

Step 3: System Integration

The new system must be integrated with the company's existing infrastructure, including its e-commerce platform and point-of-sale systems in physical stores.

Data from the old systems will also need to be migrated into the new platform. This process must be handled carefully to avoid data loss or inconsistencies.

Step 4: Employee Training

Introducing a new system will change how employees perform their daily tasks. Proper training is therefore essential to ensure staff feel confident using the new tools.

Training sessions, workshops and user guides can help employees understand the system's features and benefits.

Step 5: Testing and Deployment

Before the system is fully implemented, it should be tested in a controlled environment. This allows the company to identify any technical issues and make adjustments.

Once testing is complete, the system can be gradually deployed across all stores and departments.

Potential Challenges

Implementing new systems is not always straightforward. Employees may initially resist changes to established processes. In addition, system integration and data migration can sometimes create technical difficulties.

However, these challenges can be minimised through effective planning, communication and training.

Conclusion

Kalori Ltd.'s rapid growth has exposed significant weaknesses in its existing information systems. Manual inventory management, fragmented customer data and disconnected departmental systems are creating operational inefficiencies and affecting customer experience.

The analysis of the company's current systems shows that they are no longer suitable for supporting the organisation's expansion. Stock discrepancies, slow reporting processes and potential data protection risks highlight the need for a modern and integrated solution.

Implementing an ERP system alongside a CRM platform would allow Kalori Ltd. to centralise its data, automate key processes and improve communication between departments. These systems would provide real-time insights into sales performance, enhance inventory management and enable more effective marketing strategies.

Although implementing a new system requires investment and careful planning, the long-term benefits are significant. Improved efficiency, better decision-making and stronger customer relationships would help Kalori Ltd. maintain its competitive position and support future growth.

By adopting modern information systems, the company can transform its operations and provide a better experience for both customers and employees.

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