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Centervale Apparel is a large clothing firm. Similar to any other business, the company seeks to improve its productivity through improving its supply chain management. The company has been using different forms of legacy systems in managing its inventories and distributions. However, the current systems do not seem to work together since they require redundant information input as well as processing of the information. Because of this redundant process, information is at times duplicated, which requires multiple data entry points. Sometimes, the system results in irreconcilable and inaccurate data. There is constant shortage or overage of supply based on the time it usually takes for the entered data to get from one department or point to another. This has led to consumers' dissatisfaction due to delays and inventory carrying costs, which can be avoided through use of advances technology within the supply department. The company seeks to receive funding that will finance its upgrade in technology, which will solve its current supply issues. The technology update will be based on replacing the legacy order fulfillment technologies that the company is current using in its supply activities with a technologically advanced supply chain management system(Vollmann, 2014).

Description of the measurable value:

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The project is estimated to cost approximately 1.2 million US dollars. This figure includes the cost of infrastructure as well as the necessary resources needed to complete the implementation of the supply chain management system. In addition, the company shall require an additional 250,000 US dollars every year for the purpose of supporting and maintaining the installed system for a period of ten years, which is the estimated life cycle for the installed system. For the ten year period, the company shall spend approximately 2.5 US dollar in

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maintaining and supporting the system, which shall ensure that it remains effective throughout the ten-year period.

The installation of the supply chain management system shall encourage saving in different ways. For example, the staff needed to operate the system shall reduce from 10 FTE down to 8 FTE. On average, each FTE costs the company 50,000 US dollars on an annual basis. With the legacy system, the company used to spend 500,000 US dollars on FTE annually. However, adapting the supply chain management system shall cost the company 400,000 FTE annually, which is an amount lower by 100,000 US dollars. The company shall be saving 100,000 US dollars on an annual basis. Further, the company shall save 300,000 US dollars on inventory costs per annum. In addition, the current system, the legacy system, consumes 350,000 US Dollars every year for maintenance purposes. For the supply chain management system, the company shall spend 250,000 US dollars for maintenance purpose. The different shall be 100,000 US dollars, which is the amount that the company shall be saving on maintenance every years.

In addition to the savings the company shall make, the supply chain management shall improve consumer satisfaction through on time supplies. Consumers shall not have to wait long before they receive their orders (Frazelle, 2012). Further, the system shall play a major role in improving data accuracy. The legacy system duplicates data, which lead to inaccurate entry of information, which shall not be the case with the supply chain management system. In addition, the new system shall help in improving the order fulfilment. The system shall help in reducing the delivery time for order will approximately ten to twenty percent, which shall play a major role in improving consumer satisfaction(Frazelle, 2012). Reduced waiting time shall also translate to increased deliveries, which implies that the company shall be making a lot of

deliveries per day, compared to when it was using the legacy system, which shall improve its profit making abilities.

It is further estimated that the acquisition of the supply chain management system shall generally improve the order fulfilment process time, which included reducing inventory-carrying costs. Further, the supply chain management system shall also enable for the retirement of a number of legacy systems, which were playing a major role in causing delays and making errors in the data entry systems (Frazelle, 2012). The supply system management, through eradicating the errors caused by the legacy systems, shall help in reducing the losses caused by mistakes and improve profit making abilities through ensuring an effective supply chain management.

Alternatives:

There are different alternatives that the organization may use to reduce the constraints they are facing in their supply management. One of the alternatives is through using a balanced score card. The balanced score card, also abbreviated as BSC, is a tool used for strategy performance management, which is a semi-standard structured report that is supported by automation tools and design methods. This tool may be used by managers in keeping track of execution of activities within the organization by staff within their control as well as monitoring the deferent consequences that arise from the actions (Mentzer, 2012).

This strategy may be effective for Centervale Apparel's supply management based on its advantages. For example, the tool usually focuses on an organization's strategic agenda. The focus on a specific agenda may be affective in ensuring that the activities within the selected agenda remain effective. For example, in Centervale Apparel, the tool may be used in focusing on the supply activities, where it may be able to indicate the different flows relating to the

department and suggesting ways **oin** how to effectively manage the difficulties. In addition, the tool may help the company since it works on monitoring a small number of information and data. Monitoring data in small numbers is quite effective because it is easier to detect any ineffectiveness(Mentzer, 2012). For example, the tool may focus on data relating to the supply chain, which may help in ensuring that all the data add up and that the data may be used effectively for supply purposes. Further, the tool may be used as a mix of **non-financial** and financial data analysis tool. The tool may be effective for the organization through monitoring both the financial and non-financial data for the supply activities, which may help in improving supply activities.

Using the balanced score card tool as an alternative to the supply chain management system may be effective as well to the company's supply management. This tool is effective since it will cost the organization minimal costs since it required quality management and strategic planning by the organization's management team, unlike the supply chain system that requires upgrade of technology as well as maintenance costs(Mentzer, 2012). However, the two may be used together in complementing one another. The reduced costs of using the supply chain management systems and the effectiveness of the analysis by the **balancedscore** card may provide quality administration of the supply services, which shall translate to increased profit making abilities by the organization due to effective supply activities.

Risk Assessment:

Risk assessment is quite important for the organization. It should monitor the risks associated with the implementation of the new system. **Using the enterprise risk management, which is a process and method that is used by organization in managing risks and seizing**

opportunities related to achieving their objectives, the organization may be able to manage risks associated with the new system.

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The risks, as per the enterprise risk management method, may include financial risks, operational risks, and strategic risks. For the financial risks, the cost associated with implementing the strategy is quite high. This may delay implementation of the project (Vollmann, 2014). Further, the operation cost may be too high for the organization to handle, which may cost a strain its financial allocation. However, the implementation of the system may have limited strategic risks, where its outcomes may be quite positive, which may help in financing the operation costs associated with the implementing the system.

Total Cost of Ownership and Maintenance:

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The project is estimated to cost approximately 1.2 million US dollars. This is the startup capital, which shall be used in acquiring the resources required to install and run the system, which are cost of infrastructure as well as the necessary resources needed to complete the implementation. In addition, the company shall require an additional 250,000 US dollars every year for the purpose of supporting and maintaining the installed system for a period of ten years, which is the estimated life cycle for the installed system. The cost of supporting and managing the system is quite important, as it helps in understanding, monitoring, and rectifying any mistakes and risks that may come up while using the system.

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Benefits of the Project:

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The supply chain system has a number of benefits. For example, the staff needed to operate the system shall reduce from 10 FTE down to 8 FTE, which will help in cutting cost by 100,000 US dollars annually. Further, the company shall save 300,000 US dollars on inventory

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costs per annum. In addition, the current system, the legacy system, consumes 350,000 US Dollars every year for maintenance purposes. For the supply chain management system, the company shall spend 250,000 US dollars for maintenance purpose. The different shall be 100,000 US dollars, which is the amount that the company shall be saving on maintenance every years.

Recommendation:

The supply chain management system should be adopted by the company. The business aims at changing its supply system, which it has been using since the company began its operations. The technology update will be based on replacing the legacy order fulfillment technologies that the company is current using in its supply activities with a technologically advanced supply chain management system (Vollmann, 2014). The supply chain management system shall help in improving its inventory and supply activities. The system shall help in cutting costs and improving the supply activities of the organization. In addition, the company shall benefit from ensuring that consumers are satisfied at all time through on time supply of products and provision of quality services. Despite the short-term costs being high, the long term benefits for the project are far much beneficial. It is recommended that the organization implements the project in order to improve on its supply activities.

References

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