

# Harvard business school case study essay sample

[Business](#), [Marketing](#)



What problems and challenges are faced by Moore at the time of the case?

Moore Medical Corporation is strategically focusing on practitioner business by offering a relatively broad product range (thereby providing ? one-stop shopping?).

Moore Medical is a medium-sized distributor of medical supplies to practitioners such as podiatrists and emergency medical technicians. Up to the time of the case, it has relied on traditional customer channels such as catalogs, phones, and faxes to communicate product offerings, promotions, and availability, and to take orders. It is now attempting to transition into a “bricks and clicks” distributor with a strong Internet presence. It has already made substantial investments in an eCommerce web site and in “back office” ERP software to improve the fulfillment performance of its four distribution centers. The ERP software has not lived up to expectations in all areas, and the company must decide whether to invest in more modules for this system that might address its shortcomings.

It must also decide whether to make a significant additional investment in customer relationship management software. At the time of the case, Moore must decide whether it has “enough” of the “right kind” of IT. The decision is complicated by the fact that the company has recently made substantial IT investments that have impacted financial performance and caused organizational disruption. In addition, it is not clear that all of Moore’s known issues related to customer retention and satisfaction will be addressed by the Customer Relationship Management (CRM) under consideration

Problems and Challenges faced:

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From strategy point of view, Moore faces a situation of ? Grow or Go?. It is presently sandwiched between big suppliers and smaller suppliers and thus presently it is still a ? Me Too? supplier.

Since the business is primarily of distribution, so obviously customer alignment becomes a very important key to success. Moore has rightly sensed this, but till now all the efforts have come in form of islands only.

Thus, at the time of case, Moore is facing the main challenge of having a consolidated and well planned effort to align itself with customers to grow.

This leads to another sub challenge of hows and whys of IT Implementation.

The sub challenges are:

Effect of efforts till now:

1. Non-successful implementation of ERP system which doesn't satisfy total needs.
2. Increasing costs of IT implementations and online business.

Products and Services:

3. Has a relatively smaller product range as compared to the larger competitors. i. e. it is not a big force in the market.

Standing among customers:

4. Loosing customers at a rate more than the industry average and doesn't know reasons behind this.

5. Not aware of reasons behind variation in share of wallet and penetration rate in different customer groups.

6. No effective and efficient demand forecasting and planning system.

Standing among Competitors:

7. Sandwiched between big suppliers and smaller ones. Just has a position of ? Me Too?.

8. Extra cost because of split shipments. No system to decide SKUs to be kept at different distribution centers.

Environment:

9. Seeking to differentiate itself by its dedication to service, ease of ordering and knowledgeable, friendly operators. But till now only islands of efforts have been put up and no consolidated effort.

1. What new systems/ modules should Moore purchase. Demand Planning Module/ Other ERP modules/ CRM/ no new systems. Justify and Explain

Business Objective:

To grow by increasing customer alignment and orientation.

Evaluation Criteria and sub-objectives:

By consolidating the objectives found above and the objectives as given in case, we arrive at following sub-objectives for evaluation of options:

1. Gaining excellence in order, inventory and distribution management through providing one stop shopping, fast order processing and shipment with increased reliability.
2. Gaining excellence in account and customer management through efficient and effective customer relationship management program.
3. Increasing effectiveness of targeted sales and marketing efforts including that of sales people.
4. Accuracy and accessibility of all kinds of information.
5. Manage and optimize costs of IT implementation.
6. Seamless consolidation of all efforts.

Options:

1. Demand Planning System (with other 3 modules)
2. CRM Package
3. Neither of Two
4. Both systems

Evaluation of Options:

Costs Involved-

CRM: \$0.5 m

DPS: \$0.3 m (with other 3 modules)

Note: Costs associated with web site are to be compulsorily incurred. It amounts to around \$0.1 m.

Assumption: All parameters carry equal weight as per the main objective of the organization.

S. No. Evaluation Criteria DPS CRM None Both

1 Order and Distribution Management ? ?

2 Account and Customer management ? ?

3 Targeted sales and marketing efforts ? ?

4 Information management ? ? ?

5 Managing Costs of implementation ?

6 Consolidation of all efforts ?

Qualitative Analysis:

Currently Moore is running in losses because of its investment in IT. If again a big investment is made in this direction then there is possibility of things getting out of control because of its sandwiched position in market.

Seeing it from other perspective, once these investments are done then definitely Moore will do much better in market and will grow.

IT now a days is no longer a support for an organization in form of its IT department. IN present scenario IT is a strategic investment for company? s future.

Taking lead from this and the initial stated objective of ? Grow or Go? or Moore, our recommendation is as follows:

Arrange funds through loans or equity and implement BOTH CRM and DPS to gain excellence and consolidation in efforts towards growth.?