

Computer information system brief

[Technology](#), [Computer](#)



Kudler Fine Foods is a specialty food store located in the metropolitan area of San Diego California. Kathy Kudler founded the operation and by organizing a business plan and financial needs she was able to open the first store. Within the first six months, the store broke even and ended the year with a profit. Two more stores have opened since, and the company continues to remain bring in a profit. Kudler Fine Foods is looking to further expand the business and has asked Regal CPA's to evaluate the company's accounting operations.

After evaluation of the systems and policies Regal CPA's will advise Kudler's on how to integrate the computer systems to meet business needs. Key Business and Accounting Information Needs Kudler's initial business plan included funds in excess of \$50, 000 to install a Retail Enterprise Management System. Kathy Kudler contracted Smith Consulting to help analyze the business needs and select an appropriate REMS. Smith Consulting has been contracted yearly to maintain the system for Kudler Fine Foods.

The REMS was chosen to help integrate Kudler's point of sale system with the accounting modules including, general ledger, accounts payable, bank reconciliation, asset management and accounting, and security. Strengths and Weaknesses Kudler's currently runs using a point of sale system, which reports all sales in detail sending information to the general ledger, electronic payment clearing house, and purchasing function. Each sale is transmitted into the general ledger automatically recording debits and credits, calculating the cost of goods sold, calculating FIFO inventory levels, and net profit.

The POS system sends automatic transmission for credit sales to the financial institution. With each sale the POS system also adjusts inventory on hand, records discounted purchases, and tracks ordering. Having these systems integrated eliminates potential posting errors. The Entrepreneur (2014) website states that a POS system should allow a business to analyze sales data, determine how each item sells, adjust for purchasing levels, maintain sales history for future purchases, improvement of pricing accuracy by use of barcodes scanners and credit card authorizations. Currently the stores are connected through a T3 line.

According to " Data-Connect" (2014), " A T3 line is an ultra high-speed connection capable of transmitting data at rates up to 45 Mbps. A T3 line is equal to approximately 672 regular voice-grade telephone lines, which is fast enough to transmit full-motion, real-time video, and very large databases over a busy network" (T3 - comprised of 28 T1 lines). T3communicationlines are generally used for larger corporations, and can be expensive averaging around \$3000 per month (Data-Connect, 2014). Having this system helps to ensure all three stores remain connected and gives the able to communicate effectively.

The disadvantage of a T3 line is that it is hardware based and could crash. If a business does not have proper back up files and storage, information could be lost. A weakness within Kudler Fine Foods is with manual entry in the general ledger module and on cash purchases within the accounts payable module. When dealing with local grown produce, some growers insist on cash payments, which lead to manually entering the information into the

accounts payable system. This leaves room for error from incorrect entry. This is also true for manual entry within the general ledger.

Kudler Fine Foods also lacks a module for asset management and accounting. The company currently uses a spreadsheet software that is not integrated with the current REMS. This could lead to errors in correctly reporting financial information, as well as leading to additional manual entries. Opportunities Integration of all systems and procedures would greatly increase the accuracy of Kudler Fine Foods accounting system. It would be in the best interest of Kathy to contact Smith Consulting to review the current REMS, and decide what is needed to integrate the asset management and accounting module.

Integrating this module will eliminate the spreadsheet software that is currently used. It would also be needed to explain the cash payment vendors with Smith Consulting to determine if the current REMS could handle such transactions, which would further eliminate manual entry. Another opportunity would be to search other hardware to connect the three stores that would be cheaper for the company. Currently the T3 line is designed for large corporations. Some suggestions would be to research a cloud storage for businesses. Cloud storage offers the same features as the T3 line but offers backup assistance.

Cloud storage is also cheaper, cutting down on the business expenses (Dropbox, n. d.). Cloud storage is good for smaller companies, with less expense, and will grow with the company's needs. Threats Kudler Fine Foods currently does not have a policy for security. The company's REMS offer security features such as passwords, dollar limits, and limited access, <https://assignbuster.com/computer-information-system-brief/>

without a security police or audits the business is at threat of embezzlement, hacking, and unforeseen errors. Kudler's currently does not have an IT department to fall back on when there are issues with the software or hardware within the business.

Without having an IT department the business could encounter computer or network related issues that would not be handled timely causing disruption of business. Without an IT department Kudler's must rely on outside consulting to help repair any issues that would arise. Incorporating IT within the company would eliminate costly and time consuming repairs. Conclusion Although there is some potential for development within Kudler Fine Foods, for the most part the company is on the right track. Integrating all systems and policies would eliminate manual entries.

Kathy Kudler should contact Smith Consulting to determine how the REMS system can be upgraded to benefit the company's needs. Also looking into different storage systems that are less costly and able to grow with the business could increase profitability. Lastly the threats within the business need to be addressed to ensure that the company does not fall at risk to fraud or other potential financial issues. Addressing the aforementioned items would ensure better business practices and procedures for Kudler Fine Foods.