

Elektronikz inc. – a new system essay



**ASSIGN
BUSTER**

Elektronikz Inc. is a new company which first opened in Mumbai, India. They deal with all electronic products ranging from small appliances used at home to home theatre systems and mobile phones.

They are sole distributors of world famous brands including Panasonic, Philips, Sony etc. They opened their first showroom in 1990 and were progressing very well. The UAE branch had opened on the 1st of January 2001. This was the second showroom put up and the owner Mr.

K. A. Soorya had decided to try his luck in the UAE, seeing that UAE was indeed a land of great opportunities. The showroom opened with a marvellous inauguration ceremony where the company had introduced huge sales and draws in order to make itself known to the public. The company was opened at a time when computers were not so famous.

Computers were expensive and slow at that time so the company was doing well on a system comprising of paper, filing and lots of human thinking and working. The reason why the first showroom was very popular was due to its extending range of products being sold. However, by the time the new showroom was opened in Dubai, the system was beginning to show signs of loss here. The system comprised of paper and cabinets which was very inefficient. Also, there was a lot of competition from stores such as Plug-ins, Jumbo etc.

The company decided that a change should be made to the existing system to keep up with the competition so they decided to go for the new ICT system which was growing very popular. They hired Alan's Solutions Provider (ASP) which is the company I work in to put in a more efficient system that

would compare with other companies so that the business would not fail.

THE CURRENT WORKING SYSTEMThe branch deals mainly with getting the items and selling it to the public. Thus stock control is a key feature in the branch. Restocking in the branch takes place during the last week of each month.

The branch gets into contact with all the suppliers through the means of letters. At the end of every month a stock report is produced. The stock manager will check on the stock levels during the end of each month and then prepare a written form that contains the products required and the amount to be ordered. This form is passed on to the secretary. The secretary in the administration office writes a letter to each of the suppliers which each ask for the items required and the amount of items to be delivered. She then stores it in a cabinet marked " Supplier Orders".

Then, when the order date approaches, a clerk will empty the cabinet and take the mail to the post office for sending the letters. He purchases the stamps for the letters and then attaches them and posts the mails. When the stock is sent by the company, the items are deposited into the storage room. The company will give a form which has the amount delivered and the price. The branch puts an approval stamp and deals with the payment through cheques. After this is sorted out, the next step for the branch is deciding the prices of the products depending on the market.

To do this the manager checks the sales of the previous month. This information is also prepared at the end of each month by the secretary using the stock levels. If the manager finds the profits satisfactory he chooses to

keep the same prices. If he finds the demand high he will decide to increase the prices of the products and if the demand is low he will reduce the prices of the products to accommodate the loss.

When he decides the prices he writes this information on a form which asks for the product and the price decided. This form is passed to the secretary who sorts the information in order of suppliers. She then makes copies of this form and passes this on to the clerks at the showroom. The clerks write the prices on tags and then attach these tags to the display piece. The UAE (mainly Dubai) is quite famous for the sales introduced to the shops. There are festivals such as the Dubai Shopping Festival and the Ramadan Festival where huge discounts and raffle draws are held in participating outlets.

The manager will have to decide whether to participate in the festivals or not. This he does by checking the demand and the profit levels which is presented in the form of a chart. Here he judges the possible benefit or loss that might appear as an outcome of such a decision and accordingly he gives his decision to the secretary. If he decides to participate then the secretary writes a letter to the festival authorities informing them that the outlet is willing to participate. This letter is passed on to the clerk who mails the letter. The main process taking place in the showroom is the purchase of items.

Customers who wish to purchase an item come to the showroom and ask the clerk for the desired appliance. The clerk takes the customer to the area of the showroom where the range of the appliances is located. The customer

chooses the product and then goes to the counter. The salesperson takes a form and enters the product(s) id, date purchased and amount purchased.

Then the salesperson enters the customer's name, products(s) id, date of purchase and amount paid onto a receipt which he gives to the customer. The branch only accepts cash as a method of payment. The firm also deals with the repairing of products which they sell. They have four trained technicians who handle repairs of all products that they sell. Since they accept the repairs of items not brought from the outlet they usually have many customers or companies who wish to correct some appliance.

Thus the outlet needs to keep records of repairs done. The customers are given a form where details of name, address, complaint etc. are to be stated. This form, after being filled, is given to the retailer and he stores it in a cabinet. The product to be repaired is kept aside in a separate storeroom.

At the end of each week the contents of the cabinet and the appliances to be repaired are delivered to the service centre where the technicians check and fix the appliance. Then the technician writes out a form regarding the costs and sends it along with the appliance back to the showroom. Then the customer can go on the collecting date to the showroom and then collect the appliance. PROBLEMS ENCOUNTERED WITH THIS SYSTEM This system implemented encounters quite a lot of problems as mentioned below:*

- * There is only one method of purchase i. e. cash.

Customers who wish to pay using credit cards or cheques cannot do so.*

There is a lot of paper used. This increases the expenses of the company.*

The files can be easily lost. Important paper might be considered as scrap and be disposed of. This would be very dangerous to the outlet.

* Customers purchasing items find that it takes a long time at the counter. This leaves them irritated and it might persuade them not to purchase from the store again.* In restocking, the secretary has to write a lot of letters to each of the suppliers which is time consuming and irritating.* The manager too has to judge the stock levels of each product and this is time consuming and irritating.* The secretary also has to prepare a profit and loss chart manually which is time consuming.* The manager has to judge the stock levels and then order the products.

Being human, he can make a mistake and thus this might lead to a loss of the company.* The clerk has to stamp a lot of letters passed on by the secretary and this would get him really irritated and thus make him work less efficiently.* Nowadays the world is mainly working on electronic mail (e-mail) and so letters are getting less and less popular.* Tags have to be prepared by the clerks manually for each of the products which is tiring.

SOLUTIONS TO THE PROBLEMThe following are solutions which might help improve the situation:* The branch can employ more clerks in the administration office to help the secretary with her duties.* The branch can introduce a system where credit cards and cheques can be accepted as methods of payment.* The branch can employ more workers to write letters and fill forms in.* The branch can organise back up systems so that data has more security.* The branch can hire a person to regularly back up data onto

disk and maintain the data safely.* The branch can hire a software house to build a program to handle their jobs and have it customised.

* The branch can use an ICT system where all the work will be controlled by means of ready made programs. The proposed solution by the management is the use of the ICT system. ICT is now a very popular solution and is known to be more efficient than the others. Computers are also much more reliable than human work.

ICT systems do not involve a lot of paper work as the data can also be stored on CDs, hard discs and floppy discs which are small storage mediums.

Computers also support electronic-mail (email) i. e. messages can be transferred over networks and internet without the use of letters. In an ICT system there are various solutions to choose from as mentioned:*

Application specific package: as the title suggests, this package is intended for a specific application.

The interface and functions are built to suit the application. The program is also well tested and cheaper than a custom made program. However, only functions related to the application are available. If the user wants to perform more functions which are not completely related to the application he cannot do so.* Custom made program: This program is designed and written to solve a problem. These programs are done by a software house or by someone in the company itself.

This program is designed to fit the user's problem exactly but however it is extremely expensive.* General purpose application package: This program is

made for no specific application. These programs extend to a large number of uses. Each package is well tested and documented.

They are also not very expensive and other software can be linked to it and use the same data. After a long discussion with the management, we concluded that we would use Microsoft Access. This is a database program which comes with the Microsoft Office GPAP. We chose this because it was the cheapest solution and also because we could link the data to other softwares so that the data can be used for more than one purpose. MY OBJECTIVES When working on this project these are the objectives I am going to keep in mind:

- * The system should be fast in calculations and searches.

- * Data should be kept as accurate as possible.
- * It should be easy to create backup files for security purposes.
- * It should be able to produce letters to each of the suppliers and either mail it using email or produce hardcopies to be mailed to each of the companies.
- * It should avoid the use of paper for storing information i.

- e. the computer's hard disk should contain all the information.
- * Items should be displayed in accordance to their item code.
- * Each item record should be accompanied by a small picture of the concerned item.
- * It should be able to display the names of items which have made sales over 50.
- * Items which require restocking should be displayed.
- * It should display items which cost less than 50 or more than AED 10, 000.
- * It should be able to store the minimum and maximum stock levels and then judge whether restocking is necessary or not.
- * It must be able to display the company's profit or loss of which this branch is the cause.
- * It must be able to display the names of

customers who have to collect their appliances after being repaired.* It must be able to display the names of customers who have left their appliances for service for more than three months.