

Inki Ltd swot analysis essay



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INKI LTD SWOT ANALYSIS STRENGTHS 1. 60 shops are well placed in the market. Most of the shops based in high street, they are close to offices, which can mean potential customers. 2. In the shops sellers get to know customers one by one. There is a relationship with direct sales, which can help to have regular customers. 3. Competitive price structure. The price of the remanufactured inkjet is 20% cheaper than original branded. 4. 24hours delivery 5. High quality and guaranteed product, which can minimise customer service. 6. Company is able to offer good customer service. . Hard-working staff all of them are willing to do overtime, if required. 8.

Management has depth knowledge and experience of product. All directors worked in the same sector before. 9. Very focused directors able to produce a series of convincing annual business plans. 10. Highest quality standard in production, because of latest advanced equipment installed. 11. Cash and banking policy is ideal, which is followed by members. 12. Strong market demand. This market is expanding due to sustainability and carbon footprint. 13. Sophisticated, computerised stock control system 4. Staff willing to take qualification. Inventory clerk has no accounting qualification Purchase ledger clerk has AAT level 2 and wants to continue AAT. Sales ledger clerk has no accounting qualification but willing to learn. Costing technician has no accounting qualification but has a lot of experience. Payroll clerk has AAT level 2 and she is willing to learn. WEAKNESSES 1. Teamwork environment does not exist in accounts department. Staff is not able to take over each other works. Department is vulnerable to vital staff being sick leaving, etc. 2. Accounts department should be in a separate place/room. 3. There are problems with security system. Password security is inadequate. Most of the

computers have same password. It should be different password for all computers. 4. Accounts department does not follow to back up IT system twice a day, which can be lead to lose hours of work, if is a problem with power cut. 5. Credit control system is not independent. 6. Poor credit control. They should send out chasing letter as a reminder before due date and phone up customers straight away if payment is not received in time. . Sales ledger clerk does banking and recording receipts in cashbook. These tasks should be done by different person. Sales ledger clerk does credit checking on subcontractors. This task should be done by managers. Sales ledger clerk works part time. It would be more effective to employ a part timer credit controller to focus on chasing payments, who could reduce bad debts. It would cost less for the company instead of pay for overtime. 8. Shop managers should do banking every day, which could prevent a big loss, chose by theft. 9. Rented premises, additional cost. 0. Lack of communication between shop managers and payroll clerk, which cause problem to calculate wages correctly. Inefficient payroll system, it is not easy to operate. 11. Company should have a check-in and check-out system individually for all employers, which could help to calculate wages correctly in time for sales staff. 12. Little internet marketing knowledge. 13. Family members are working together, which can lead to nepothism. 14. Weak in market niche research. 15. Costing clerk is not motivated. Company should offer carrier development and training. 16.

The accounts department has a small staff, with a shallow skills base in many areas. Accounts department have lack of qualification. OPPORTUNITES
1. More and more people do online research and purchases. 2. Trough

internet sales and mail order, maybe open another location. 3. There are export opportunities to other countries. Use of internet to increase marketing and online sales. 4. Government provide incentives for green products. 5. Internet market is huge and expanding. 6. Company can adopt technological advantages. 7. Customer demand for cheaper and greener product. 8.

New products and services that can be retailed in the shops. 9. Management could see better supplier deals. 10. More advertising can be done. 11.

Competitors may be slow to adopt new technologies. 12. The increasing opportunities of the internet offers comparison to major chain stores

THREATS 1. Technical problems, which does not allow the recycling of some cartridges. 2. Price wars with competitors. 3. The retail sector is becoming price competitive. This means that consumers are shopping around for a better deal. 4. The awareness of some customers, that only alternative is the original cartridge. 5.

New player in the market can take over ranking position. 6. Rent can go up reducing our margins. 7. Risk that product will be copied by the competitors. 8. Existing product becoming unpopular. 9. Shifts in consumer tastes away from the firm's products. 10. Emergence of substitute products . 11.

Developments in technology may change this market beyond our ability to adapt. 12. A small change in the focus of a large competitor might wipe out any market position that Inkwell achieved so far. 13. The chain stores have better economics related to costs. The price per-unit costs of selling are quite low.

The major stores can afford to sell for less, because they benefit from volume buying with the main vendors. 14. Large price-oriented stores have huge advertisements of low prices in the newspaper. Sometimes the big retailers give huge sales; this is difficult for Inkwell to compete with, as its profit margins are not that great on each unit. 15. The job losses and the reduction in disposable income of customers have caused individuals to curtail their shopping and this is a threat to Inkwell, which relies on consumer spending.

SWOT ANALYSIS BY ACCOUNTING FUNCTIONS PURCHASE LEDGER

STRENGTHS

- Clerk place order immediately if stock needs to be replaced.
- Contracted suppliers offer quick delivery.
- Account payable clerk has good relationship with suppliers, time to time she is able to delay payment.
- Experienced costing technician can negotiate prices with cartridge suppliers for every order.

WEAKNESSES

- Company does not have special module to reconcile invoices with purchases orders, which means staff need to work accurately and spend time to find end correct an error
- This role should be done a full-timer, because the firm is expanding.

Time to time part time clerk is not able to close ledger in time and company needs to pay for overtime to complete work

OPPORTUNITIES

- If they do not order individually there is a possibility to take advantage of discounting for bulk purchases or preferred suppliers.
- To get better purchasing software, which helps improve company performance, make finance more productive and less time consuming.

THREATS

- One person is responsible for the whole of purchasing function, which can effect accounts payable fraud.

SALES LEDGER STRENGTHS

The sales invoices are prepared on the day the goods are despatched.

- 80 % of customers pay by cash or with card. Company has

less chance for bad debt. • It is given a trial period for all large customers, who buys on credit. • Sales ledger clerk has three years experience with Inkwel Limited. • Daily monitor on sales, which help to the inventory clerk to do purchase order in time

WEAKNESSES

- Credit control system is not independent.
- Poor credit control. They should send out chasing letter as a reminder before due date and phone up customers straight away if payment is not received in time.
- Sales ledger clerk does banking and recording receipts in cashbook. These tasks should be done by different person.
- Sales ledger clerk does credit checking on subcontractors. This task should be done by managers.
- Sales ledger clerk works part time. It would be more effective to employ a part timer credit controller to focus on chasing payments, who could reduce bad debts. It would cost less for the company instead of pay for overtime
- Sales ledger clerk has no accounting qualification. He may not does all the work properly.
- Sales ledger clerk is overloaded with work. As employ him part time is not ideal. He has to do a lot of overtime to be up to date.
- Only one person was trained with sales ledger function, who could help to sales ledger clerk. However this person is also works part time.
- When sales ledger clerk takes holiday nobody take over work
- Director prefer to keep good relationship with a customer, instead of chase for payment
- Debt collection agency charges a lot of money plus commission.

The firm may could find and effective company, which charge less than the current one.

- Sales ledger clerk produce aged debtor listing only once a month

OPPORTUNITIES

- The company has opportunity to convert their trade and other receivables into cash and cash equivalents by improving credit

control. • Establish relationships to get regular customers. • Produce aged debtor listing more often, than once a month. THREATS • Sales ledger clerk record receipts and does banking, which can be lead to fraud. CASH AND BANKING STRENGTHS Cheques and cash, which come to the head office are placed in the office safe until banking day. WEAKNESSES • Shop managers do not follow banking company policy. OPPORTUNITIES • Company could find a different bank with a more convenient location and may be able to give better terms of business. • If the firm banks cash and cheques daily then the risk of them being stolen or lost will decrease. THREATS • The cash and cheques in the shops are not stored in a secure location and are not banked daily, which can lead to be lost or stolen. PAYROLL

STRENGTHS • The person who manages payroll system is punctual and always willing to help out. • Staff paid by BACS, which is the quickest way. WEAKNESSES • The payroll system is not easy to operate. • Only one person received training how to use payroll system. Nobody can help out with work. OPPORTUNITIES • Swipe card system could help to get the actual hours for sales staff. • Company could buy a better payroll system. THREATS • Shop managers can give wrong rota for sales staff. Company can overpay them. (acumen accounting sales ledger)