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Executive summary

Kalori Ltd is a company which is currently going through operational difficulties, because of their lack of adaptations to the modern information management technology available in this day and age which has raised concerns in customer satisfaction. This report examines the challenges and gives a detailed insight into the current problems the company is facing, my recommended solutions and a risk and rewards analysis. If effectively integrated, the my solutions can help the brand re-build their damaged customer relationships and achieve smooth operations in the business.

Introduction

Kalori Ltd. is retailer which uses both in-person stores and an e-commerce platform to grow, they are fast growing and have seen an increase in sales over the past year, with the positive development the company has been looking forward to expand, but unfortunately their information systems are not up to date which is a setback for the company as their incompetent information systems are causing operational disturbances. The companies manual inventory tracking system is frequently resulting in inconsistencies and misinformation of the stock between the physical store and online shopping orders, customers have experiences placing orders and later finding out that the item they purchased is not in stock, this unfortunately has led to customers complaining and requesting for refunds which is hurtful to the company's image. Managers have been struggling to observe the products which there are too many of or too few of, which is resulting in the company losing money and delaying their customers' orders. An emerging concern has been raised about the customer relationship management (CRM) as customers analytical data is not communicated across clear systems, which makes it difficult to analyse purchasing patterns detrimental to provide customers with personalized marketing. The purchasing records would usually allow the company to carry out targeted advertising however as these records are missing the marketing team finds it challenging to do so. Poor forecasting and missed revenue opportunities have been a result of management struggling to investigate real-time data, spreadsheets have reportedly been inefficient by repeatedly having errors and old data which has caused decision making to ultimately be slow. Another significant issue has been that Kalori Ltd. has not entirely been complying with the data protection rules like GDPR, the system they are currently using is missing important security access controls which raise concerns of a potential unauthorised breach of customer data, cyber-attacks are feared and the leadership is aware that they should act fast to prevent this. Last but not least the lack of communication and collaboration between the sales, finance

and inventory teams are negatively impacting employees time and the chances of mistakes are greater.

Evaluation of existing systems

Kalori Ltd is reliant on manual inventory tracking for the moment, this has shown to not only be inefficient but hurtful to the company's brand image, the mentioned points such as customers ordering items and then finding out they are out of stock hurts customer relationships. Studies have shown that effective customer relationship management is significantly important when aiming to solidify relationships with customers (Guerola-Navarro et al., 2024). Financial loss is very likely to occur when the company can not effectively monitor their stock, which will lead to delays with dispatching customers' orders, making them unsatisfied.

Customer data is not being properly distributed amongst different sectors of the company this not only makes it difficult for the employees to keep track of data but it makes it difficult to understand customers purchasing patterns and monitor their behaviour, customer relationship management is weakened when not being able to provide customers with personalized marketing, which is significant in boosting customer experience (Shen, 2014), will reduce the chances of customer retention. Risks such as unsuccessful marketing strategies could negatively impact the company's performance, as sales could decrease due to their marketing not being personalised.

The outdated manual spreadsheet system is not an effective way to aid effective decision making, not only are the current systems time consuming but they are also likely to be outdated and have false information. The concept of real time-information management is extremely difficult for Kalori Ltd, as their manual spreadsheets allow for miscalculations and errors, management information systems (MIS) are substantial in further developing decision-making to increase the chances of success (Hamdat et al., 2024), thus, using a manual system to determine and analyse information is likely to reduce the quality of the decisions made by the company especially in a modern day and age with automatic systems like artificial intelligence.

The company is missing connections between different sectors, such as their sales team, finance team and inventory management. Small communication errors could lead to harsh impacts on performance, if the employees did not have to manually share data each time and have a clear path of communication which is easy to understand, operations would be much clearer. Collaborative systems can strengthen connections within the team and boost operational success (El Khatib et al., 2022), overall, the communication gap between the different work areas can lower the company's chance of success.

The level of security on customer data at Kalori Ltd is significant and concerning, data protection laws like GDPR are not compliant to the expected industry standard which increases the chances of data breaches on their customers private and sensitive data. In the very likely event of a cyber attack the company could face legal repercussions such as court charges and sanctions however this would also impact their brand identity as it would illustrate the company in a careless way.

My recommended solution

I strongly believe that Kalori Ltd would benefit from integrating a system which unifies different working sectors of their company, such as the money management and inventory tracking teams into one main system. Enterprise resource planning (ERP) would be a perfect system to use as one of the key attributes is real-time data distribution, ERP systems such as SAP S/4HANA support in decision-making and connect several business functions into one central system which enhances the quality of the way data is exchanged through multiple departments making the supply chain more efficient (Jawad and Balázs, 2024), it is also notable that ERP systems reduce the chances of data being repeated which is usually seen with manual spreadsheet type systems. Furthermore, introducing a Customer Relationship Management (CRM) would support the already struggling marketing team in understanding customers and offer personalised marketing, this would also be beneficial for developing the company's customer loyalty, CRM systems like Salesforce support with generating customer loyalty and retention through data (Magatef et al., 2023), generating a loyal customer base and ensuring the shopping experience is smooth will also help rebuild the brands image. To help minimize the risks of inaccuracies in stock information an Inventory management system must be introduced, as this tool is used to enhance operational efficiency in many organizations (Munyaka and Yadavalli, 2022), being able to clearly manage stock will help to avoid cases where customers have ordered products that are not even in stock and improves the duration of time that customers have to wait for their delivery.

Implementation plan

Kalori Ltd has to follow a very systematic strategy, to ensure that the new systems are introduced smoothly. To begin with, the company has to ensure that their chosen inventory management system is fitting with their CRM and ERP, this is because having systems which are complementary to each-other can make the understanding among all sectors

easier to understand and manage. It is vital the data Kalori Ltd currently has is carefully transferred into the systems to eliminate chances of data loss or misplacements which could negatively impact the new systems. For the implementation of these new systems to run successfully, training must be given to staff, with the right training employees can feel comfortable and rely on these systems boldly which can lessen any potential errors. Before committing to the new systems, it would be ideal to begin a trial phase where systems performance is closely monitored, having these inspections in the initial stages will allow for potential error corrections and also minimise the chance of potential regret or urges to switch back to old methods due to faulty systems. Finally, when the implementation of the new systems is complete, regular monitoring will support the efficiency and support long-term use, that boost clarity within the business and help the business grow.

Risks and Rewards

The first risk of integrating the new systems would be cost, this is because of the nature of the businesses current situation, as previously mentioned Kalori Ltd is evidently struggling, the unhappy customers and inaccurate data has very likely impacted their finances, the cost of CRM, Inventory management systems and ERP can be expensive, it is also important to note that the current employees are used to the current manual systems in place currently, in the case that employees are hesitant or having difficulties operating these new online systems due to potential knowledge gaps, the operations can be slowed which is the opposite of the goal when switching. During the trial periods, technological problems are possible which has the potential to bring operations to a complete pause and impact finances more.

The rewards of the system switch are very significant and can substantially shape the future of Kalori Ltd. The improved efficiency alone that comes from integrating new online systems will decrease the amount of time customers wait for their items to be delivered, this alone can generate customer retention if good customer experience is showcased consistently. The ability to have access to customer purchasing patterns and analytical data, will open doors to personalized marketing which can greatly strengthen the shopping experience by giving suitable reaccommodation's making it more engaging to customers (Amosu et al., 2024). With time these factors will support the company with establishing their position in the market.

Overall, Kalori Ltd.'s current circumstances are significantly a product of inefficient business information management, the lack of clarity on stock availability and the communication gaps between departments have left a mark on the relationship between customers and the brand. I strongly believe that the rewards outweigh the risks and introducing CRM,ERP and

inventory management systems would tackle the currently faced challenges by enhancing data accuracy and boosting internal collaboration. In today's technological advanced roles, not taking advantage of these systems would be a bad business decision as personalised marketing is extremely popular and it boosts customers engagement. Even though, risks are on the table taking initiative to implement the new systems will showcase to the customers and competitors that Kalori Ltd is adapting to the modern world and capitalising on a great opportunity, to sustain development in the future.

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