Perfect Idea Pte Ltd

An IS101 Midterm Assignment

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Company and Job Role
A recently incorporated start-up, Perfect Idea Pte Ltd specializes in the sourcing and distribution of corporate gifts to business clients – such products include stationery, laptop accessories, specialty mugs and glass trophies. The company acts as a middleman and broker for its clients, sourcing from its suppliers the desired products to fit the requirements of each customer. Although small, Perfect Idea has access to local and overseas suppliers, and has concluded transactions and product delivery for its first wave of clients. It plans to expand its scope to the organization of corporate events and functions in the future, acting as manager and liaison to facilitate said events for their clients.

Being a small start-up company, Perfect Idea is limited in its available staff and resources, having at present two directors, each in charge of one executive. The position of sales executive falls under the domain of the sales/marketing director. The executive’s job is to cover transactions for corporate gifts, communicating with clients directly with regards to their orders and arranging for payments to be made. The sales executive also liaises with the company’s product suppliers to arrange delivery of each specific order to their respective client. At the moment, he/she also sources for potential suppliers to expand the company’s product database. In this fashion, Perfect Idea, through the person of the sales executive, bridges supplier and client.

Key Business Processes – Sales Executive
The job role of sales executive in Perfect Idea Pte Ltd consists of the following business processes:

- **Product sourcing** – The sales executive contacts potential suppliers with regards to expanding the range of corporate gifts available to Perfect Idea’s clients. Suppliers are contacted via phone or e-mail, and a direct visit to the supplier’s offices is arranged for the executive to view and handle product samples. Payment terms are arranged, and the new supplier’s products are added to the sales executive’s catalogue, to be shown to clients. This role is required of the sales executive due to Perfect Idea’s small size and lack of available staff.

- **Product order management** – The sales executive acts as a point of contact for clients regarding their orders, confirming the type and quantity of product required by said client, as well as when and where said products need to be delivered. Clients will contact the sales executive directly via phone or e-mail to place new (or repeat) orders, as well as to modify or check the status of existing orders.

- **Product acquisition and delivery** – The sales executive submits orders for products directly to Perfect Idea’s corporate gift suppliers, both locally and in countries such as China. The sales executive contacts the necessary supplier with access to the particular product(s) desired by the client, specifying product type and quantity based on specific customer requirements. He/she then arrange for said product(s) to be delivered directly to the client’s address by the supplier, or for clients to collect the products from the company within a certain timeframe (the first method is typically preferred as Perfect Idea has limited inventory space available).

- **Product payment** – This involves the arrangement of payment terms for each transaction made. Perfect Idea makes payment to the supplier for the transaction order (via cheque or bank transfer), depending on credit terms with the supplier. The sales executive then generates an invoice for the transaction, which is sent to the client. Payment is received from the client (cheque payable to the company) upon delivery or collection of products.
Advantages/Disadvantages

- **No automated systems** – Currently, Perfect Idea handles all transactions manually through the sales executive – clients and suppliers can contact the executive directly through phone or e-mail with regards to their transactions. This will not be viable in the future once the company’s customer base has expanded – a single sales executive can only handle a limited number of client-supplier transactions. Other firms in the same field, such as Proline Premium Gift and below10dollargifts, streamline the transaction process through the use of online catalogues and automated ordering systems – as of this writing, Perfect Idea has not had the time and resources to implement such systems.

- **No market presence** – As a new start-up with little in the way of advertising, Perfect Idea gets its clients via word-of-mouth advertising from previous, satisfied customers. The company is able to save on marketing costs in its initial stages – these savings can be passed on to clients in the form of lower prices, or channeled into developing other aspects of the company. Without some form of advertisement, however, the growth of Perfect Idea’s customer base will be limited to their clients’ networks – the group of people whom their clients know. More established companies in the same field would have their own distinct means of marketing and advertising to reach out to new customers.

- **Suppliers** – Perfect Idea has access to several different suppliers for acquiring its corporate gifts, both locally and abroad. This provides a wide range of different products available to prospective clients, and (for its Chinese suppliers) lower manufacturing costs means these products are inexpensive. However, Perfect Idea does not have its own dedicated product line, unlike other companies in the same field who have access to dedicated suppliers, and/or possess the capability to manufacture their own corporate gifts (one example of such a firm would be Origin Associates, an importer and manufacturer of corporate goods). It is thus reliant on availability of products from its suppliers, and may not receive some of the benefits that larger companies with dedicated suppliers do, such as product customization. Being able to access different suppliers mitigates this problem to some extent.

The role of Information Systems in a Business Process – Product Acquisition and Delivery

(*The aforementioned business process is mapped out on the following page.*)

A lot of communication between executive, client and customer is performed manually. Through the usage of telephone calls, e-mails and faxes, the sales executive is able to liaise quickly with suppliers and clients with regards to the status of each transaction, regardless of geographical boundaries – this allows for him/her to contact foreign suppliers to arrange for the delivery of products. Information regarding product orders is typically transferred through the use of e-mails or faxes, which allows for both parties to retain a hard or soft copy of the transaction for accounting purposes. As there is no specific procedure to be followed in crafting these e-mails or faxes, it falls upon the sales executive (or their counterpart in the supplier’s or client’s company) to manually decipher and record down the relevant information within each message – this information is stored on the sales executive’s computer in a series of spreadsheets, or printed out as a hard copy when required. Phone calls are usually reserved for urgent changes related to product orders, such as last-minute alterations of product orders or delivery time and location. It is harder to retain and record down information from phone calls, so such a means of communication will not normally be used unless necessary.
Mapping out a Business Process – Product Acquisition and Delivery

- **Client modifies/accepts order**
- **Finalized order confirmed with client through phone or e-mail (type, quantity, delivery date and address)**
- **Sales Executive checks with suppliers regarding product availability through e-mail.**
- **Product in Stock?**
  - **Yes**
    - **Sales Executive places order with specific supplier via e-mail, fax or phone.**
  - **No**
- **Arrangements for direct shipment and delivery by selected supplier to client's address. Client notified via e-mail of expected delivery date. (preferred method)**
- **Arrangements for delivery to Perfect Idea offices by selected supplier, to be held for resale to the client. Client notified through e-mail of expected timings for collection.**
Forces of Change

- **Company Growth** - Perfect Idea is expanding its supplier base and its network of clients. As the numbers of both increase, it becomes harder and harder for a single sales executive to handle transactions through phone and e-mail. In the near future, the executive’s responsibilities can be streamlined through the creation and use of online cataloguing and ordering systems, enabling him/her to handle more transactions. Later, the backroom duties of order management and payment can be split off to a separate sales administrator to handle, enabling the sales executive to focus more on working Perfect Idea’s customer base, ensuring customer satisfaction and retention through regular visits with existing clients, and also seeking new clients to increase sales for the company.

- **Changes in Regulatory Requirements** – Perfect Idea makes a lot of transactions with its Chinese suppliers. With future expansion, it becomes more important for the company and its staff to understand the regulatory and banking requirements in dealing with remittances to these suppliers. The management of Perfect Idea will have to look into liaising with banks to smoothen the overseas payment process to these suppliers. This will also apply once Perfect Idea begins to expand its supplier and customer base to other countries as well.

The Sales Executive’s Proposal

To the Director,

It is a privilege to be able to work in a young start-up company such as Perfect Idea Pte Ltd, and I believe that this company has great potential for growth. Having worked in this position for the past few months, I feel that, in order to steer this company towards reaching this potential, we need to address certain issues that may affect our operations in the near future.

Currently, we are relying almost exclusively on e-mail and fax communications with our clients and suppliers. This makes recording down information regarding business transactions challenging, as the relevant data must be extracted from each message, sorted, and recorded down in a separate file. A specific order-form template can easily be designed for use by clients when they fax us their product orders (in order to make such data entry easier), but this is only a partial solution.

What I recommend is the creation of a Perfect Idea online ordering portal. This will allow our clients the convenience of placing their orders directly through the online order form, anywhere at any time. Clients will key in their orders following a specific template provided by the portal – data from each transaction order is thus recorded directly into a database, allowing for ease of accounting. A similar online form can be designed for submitting orders to suppliers. In addition, we can design a digital catalogue on the same online portal, allowing potential clients to view the products before submitting their orders. At present, it may be more prudent to outsource the creation and hosting of this online portal to an external service provider. This option allows Perfect Idea to save on the cost and expertise required to run a website on a traditional server, as we only pay the service provider for the storage space and processing power we use. While there are privacy risks involved in placing our catalogue and transaction information on an externally owned server, outsourcing the company’s portal would be less taxing on our company’s limited resources and office space, and our clients get to enjoy the benefits of an online ordering system like those of our larger competitors.
Finding a suitable service provider would take around one to two months, while the creation and testing of our online portal on their external servers would require around four to six months.

Apart from the ordering system, we also need to streamline the procedures in which we deal with our overseas suppliers. There are several regulatory procedures involved with remitting our payments to our suppliers in China. With more clients buying corporate gifts through Perfect Idea, it is important that the company and its staff acquire more knowledge regarding these procedures – otherwise, we risk slowing down all our transactions. It may be prudent to work closer with the same banks that we use in sending our credit payments to our Chinese suppliers, so that we can avoid causing any delays in the supply chain due to violations of foreign regulations. Future staff members can also be trained in this regard. This will become even more important once we start to deal with clients from other countries.

While we do not have many resources to enact many changes at present, I hope that these suggestions can help lead the company on the right track.

Yours sincerely,

The Sales Executive,

Perfect Idea Pte Ltd.

References


Data regarding Perfect Idea Pte Ltd was acquired by interviewing relevant directors and staff members of the start-up company.