

Investing in tufts essay sample

[Economics](#), [Insurance](#)



The TUFS system doesn't work like what it should be. TUFS should work as a new underwriting procedure and an assessment report to help the company to increase the efficiency of the company. In addition, its e-business function can help company solve their online business problems easily. But the current issue is that the TUFS's underwriting system is only use at the last moment as a double-check step in the old procedure, and the company is quitting the e-business which makes the e-Business part turn into no use. The TUFS is also expensive when the IT team first introduced the system, and it keeps eating up IT department's budget every year because there are many errors appearing consistently which consume a lot of financial resources to fix. The financial department and IT department didn't communicate well so that the system is not designed in the way which the company needed. The system should cover its costs in two years but nobody knows how to use the system since there are no training programs for the TUFS. The company didn't have a good change management plan. Help desk and training program is not is the original plan and they keep eating the budget, which makes financial department very grilled. On the other hand, the financial department didn't make any plan for the changes on the system configuration, which let the company suffered more lost.

Recommendations

The first thing to do is to introduce the system to all the IT members. Setting up the training program is necessary to make sure all staff in the IT department can use and fix the system efficiently. “ Identify what the manager and employee skills are that will be required to operate and maintain the new system, what their existing skill capacities are, and what

additional skill training needs to be done” (Fao. org, 2004). Also, “ Anticipate the eventual need for procedural changes and analyses their implications on organization, structure and incentives” (Fao. org, 2004). The main idea is not only to use the TUFs but also to improve it and reduce the risks of errors. The improvement should also include taking out the e-Business part of the system since the company doesn’t run the e-Business anymore. From saving the budget of fixing e-Business part’s errors and putting more budget to training and improving the system, TUFs should increase the underwriting efficiency and create opportunity to Northern Insurance. Never take out the system from the company because the investment of the system will be wasted and there will have no chance to create the opportunity to the company.

Responses to End of Case question

1. The TUFs investment is a blind investment. Northern Insurance didn’t prepare well and they didn’t measure the usage for the system such as the e-Business part of the system. The company invests too much into TUFs project at the beginning, and the technology doesn’t follow up to the requirement of maintaining the system. To prevent this problem in the future, the business and IT department should work together to figure out the reliability of the project such as the usage and budget aspect in the project. The IT should also consider the future perspective and make a well-prepare strategy for the project. Don’t hesitate to spend some extra financial resource to provide the training program for all the employees which can help the company better controlling the TUFs.

2. Training program is the best way to maximize the usage of the system, and it can help company to realize the benefits from TUFs. Northern Insurance may also return back to their e-Business service since TUFs was projected to providing the strategic e-Business capability. Company can also compare the old underwriting process to the TUFs's underwriting process to acknowledge the benefits from TUFs. Do every possible efforts to make TUFs useful is the biggest help to realize the benefits from TUFs. 3. Northern Insurance can measure these benefits from couple perspectives. First of all, the costs of the system should be covered by itself in two years. Second of all, the underwriting procedure should be more efficient than before. Thirdly, the e-Business service should have larger capacity to store more resources. Last of all, the overall efficiency should increase in the company which also includes the significant improvement in fixing the errors for the system.

Reference:

Cox, M. (2004). Computerizing Agricultural Cooperatives: A Practical Guide. FAO Corporate Document Repository. Retrieved from: <http://www.fao.org/docrep/007/y5471e/y5471e06.htm>.