

A-level

INFORMATION AND COMMUNICATION TECHNOLOGY

Unit 3 The Use of ICT in the Digital World

Candidate Booklet

To be opened and issued to candidates on or after 15 March 2016.

Information

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PRE-RELEASE**Letter from Fergus Whitworth, Senior Consultant of
MPT Management Consultants,
to Peter Naylor, CEO of Beautiful Bedrooms Partnership.**

Dear Peter

We have now completed our review of Beautiful Bedrooms Partnership (BBP). Prior to writing our final report, I summarise below the key recommendations.

As you know, BBP's core business of supplying built-in bedroom furniture is in decline; one reason for this is that fashions have changed due to bedrooms in modern houses having insufficient space for large furniture. In addition, your running costs are increasing. Therefore we are agreed that action must be taken.

Without doubt there are opportunities to be grasped. Our market research indicates a strong demand for compact, stylish, ready-made bedroom furniture with innovative design features. Potential customers are young couples and professional landlords; both are seeking branded quality products at a reasonable price. Increasingly, these customers prefer to buy on-line, particularly if the brand is a known quantity. The BBP brand remains well respected and could, without doubt, fill this gap in the market.

Therefore, our key recommendation is that you scale down your made-to-measure business whilst at the same time introducing a range of ready-made bedroom furniture. We understand that Zara Land, the TV property make-over expert, is seeking collaboration with a furniture manufacturer. She has a number of unique design ideas for modern bedroom furniture, including a wardrobe that can expand by up to 40 cm each side, electrically-operated swivelling and revolving shoe racks, and flat screen TVs which double as mirrors. Zara has an extensive Twitter following and her TV programme has a spin-off monthly magazine. There is also a website of design and property tips, including a blog. We are confident that any product endorsed by Zara Land is likely to have instant appeal. We propose that BBP consider producing a 'Zara Land Collection' of ready-made bedroom furniture, sold exclusively on-line.

Of course, this will involve costs: costs involved in developing the Zara Land Collection; costs to provide a website; and training costs for your staff. BBP will be going on-line and so it is important to provide security against unauthorised access attempts. In parallel with the website, you may wish to consider devising and implementing a Customer Relationship Management (CRM) facility. This will help to identify customer purchasing patterns and may enable targeted selling.

However, we are confident the costs involved in developing a website and CRM facility can be offset by savings in other parts of the business. Our benchmark investigations reveal that BBP's running costs are high when compared with those of similar companies in the same type of industry. There are two main areas where savings can be made, namely ICT costs and management of the supply chain.

Our view is that cost savings are possible in the following areas:

- **BBP's back office systems.** BBP's back office systems were developed to your specific requirements and are now costly to maintain. We recommend that equivalent off-the-shelf package systems are introduced where the maintenance and support costs would be a fraction of your current expenditure.

- **BBP's computer centre.** There are now low-cost alternatives to running your own computer centre, including outsourcing and use of cloud computing. Many of our other customers have successfully used the SaaS and PaaS cloud platforms; either of these could be used to reduce BBP's ICT costs. However, for reasons we can discuss later, we feel that using SaaS initially would be the lower cost option.
- **PCs and laptops.** BBP currently maintains a large number of PCs and laptops, with many employees having company-owned devices both at work and at home. This is another area of high cost where savings are possible. Rather than have employees use company devices, some organisations have implemented 'bring your own device' (BYOD) policies, where staff can use their own device to connect to the organisation's ICT infrastructure. This is a growing trend and we believe the advantages of BYOD now offset any perceived disadvantages.

Also, there are staff resourcing issues and unnecessary costs associated with BBP's supply chain. You have limited control of stockholdings, resulting in an oversupply of some items and shortages of others. Oversupply means that capital is unnecessarily invested in stock; stock shortages result in delayed order fulfilment and orders being cancelled. We would be happy to advise how BBP could operate a 'just in time' policy, including new systems and procedures.

You will realise this is a brief summary of our recommendations. I look forward to discussing these with you further.

Yours sincerely,

Fergus Whitworth
Senior Consultant

END OF PRELIMINARY MATERIAL

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