<u>**Case Project**</u>
Adams Furniture Company
Part 3 - Assessment of "To-Be" Process

1. **Recommendations**

Based on our research and analysis our recommendations for Adams furniture company are detailed below:

Recommendation	
Customer Places Order Online & Over the Phone	- Customers are now able to place orders over the phone as well as online. - This allows for more orders to be placed throughout the day, and allows for Adam's furniture to ship out orders in a timely manner
ERP System	- The ERP system is to be implemented to handle the order number process, the confirmation email process, the picking ticket process as detailed below. - The ERP system now creates an order number and displays it to the sales member or customer immediately. (Order number is recorded in the sales database) - ERP system allocates the inventory to the order and updates the inventory into the inventory master data - ERP systems sends confirmation email to customer detailing: order number, price, inventory, Expected delivery date (Shipping time calculator in place) - ERP systems sends picking ticket information to monitor in the production department (Scanner/Computer - Picking Ticket Database) - ERP systems confirms shipping department has received items once barcode has been scanned. - This ERP system increases efficiency and productivity by automating the order number process, order confirmation process, credit check process and picking ticket process, allowing the company to process more orders with a lower error margin. - The potential cost of the ERP System is expected to be $1,000,000 (installation, integration, training) and $200,000 per year after.
Production Department Monitor / Computer Display	- The production department monitor allows employee to view multiple items that need to be picked according to priority and date received. - This production department monitor that displays the orders that need to be picked allows production workers to work on multiple orders at the same time. - This also reduces the time wasted printing out picking tickets and saves money in the long-run.

Barcode Details	● The production department prints out a unique barcode which is placed on the packaged goods, detailing the shipping information (the name, address, price)
	● Once barcode is created it is updated in the sales event database and assigned to that specific order
	● Once the shipping department scans the barcode it
	    ○ Confirms shipping department has received item
	    ○ Prints bill of lading and packing slip for shipping department according to barcode.

Marketing Campaign	● A marketing campaign would allow for an increase of up to 300% in revenue ● The marketing campaign would consist of Adams Furniture Company hiring an external marketing company to advertise their company through multiple streams (print, web, television, etc) ● This marketing campaign would be handled by the external marketing campaign and it would cost approximately (5% of revenue) but potentially bringing in (300% of revenue)

Assessment of Technology	
Computer Based Account Setup/ Account Verification	● Rather than having the sales consultant manually input the customer credentials and verify the account, an online based system will verify the credentials which will be stored in a cloud based server containing all customer information ● The only 2 resources that are needed for Account setup/Verification should be the computer systems and the customer information server.
Automated System sends Acknowledgement to Customer via Email	● In Lieu of the mailroom clerk manually printing the tickets and mailing them to customers, our online systems will automatically email the customer acknowledgement to the customer. ● This system will cut out the mailroom clerk as a resource

Barcode Technology eliminates the needs for manual data entry	- A Barcode system will be implemented to speed up order processing by eliminating the need for the shipping clerk to manually key in the order number. - Once the barcode on the picking ticket is scanned the order details will appear on the screen , the clerk does NOT have to key in the products being shipped, it will appear on the screen already and he just has to accept the information.
System Implemented for Measuring Productivity in Order to Meet Targeted Sales	- The ERP system will measure the amount of order that go out on a daily basis as well as the time that it takes an order to go through - The information will then be cross referenced with the company's targeted sales to see if the company is meeting the goals and maximizing the technology at hand

2. Analysis

Cost effectiveness of adding technology (ERP system and Inventory management system):

	Existing	Addition of ERP System (-$1,000,000 and -$200,000 per year)	Addition of Inventory management system (-$200,000)	Both (-$1,200,000 and -$200,000 per year)
% of unpaid orders	**10%**	■	**3%**	**3%**
	10% * 4800 orders = 480 orders 480 * $1500 = $720,000	No effect	3% * 4800 orders = 144 orders 144* $1500 = 216,000	3% * 4800 orders = 144 orders 144* $1500 = 216,000
% orders shipped to wrong address	**20%**	**0%**	■	**0%**
	20% * 4800 orders = 960 orders 960 * $70 = 67,200	0% * 4800 orders = 0 orders 0 * $1500 = $0	No effect	0% * 4800 orders = 0 orders 0 * $1500 = $0
% orders that are shipped back	**5%**	**2.5%**	**2.5%**	**0%**
	5% * 4800 orders = 240 orders 240 * $250 = $60,000	2.5% * 4800 orders = 120 orders 120 * $250 = $30,000	2.5% * 4800 orders = 120 orders 120 * $250 = $30,000	0% * 4800 orders= 0 orders 0* $1500 = $0
% production planning issues/back order issues	**50%**	**5%**	■	**5%**
	50% * 4800 orders =2400 orders 2400 * $100 = $240,000	5% * 4800 orders = 240 orders 240 * $100 = $24,000	No effect	5% * 4800 orders = 240 orders 240 * $100 = $24,000

Total Savings	$0	-$686,800 first year, and **$113,200** every year after	$334,000 first year and **$534,000** every year after	-$352,800 first year and **$647,200** every year after

Orders per year = (orders per day)(number of business days per year)
                = (20)*(240)
                 = 4800