

Cango week 4 analysis assignment



**ASSIGN
BUSTER**

Running Head: Individual Analysis Report Week 4 Analysis Report DeVry University, BUSN460] Overview After reviewing the material one can see that CanGo is ready to move forward with upgrades technology. CanGo is looking to expand, but is still unsure of which way to go. Jack met with Warren and Debbie in which, he shared with them the ideas of an Automated Retrieval/Storage System (AS/RS). Jake explains to them that process flow charts give them the data to review. He states that they need to simplify, eliminate, automate, and integrate.

Jack shares with Debbie and Warren the information about bar-coding and how it would benefit the company. He explains the vertical material movement and how it benefits a distribution facility as quick setups benefited the flexible manufacturing facilities. Jack also explains how beneficial one AS/RS would be, but elaborates that if there was two AS/RS's they would be top notch. Having two separate AS/RS would help increase the volume shipped or to ship double the number of titles at the same cost. The group discussed how Liz would not be happy with the numbers, but you need to look at the net present value and the internal rate of return.

Jack assured them that he calculated everything including the startup and installation costs. He explains that they should look at the long term strategic impact the AS/RS and change will have on the future of the company. Take this data to Liz and the other members of the team. Jack and Warren both are unhappy with the current system at CanGo and know that the company needs to change. They are sure that by implementing new system that some of the ongoing issues will be resolved and things will

ultimately get better. They have talked with Debbie, and are now taking it to Liz and others for their input.

The group meets and Warren shares with the group that they have put the current setup through a test. The way this was done is that they had a team member work through the system wearing a pedometer. The pedometer allowed them to see the amount of walking was being done during the normal day of picking orders. Jack explained that it was not time conducive since the time searching for titles and picking the order was time consuming since backtracking was done often. With this data out there is showed them that the AS/RS would eliminate some work and that was a question one member of the group had.

The member was assured that the workers could be moved to another area and still picks orders. Liz the CEO was worried that the warehouse would become an Island of automation, but was assured things would be better. Liz also worried about the numbers she was viewing and wanted to know if they were negotiable. Jack assured her even though the numbers were not able to be negotiated that the AS/RS would prove to pay for itself quickly. Jack also explained that the current system is backwards and should everything should be direct ordered in real time.

The front end of the website should be tied in with the back orders so everything is ordered in real time through integration. Liz was also assured that this was not a venture that was going to add financial burden, but only use clean cut costs. Liz listened attentively and stated that they should present it to the board for final input and she hoped they found it beneficial

and was ready to move forward with the changes to the system. We once again see that Nick is not focused on the matter at hand and is ready to pass the buck as are others when Warren came by asking for the process flow chart from the improvement team.

Nick wanted to view or play a demo that Whitney has instead of focusing on the assignment at hand. He explained they had some ideas in regards to the return, but could not produce the document. He stated Whitney had it and this went down the line until it was known that Debbie ended up with the project. Debbie assured Warren that the report is together but there were some questions that needed addressed first and she would get it to him quickly. The process flow chart was to demonstrate the improvements that needed done to keep the system running smoothly. This includes sales and returns.

Members of the team discussed the difference in physical shopping as opposed to online shopping. They were going over the data in regards to the number of people who begin shopping online, but never buy the item. When this happens the item remains in the cart. What keeps people from placing the order and why is it that people are more apt to make a purchase in the store rather than online. Andrew decided that they needed to do research and see what might be keeping customers from purchasing items, and wants to see if the 75 % rate is correct for CanGo shoppers as well.

Andrew wants to get an understanding of what is going on in there virtual shop. He has them investigating the hit and clicks numbers and is giving them certain pages to review. Andrew wants them to look at problem

recognition, informative search, and alternative evaluation, along with the purchase and post purchase evaluations. The data is required ASAP. This will give them the data to know if this 75 % includes their business as well.

Andrew asked Nick to assist Gail with the research. This data will help better the web site and keep the customers at the site and give them reason to click and finish the purchase.

Customers are unpredictable when it comes to them making purchases. The research will also suggest ways to improve the system for future purchases. There are many types of influences that can draw customers in to the site and help with the persuasion to purchase the items. Andrew reviewed some data and realized that they were almost as bad as the 75% of all marketers'. This information came from the Vals2 report. Andrew had them break it into categories for review. Gail says that they are losing the customer between the evaluation and the purchase.

Andrew wants to know where they are losing them to whether the other sites or no purchase. He also mentioned that it was the more expensive items that sat in the cart for the most part. Since he had other questions he asked that the Vals2 research a certain type of customer that they would normally purchase from their site. Andrew is planning a strategy that focuses a bit like peer pressure. Realizing who your target consumer is and keeping them is all part of a marketing strategy. Warren is pleasantly surprised by sudden increase in shipping of merchandise to Japan.

He sees Andrew who is on a lunch break and questions whether Andrew had some sort of campaign that was attracting the influx of shipping traffic. He

assured Warren he had no part nor would he actually know how to attract such an influx in shipping traffic to Japan. He did say he would research the information and get back with him regarding the sudden increase. SWOT Analysis A. Strengths a. Cango is a business that has great growth potential b. Adding an ASRS would help to increase sales and shipments c. Sudden increase in shipping to Japan B. Weaknesses a.

They have employees who are still not fully focused on their job. b. There is a lack for any strategic planning. c. The company's work atmosphere lacks discipline. d. The company lacks communication between the departments. e. The company is unsure of the reason for a sudden increase in shipping f. The company still has not set a vision or mission statement. g. The current system that has employees doing extra work. C. Opportunities a. The increased shipping to Japan b. Utilizing two AS/RS systems c. Increase in sales and shipments without expanding the warehouse d.

The utilization of two AS/RS systems that would double shipping possibilities. D. Threats a. Not having a strategic plan b. Moving ahead with two AS/RS without knowing how one works first c. Employees lacking skills to research data adequately and report in timely fashion without pawning the work off to other members. d. Cango lacks continues to lack mission and vision statements. Recommendations Jack is sure that with two AS/RS systems that CanGo could increase in size, but not need to have additional space available in a warehouse.

I would say use two automated retrieval services, because in doing so they can increase the shipping and the retrieve double the volume. Nick still

seems to have some focusing issues and continues to not complete his own work adequately. He seems a bit cocky when it comes to his female coworkers. I think having some training on site for this would benefit all team members. I would recommend using two Automated Storage Retrieval Systems since the space needed in the warehouse would not need to increase, but the merchandise handled would at least double.

Liz seems to be for the idea since the numbers are looking promising. The transition will be easy and give them an edge over others in the market. Andrew will have the Vals2 conclude additional reports which will bring in further data that one can use for future planning. Putting together a strategic plan still needs done. None of the members seem to play as a team and this should be done. Having team meetings to prepare for future changes allows everyone input and then an outcome could be decided. Nick could still be evaluated in regards to his work ethic and professionalism.

Employees need to remember they represent the company and should act accordingly. The company will continue to review the warehouse space they have and see if additional space is needed. I recommend continuing on with the implementation of the double AS/RS and just monitor the company for any noticeable changes. In conclusion they should develop a strategy that will allow them to focus on the consumer and what they need. This will improve the employees awareness of what is happening throughout the company. Teams should remain strong and focus on what else can be done to improve the overall sales and keep with what they have.

I believe having one team member that will always review your web site looking for data that is obsolete or that is no longer needed by the consumer. CanGo needs to become a unified team because without unity you are more apt to lose business. Even if you only lose one person that one will always tell others and word of mouth always travels fast. References Class Videos. (2010, January 4). Cango Quicktime Videos [Video File]. Videos listed on [http://www.devryu.net/ec/crs/default.learn?CourseID= 3680404; CPURL= www.devryu.net; Survey= 1; 47= 5655192; ClientNodeID= 906358; coursenav= 0; bhcp= 1](http://www.devryu.net/ec/crs/default.learn?CourseID=3680404;CPURL=www.devryu.net;Survey=1;47=5655192;ClientNodeID=906358;coursenav=0;bhcp=1)