Cango

After evaluating CanGo for the last 4 weeks, we feel there are some issues that stand out that should be considered before moving forward with this new on-line gaming venture. The following are what we consider the issues that CanGo needs to be aware of and recommendations to address each. The angle that the marketing department is taking needs to be fully evaluated. The type(s) of customer CanGo will be taking on should be fully understood. The customer service department should be highly considered. The current inventory management system needs to be rethought. The phone system that is presently in place needs to be updated.

The proposed second ASRS system many not be necessary at this point. CanGo's gaming customer base is the X and the Y Generation also known at the Millennial Generation. These two segments of the buying population " will outnumber Baby Boomers in 2010" ((Henderson, 2006). They are also referred to at the NextGen, GenY and Echo Boomers. The generation born 1961 to 1981 (several different opinions on the actual date range) is called Generation X (Gen X) and is considered the X Generation are the most over indulged generation so far. They were doted on by their parents due to having extramoneyin the late 80's and early 90's.

Along with the divorced parents that double incomes, remarried and sub placing thedivorceguilt. Generation Y (Gen Y) dates from 1982 to 2003, again no definitive dates have been set, but widely believed. They are the premier generation to fully grow up with all cell phones and computers in use over land lines and no home computers. They are " experiential and exploratory learners…(and) strongly prefer learning by doing" (Sweeney, 2006). According to Sweeney, " they almost never read the directions; love to

learn…multiplayer gaming, computer simulations, and social networks (that) provide little penalty for trial and error learning".

As little as four years ago, this generation was being noted for its extensive use of gaming and how it has had " a very significant impact upon their expectations for learning…(because it) offers thrills, competition, engagement and a rich array of emotional stimuli that also enhance learning", by having already spent thousands of hours playing electronic, computer and video games. (Sweeney, 2006). CanGo's marketing team will need to educate the executive team all the way through management and each mployee, so they will better understand their customer base and how important it is to have the proper procedures in place to accommodate their needs.

This generation will tell you if you are getting it wrong and they will take their business somewhere else. One of the best ways for any company to achieve success is through considering their customer's needs and making improvements on service quality. There are several ways that this can be accomplished. A company can best serve its customers by understanding the type of issues the customers have before they have them.

By obtaining some baseline data and implementing changes with that information, they will decrease the number of calls and returns. When they are provided with a complaint from a customer, they should retain that information so that they can decrease the number of issues even further. They should also look at ways to bridge the gap between happy, loyal customers and angry, transient customers such as with surveys. The first is

through customer satisfaction surveys which helps get to the heart of critical relationships in ways that help companies move their business forward.

The satisfaction, loyalty, and reference-ability of their customers directly affect growth and profitability. The next is a customer service survey which can provide management with valuable input on both short-term and long-term decision-making, offering critical operational and strategic advantages over the competition. These are flexible enough that they can be conducted online, by phone, or through regular mail. The last is a customer loss review survey that would help to identify the root causes of defections so that direct action can be taken to minimize the loss of customers in the future.

Keeping new customers will be a top priority for CanGo. This will require that the current staff be retrained and any employee that will not comply with the new process will be replaced. Their skills on the phone will leave a lasting impression on the customer as to how responsive CanGo is to their perceived issues. In order for the CanGo to get their products to the right place on time, with the right quantity and highest quality, it is imperative that we choose the best possible way to approach inventory management.

Since CanGo does have several centers to work out of, it is essential to identify where the supply or products are to be physically located. It should be determined which has the most benefit: storing inventory close to the supplier, the customer, or in house. This could mean that the inventory will be spread out at various CanGo distribution centers and vendor sites. In order to track this inventory we recommend incorporating a PAR method for

easy and quick tracking on all supply transactions at POS (Point of Sale) and POU (Point of Use) locations.

This will allow us to keep track of all of the products on a more realistic time basis, thus insuring we have the right product ready to order from a third party vendor or available in stock at one of CanGo's distribution centers to fulfill the customer order. Another aspect is insuring inventory integrity through the use Data Collectiontechnology. To support the proposed shop floor inventory control system or ASRS (Automatic Storage and Retrieval) solution, we need to be able to integrate how the technicians, customer service representatives, and internal and external account managers do business.

This means that the inventory management solution must incorporate and interface with a materials management system, a billing system, an ADT (Admission, Discharge, & Transfer) system, as well as a cost accounting system. Getting the product to customers when and where they want it is critical to marketing success. This is why we need to include in our cost effective solution a way to monitor and keep track of all supply transactions. To do this we will maintain a library of transaction records that will give us the ability to better predict our customers buying behaviors.

If we can do this, we can insure the most desired products are available and ready to ship in a more expeditious manner. Customer Service issues at CanGo: Our Team feels that one of the major areas to consider in this expansion to on line gaming is expanding and updating customer service systems, processes, and service personnel. We feel that CanGo can not

overlook putting in to motion action plans early to handle the expected 400% increase in business they are forecasting. The entire phone system needs to be updated to add more trunks and roll over lines to be able to handle the increase in call volume.

It is important that when a customer does take the time to call in with an issue, that they do not get a busy signal or be placed on hold too long. This will just cause them to become more irritated. A new Voice over Internet Protocol (VoIP) system should be purchased and installed at least six months before the expected call volume increase. A VoIP system is secure, takes almost no space since it is stored in a current sever rack, and will only require one or two employees to maintain and update it. Another advantage is that this type of system allows for unlimited users, mailboxes, voicemail, and auto-attendant.

There will be extra room for expansion since the current large phone cabinets will be removed and sold which could help fund the new VoIP purchase. The entire phone tree/auto-attendant needs to be reprogrammed with updated company and customer service level choices along with a choice in language option. The first choice in product help should be updated to online gaming. This is the new product of the company and will be free advertising. The new call volume will be linked to the online gaming and those customers need to have that as a first choice.

The gaming demographic, Gen Y, is known to be impatient and having their choice second could be perceived as not showingrespectfor their business. Also, listing it first is free advertising to customers that do not know that

CanGo has started an online gaming (gaming) division. While most book readers are not the gaming target market, they will most likely know someone that is and word of mouth is the best advertising. All subsequent levels would be updated to match the switch between gaming and books on the call tree.

The choices for each would be similar: 1. New Account 2. New Games/Books available 3. Returns/Issues 4. Technical Help a. Gaming b. Online Return Material Authorization (RMA)/Returns page The last choice on the tree would be for vendors and courier assistance. The current RMA system is not working. The customer needs to be able to request RMA number and materials on the website. Currently, the website does not allow this action, nor does it list the current process which is to call the service center to obtain the number materials. This must be automated and the return labels will need to be printable by the customer. The current process of sending shipping labels via the courier is time consuming, not efficient, and is not environmentally friendly.

This will allow for less paper and trucks out on the road to deliver the labels; (maybe two attempts) and a third to pick up the package. The Green aspect would also be pointed out on the website to explain to those that may want labels shipped to them. This is also a good promotion point for the company. With the new ASRS system that has been proposed, a second ASRS will be added in the plan. Getting some more information on the necessity of this second system is crucial to making a proper decision about its importance. If

the first was implemented and the second held till the volume increased, the chance offailurewould decrease.

It would also allow time to work out bugs with the setup, making it easier for subsequent systems to be implemented. Integration of software would be easier since only one system would be worked on at a time. Furthermore, this would allow time for everyone to have a better understanding of how to use the system and what information to look for. With these recommendations, we feel that CanGo has a very good chance of not only making a smooth transition to the gaming world, but also become a better, more responsive company overall.