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Component 2- Individual Report- Information System Improvements

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1.Introduction

The digital economy has seen businesses surviving on efficient, integrated and data-driven information systems to drive growth and competitiveness (Laudon and Laudon, 2022). As a fast-growing consumer electronics retailer, AKPerog Ltd. has 30 physical stores and a growing online business platform, which presently experiences considerable challenges in its operations due to old-fashioned and disjointed systems. Despite the impressive sales growth the company has experienced in the last year, the manual and siloed processes have revealed the company to be vulnerable to both profitability and customer satisfaction. The old manual system of inventory is at the centre of the problems of AKPerog. The disconnect between the physical store inventory and online presence is also the cause of frequent discrepancies, which makes customers complain and cancel the order, losing the money. The store managers can not streamline the inventory flow and therefore some products are overstocked and others are short. This inefficiency directly affects sales fulfilment, brand reputation and financial performance.

It is also equally problematic that there is a disjointed approach to customer relationship management (CRM). Customer information is spread over numerous, unlinked systems, which make the marketing team unable to provide customized campaigns and customer support teams unable to address the complaints successfully. Moreover, the process of decision-making is slow as sales and functioning reports are assembled manually using spreadsheets, which frequently includes mistakes and obsolete information. Moreover, the existing practices of the company are not compliant and secure. AKPerog Ltd. does not have solid data protection controls, which exposes it to the risk of breaking laws including the General Data Protection Regulation (GDPR). Lastly, lack of system integration between departments, such as sales and finance and supply chain, leads to bottlenecks, redundancies and errors made by humans. These issues demonstrate the acute necessity of the modern, integrated information system that will increase the efficiency of the operations, data-based decision-making process, customer experience, and compliance. Solving the gaps will help AKPerog Ltd. to continue growing and stay ahead of the competition in the retail industry.

2.Evaluation of Existing Systems

The current information systems in AKPerog Ltd. are characterized by manual operations, isolated systems, and obsolete operations. Although these approaches might have worked at an early stage of the company, they have become less and less sustainable with the increase of operations. This part is a critical analysis of the existing systems in place and the main areas of inefficiencies and gaps that are inhibiting performance.

1. Manual Inventory Tracking System

Today, the inventory management is operated based on the manual tracking process, i.e. stock levels in stores are updated locally without being integrated into a central system (Madamidola et al.,2024). This leads to physical store discrepancies and the e-commerce site. As a result, clients often place orders online and later on find out that their products are not in stock-thus refunds, back orders and unhappy clients.

Operationally, store managers have difficulties with balancing the stock level and end up overstocking, thus tying up capital or understocking thus losing sales opportunities. This is not the only issue faced by AKPerog; as Gartner (2023) says, companies that have old supply chain systems have up to 30% of inefficiency in inventory allocation. In the absence of a real-time and automated system, AKPerog will not be able to match supply and demand, which is essential to resilience in a competitive retail market.

2. Fragmented Customer Relationship Management (CRM)

Another major weakness is the management of customer data. Purchase history, preferences and support records of customers are stored in different systems, which are data silos. Consequently, the marketing team cannot easily carry out personalized and data-driven promotions and the customer service team cannot effectively address complaints with missing or incomplete records.

According to research, effective CRM helps companies to provide customized experiences, enhance customer loyalty, and enhance revenues (Laudon and Laudon, 2022). McKinsey (2021) emphasizes that data-driven enterprises are more successful because they make faster and more correct decisions than their competitors. Nevertheless, the lack of connected CRM practices in AKPerog does not allow the company to use customer insights to improve relationships, decrease churn, and increase cross-selling opportunities.

3. Inefficient Decision-Making and Reporting

The company is presently creating sales reports manually using spreadsheets. The practice is not only time-wasting to the employees but also exposes them to the risk of making

mistakes and having outdated knowledge. The issue with a fast moving retail sector is that the demand forecasting and the revenue opportunities may be missed due to the outdated reports.

The Psico-Smart Editorial Team (2024) demonstrates that organizations that use real-time data analytics are in a better position to enhance performance and competitiveness by reacting promptly to the changes in the market. The use of static spreadsheets with errors by AKPerog restricts the capability of the management to predict demand, resource allocation, or detect new trends in sales (Accarrino ,2019).

4. Data Protection and Compliance Risks

The other significant weakness of the existing system is the absence of secure access controls and adherence to laws and regulations like GDPR. Customers data is not properly secured and this exposes the company to cyber attacks and legal sanctions. As cyber threats escalate and regulatory scrutiny intensifies, AKPerog will face losses of money, reputation and loss of customer trust due to its poor compliance stance.

Gartner (2022) indicates that digital transformation is not a choice anymore; in reality, 89 percent of board directors indicate that digital is integrated into growth strategies. Without safe and compliant systems, AKPerog will lose to competitors who also focus on digital trust and security.

5. Lack of Integration Across Departments

Probably the most urgent inefficiency is the disintegration between the departments, including sales, finance, and inventory. All the departments are running on dissimilar systems which communicate adversely. The transfer of data between functions is done manually by employees and this wastes time and gives room to error by human beings.

This silo thinking decreases the overall efficiency and the company is not able to establish a holistic approach to operations. According to Porter and Heppelmann (2015), the contemporary organizations need to adopt integrated and connected systems in order to stay competitive. In the case of AKPerog, integration issues restrict scalability and the business not being able to attain operational agility, which is essential in retail.

Summary of Key Gaps

In short, the current systems of AKPerog Ltd. are afflicted with:

- Manual inventory tracking that is outdated and results in discrepancies and inefficiencies.

- Disjointed CRM systems that make it difficult to have a personalized marketing approach and effective support.
- Manual reporting that is slow, error-prone and limits the ability of organizations to make data-driven decisions.
- Poor compliance and cybersecurity measures that put the company at risk.
- Absence of integration of different departments in the system leading to inefficiency and redundancy.

The weaknesses do not only affect the customer satisfaction, but also hinder the ability of the company to grow successfully. Without switching AKPerog to a modern and integrated information system, the organization will be prone to stagnant operations, financial loss, and reputation damage in an ever-competitive world of digital retail market.

3. Recommended Solution

In order to address its present operational inefficiencies, AKPerog Ltd. ought to implement an Enterprise Resource Planning (ERP) system that has an integrated inventory management module, customer relationship management (CRM) module, business intelligence (BI) module and compliance management module. ERP systems help to bring together fragmented processes into one platform, which enables real-time visibility, better decision-making, and integration of departments smoothly (Agbelusi et al., 2024 ; Laudon and Laudon, 2022).

Why ERP?

KPCTeam (n.d.) reports that 95 percent of companies have reported to have their business processes improved upon ERP adoption and 53 percent of the respondents have mentioned improved data visibility across different departments as the most important benefit. In the case of a rising retailer such as AKPerog, the ERP system is scalable and therefore the system can widen as the company increases its operations (Oladimeji, 2023).

Key Features for AKPerog Ltd.

1. Inventory Management Module-The real-time tracking of stock in all the physical stores and the e-commerce location, minimizing discrepancies and making sure that the correct product is available. Low-stock and overstock alerts will be generated automatically to maximize inventory turnover to minimize financial losses.
2. Integrated CRM Module - Purchase histories, preferences and interactions will be centralized within a single customer database. This will enable the marketing department to roll out customized campaigns and have customer

care personnel address grievances in a better manner. One-on-one interaction has been found to enhance customer retention and sales growth (Anderson et al., 2024 ; McKinsey, 2021).

3. Business Intelligence (BI) and Analytics-Automated reporting dashboards will be used to remove the inefficiencies of manual spreadsheet assembly. Real time analytics will enable the management to have actionable insights, enhance the forecasting of demand, sales trend analysis and overall agility (Psico-Smart Editorial Team, 2024).
4. Compliance and Security Features Role-based access controls, audit trails, and encryption will enable the compliance with GDPR and the safety of sensitive customer data. Organizations need to earn the trust of customers since data breaches cost them millions of dollars every year (Gartner, 2022).
5. Integration across Departments- ERP helps minimize redundancy of effort, errors, and promote efficiency in the organization through integration of finance, sales, supply chain, and customer service on a common platform. Porter and Heppelmann (2015) stress that interconnected systems are the force of competitiveness because they make it possible to collaborate and innovate.

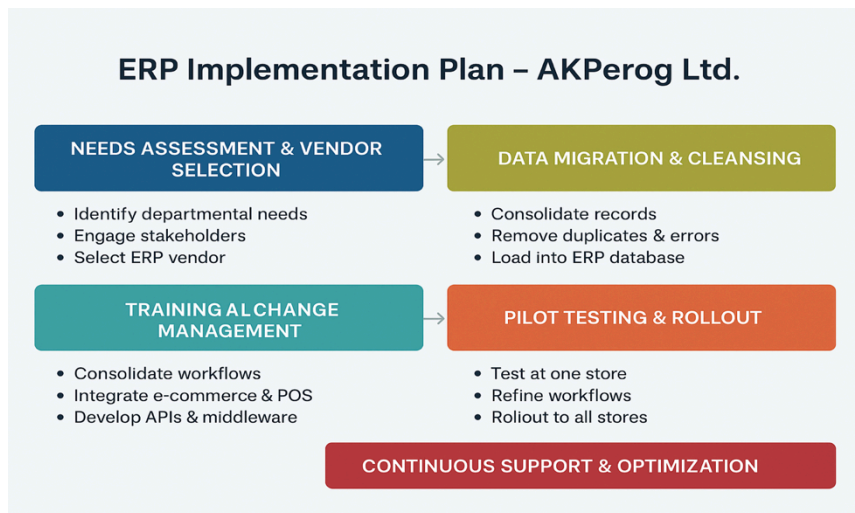
Justification

Business Needs: ERP will solve the most important pain points of AKPerog such as inventory errors, inadequate CRM, ineffective analytics, compliance risks, and departmental silos.

- Productivity: Manual processes are automated to minimize delays in operations, increase data accuracy and productivity.
- Cost-Effectiveness: Although implementing ERP can be expensive, the savings on cost over the long-term, in terms of fewer errors, quicker decision-making, and higher customer retention rates, can be more than the investment.
- Scalability: ERP systems are scalable and AKPerog can easily add new features to the system as it ventures into new markets or introduces new services.

Through an ERP system that has robust CRM, BI, and compliance functionalities, AKPerog Ltd. will change its operation to be aligned to be less fragmented and more reactive, and instead, integrate, data-driven, and customer-oriented. The solution will directly solve the

existing inefficiencies and place the company in a position to grow in a sustainable and scalable manner.



4. Implementation Plan

To achieve a successful deployment of an ERP system, it is necessary to have a programmed, gradual implementation strategy to reduce inconvenience and guarantee adoption.

Step 1: Needs Assessment and Vendor Selection

The initial one is to carry out a thorough requirements analysis of all the departments sales, finance, inventory, and customer service. Depending on the perceived requirements, AKPerog needs to pick a well-known ERP vendor (e.g., SAP, Oracle NetSuite, or Microsoft Dynamics 365) that is scalable and has modules targeted at retail (Gartner, 2023).

Step 2: System Design and Integration

The ERP selected will be tailored to fit the workflows of AKPerog and will be connected to the current e-commerce and POS systems. Intermediaries and application programming interfaces will support a seamless data transfer and eliminate stoppage.

Step 3: Data Migration and Cleansing

Historical records of inventory, sales and customer records will be integrated into the ERP system. There will be duplicate and inconsistent records which will be cleaned so as to enhance accuracy and reliability.

Step 4: Change Management and Training

Buy-in among the employees is very important. Store managers, sales teams and the back-office staff will be offered comprehensive training programs to help them adopt

smoothly. Resistance will be overcome by a change management strategy, which focuses on the advantages of ERP in terms of work and error reduction.

Step 5: Pilot Testing and Rollout

The system will be piloted in one of the stores and then implemented in all the 30 stores and the online store. The pilot phase will provide feedback that will help to refine processes.

Step 6: Ongoing Support and Optimization

The ERP will be maintained to meet the changing business requirements by the use of post-implementation, continued IT support, performance monitoring, and regular upgrade.

5. Conclusion

AKPerog Ltd. is on a very critical crossroad. Although sales are booming at an alarming rate, the old systems of information risk derailing performance, profitability and customer confidence. The existing issues such as manual inventory tracking, disjointed CRM, slow decision making, poor compliance and siloed operations have resulted in inefficiencies that impede growth. This report suggests implementation of an ERP system that has built in inventory, CRM, BI as well as compliance modules. The solution will meet the urgent requirements of AKPerog by aligning the stock management, centralizing customers, automating reporting, and complying with GDPR, as well as integrating the department processes. Supported by the evidence in the industry, ERP implementation will provide better efficiency, better customer experience, and more scalability in the future (KPCTeam, n.d.; McKinsey, 2021). Implementation will be carried out in a structured plan, including selection of the vendor, integration, training and gradual roll out of the implementation to ensure that there is minimal disturbance and high adoption. Through successful change management and constant optimization, AKPerog will become a data-driven, agile, and customer-oriented retailer.

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