CERTIFIED PUBLIC ACCOUNTANT

ADVANCED LEVEL 1 EXAMINATIONS

A1.1: STRATEGY AND LEADERSHIP

DATE: FEBRUARY 2025

MARKING GUIDE & MODEL ANSWERS

SECTION A

QUESTION ONE

Marking guide

a) Award 2 marks for a correct description of the PESTEL model = 2 marks Up to 2 marks for identifying and explaining appropriate macro- environment influences in each of the six PESTEL areas- even if it is justifying the lack of influence. = 2 marks * 6 factors = 12 marks A further 6 marks are available for giving credit to candidate who has extended their argument in selected areas of the framework. It must be accepted that each area of PESTEL will have a different effect = 1 mark * 6 factors = 6 marks Note: Award marks based on the relevance of the PESTEL Factor given	**20 marks**
b) Up to 2 marks for each cultural web factor identified an explanation on how each factor contributed to the rejection of the Director general's proposal, up to a maximum of 10 marks. This includes any ethical issues raised within the cultural analysis Since there are more than 5 factors in the cultural web, award marks for any 5 factors explained by a candidate = 2 marks * 5 factors = 10 marks Note: Award marks based on the relevance of the PESTEL Factor given	**10 marks**
c) Up to 4 marks for each method of segmentation identified by the candidate considering the current position. And in all the methods identified which will be the most appropriate in reference to the information given in the case. The candidate is expected to give the critic of the point given for them to earn the 4 marks available. **Note:** the most appropriate in reference to the case is the Demographic but if the student has identified any of the method award marks depending on the reasoning and facts from the case (Recommend)	**20 marks**

Model Answer

a) **Analyze the macro-environment of the National Museum using the PESTEL model. Marking scheme**

PESTEL Analysis is a strategic framework used to evaluate the external environment of a business by breaking down the opportunities and risks into Political, Economic, Social, Technological, Environmental, and Legal factors. PESTEL Analysis can be an effective framework to use in Corporate Strategy Planning and for identifying the pros and cons of a Business Strategy. The PESTEL framework is an extension of the PEST strategic framework, one that includes additional assessment of the Environmental and Legal factors that can impact a business.

Political Factors

1. **Government Funding Policy**:
   The National Museum is 90% reliant on government grants, which are set to be reduced over the next five years. This policy creates a significant financial challenge as the museum transitions to self-sufficiency.
2. **Government Agenda**:
   The government emphasizes social inclusion, particularly targeting younger visitors and individuals from lower-income backgrounds. This shapes the museum's strategy to align with national goals.
3. **Cultural Preservation Priorities**:
   As the museum houses heritage collections, political decisions regarding cultural preservation funding and support can significantly affect its long-term sustainability.

Economic Factors

1. **Reduced Funding and Revenue Pressure**:
   Historically shielded from economic fluctuations due to government support, the museum now faces commercial pressures to generate its own revenue. Visitor numbers and price sensitivity will play a crucial role in its financial sustainability.
2. **Ticket Pricing Challenges**:
   Setting appropriate ticket prices is critical. Higher prices may alienate lower-income groups, contradicting government goals, while lower prices might fail to compensate for funding cuts. A tiered pricing strategy could address this issue.
3. **Economic Environment**:
   Local economic conditions, such as rising unemployment or reduced disposable incomes, may impact visitor affordability and willingness to pay for museum services.
4. **Revenue Diversification**:
   Opportunities to generate income through merchandising, guided tours, and special events could help offset funding losses.

Social Factors

1. **Declining Younger Visitors**:
   Visitor data shows a sharp decline in younger visitors (from 35% in 2017 to 21% in 2020). This is a critical concern as younger generations represent the biggest population in Rwanda, future engagement and revenue.
2. **Neighborhood Demographics**:
   The museum's location is becoming home to lower-income groups as middle-class residents move out. This shift offers an opportunity to build stronger local community ties while promoting social inclusion.
3. **Cultural Perceptions**:
   Museums are often perceived as for the middle and upper class, which may discourage lower-income and less-educated visitors. Efforts to demystify the museum experience through outreach programs and community-driven initiatives are essential.
4. **Government Expectations**:
   Increasing participation from underserved demographics, such as lower-income groups and young people, aligns with the museum's funding objectives and government priorities.

Technological Factors

1. **Virtual Museum Initiatives**:
   Currently, only 10% of the museum's collection is displayed physically. Leveraging technology to create an online virtual museum would expand access to its collections globally and attract younger, tech-savvy audiences.
2. **E-Marketing Opportunities**:
   Collecting visitor data (e.g., email addresses) and engaging in targeted marketing campaigns through social media, blogs, and email newsletters can increase awareness and encourage repeat visits.
3. **E-Commerce Potential**:
   The museum could launch an online store to sell replicas, souvenirs, and exclusive digital content. This would create a new revenue stream while broadening the museum's reach.
4. **Technology Integration**:
   Augmented reality (AR) and interactive exhibits could enhance the visitor experience, particularly to be able to attract younger audiences, creating a modern and engaging environment.

Environmental Factors

1. **Compliance with Environmental Standards**:
   The museum operates in a 150-year-old building that requires significant repairs and maintenance. The building is likely energy-inefficient, leading to high heating and operational costs. Also, incorporating energy-efficient technologies and sustainable practices, such as renewable energy sources and waste reduction, could reduce costs and demonstrate environmental responsibility.

2. **Local Environmental Impact**:
   Events or construction activities in the neighbourhood may disrupt the visitor experience. The museum must actively engage with stakeholders to mitigate these impacts.

Legal Factors

1. **Accessibility and Safety Regulations**:
   The museum must comply with legislation regarding disability access, health, and safety. This includes providing accessible facilities and maintaining structural safety in the historic building.
2. **Food Safety and Hygiene Standards**:
   If the museum develops a restaurant or café, it must meet strict hygiene and food safety standards.
3. **Charity and Trust Law Compliance**:
   As a charity, the museum's operations are overseen by trustees, who must ensure compliance with the law and adherence to the museum's charitable purpose.
4. **Data Protection Laws**:
   Any collection and use of visitor data for marketing or e-commerce purposes must comply with local data protection and privacy regulations.

b) The failure of the Director General's strategy has been explained by one of the trustees as 'a failure to understand our organizational culture; the way we do things around here'

Use the Cultural Web to assess the underlying organizational cultural issues that would explain the failure of the Director General's strategy at the National Museum.

Different aspects of organization culture together with the paradigm comprise to make the cultural web. The cultural web of an organization consists of six interrelated elements. Analyzing these factors provides insights into why the Director General's strategy failed to align with the museum's culture, or "the way we do things around here."

1. Stories and myths

- Stories reflect the organization's history, shared successes, and values, often focusing on key events or individuals. The National Museum likely values its history and longstanding traditions, which may conflict with the Director General's more progressive, business-oriented proposals. Staff and trustees may share stories about how the museum has been funded and run with government support for decades, leading to resistance to sudden commercialization or revenue-focused strategies. The Director General's failure to understand these stories created a disconnect between the strategy and the organization's identity, contributing to its rejection.

2. Rituals and Routines

- Rituals and routines are the habitual activities that reflect how work is conducted and how the organization interacts internally and externally. The museum may have longstanding

routines focused on preservation and academic curation rather than innovation, commercialization, or visitor engagement. For instance, staff might be used to processes emphasizing heritage protection, not market-oriented initiatives. The Director General's strategy may have disrupted these established routines, leading to pushback from staff who felt that the new approach undermined their traditional roles.

3. Symbols

- Symbols include the organization's logo, dress codes, office layout, and even language, all of which convey its values.The museum's building, being over 150 years old, is a significant symbol of its history and identity. Proposals to modernize aspects of the museum or repurpose spaces for commercial use (e.g., converting the dining room into a restaurant) may have been perceived as threats to these cherished symbols. Staff and trustees may have viewed the Director General's changes as disrespectful to the museum's heritage, leading to resistance.

4. Power Structures

- Power structures refer to the individuals or groups with the most influence over decision-making within the organization. In the museum, power likely rests with long-standing trustees and senior curatorial staff, who may prioritize cultural preservation over commercialization. The Director General's strategy might have challenged this power structure, creating conflict and opposition from those resistant to change. A lack of alignment with these influential stakeholders hindered the acceptance of the proposed strategy.

5. Organizational Structures

- This refers to the formal and informal hierarchies within the organization, which determine decision-making and resource allocation. The museum's structure may have been rigid, with centralized decision-making by the trustees. The Director General may have underestimated the need to engage and align with these decision-makers before introducing new initiatives. Without buy-in from key organizational leaders, the strategy was likely seen as an external imposition rather than an internal evolution.

6. Control Systems

- Control systems include performance measurements, rewards, and penalties that shape behavior within the organization. As a largely government-funded institution, the museum may lack commercial performance metrics, such as revenue targets or visitor numbers. The Director General's focus on financial sustainability and revenue generation might have clashed with the museum's traditional control systems. Staff may have been unmotivated or ill-equipped to implement a strategy focused on financial performance, leading to its failure.

c) You have been approached by the new minister of culture to recommend methods of

segmenting the market in an effort to develop a working strategy. **Critically analyse FOUR ways of segmenting the market so as to inform the marketing strategy to be adopted and recommend the best.** **(20 marks)**

1. **Demographic segmentation**

   This method uses a person's characteristics such as sex, age, income, social class, religion, occupation etc. A common demographic approach by marketers is to link occupation to income to determine how people may/will behave in the case it is clear that this has been the key criteria. In the case the population is said that the majority are lazy. However, over-reliance on basic characteristics may ignore deeper behavioural insights and common needs within demographic groups, which may not be accurate.

2. **Geographic segmentation**

   This method uses countries, regions/districts, cities and rural areas etc. Drinking eating and leisure time activities may be affected by geographic location. The case indicates that the National Museum being a building and hence geographical segmentation can only be applicable id I was to server and be accessible in other regions. It can therefore be concluded that this is located at the nation's capital and to others far and wide the online/ virtual museum will be a welcome option. This can however, be limiting as data on geographic preferences may be harder to update frequently.

3. **Buyer segmentation**

   This is important in understanding how people behave after purchasing goods. A number of people from different classes can afford in different ways and the government is promoting the lower cadre to be part of the museum. In the case of national museum this has not been tried before to improve the revenue streams even though it requires complex data collection and behaviour can change over time, requiring continuous monitoring.

4. **Personality segmentation**

   A growing awareness of the need for more explanatory criteria has led to greater use of psychological variables, (personality traits, compulsiveness, ambition, conservation). This form of segmentation arose as a result of discovering that buyers' needs may differentiate along lifestyles or personality lines e.g. Provenance in food production, green awareness, or natural resource sustainability. In the case there is a proposal to do a restaurant from the staff dining room where affordability will need to be considered to ensure the lower social group who the government is considering even though this risks over-complicating marketing strategies.

QUESTION TWO

Marking Guide

1 mark for each relevant point up to a maximum of 13 Marks
This should be clearly indicated as:
    a) Prior to attending the course (1 mark * 4 points = 4 marks)
    b) After attending the course (1 mark * 4 points = 4 marks)
    c) Why the change was unsuccessful (1 mark * 5 points = 5 marks)
 	
Note: any other leadership style/ model that is appropriate can be awarded
	13 marks

Up to 1 marks for identifying the method of resistance and in the evaluation where advantages and disadvantages of each method one point each will be awarded to the maximum of 4 marks in each point. 1 mark for a valid method 1 mark for each advantage (maximum 2 points) 1 mark for each disadvantage Note: the evaluation is where you look at the point given and allocate full marks on the critical evaluation	**12 marks**

Model Answer

a) **Analyse Emmanuel Byiza's leadership style before and immediately after the training course and explain why the change of leadership style at ARC was unsuccessful.**

Before the Training Course

Autocratic Leadership Style: Byiza's style was centralized, with tight control over operations and decision-making. He defined tasks precisely and provided step-by-step instructions on how contracts were to be monitored and managed. All problems were referred to him, and he took instant decisions. Employees respected his ability to make quick decisions and appreciated the clear instructions, but some viewed his style as overly controlling and demotivating, leading to turnover among dissatisfied staff.

- **Quick decision-making** ensured operational efficiency and minimal delays in resolving issues. Employees knew exactly what was expected of them, reducing confusion or mistakes. High level of control helped ARC manage rapid expansion effectively in its early stages even though it led to over reliance on Byiza and lack of autonomy, initiative and confidence in decision making

- **Strict control and monitoring**: He closely defined tasks and procedures, believing employees lacked initiative.
- **Limited employee empowerment**: Workers in the Contracts Office were expected to follow instructions rather than solve problems independently.
- **High dependency on Byiza**: Employees relied on him for solutions, reinforcing a top-down hierarchy.

After the Training Course

Leadership Style: **Empowering Leadership**: Byiza attempted to delegate decision-making authority to his employees, giving them control over resolving problems independently as a result of the training course and in a bid to improve employee motivation, effectiveness, and job enrichment.

- **Delegation of decision-making**: Employees were empowered to resolve contract issues independently.
- **Job enrichment**: Workers were expected to take initiative rather than defer to Byiza.
- **Reduced micromanagement**: Byiza focused on business expansion rather than daily operations.

Why the change of leadership was unsuccessful?

- **Employees were not equipped** with the skills or confidence needed to make decisions independently. They were accustomed to detailed instructions and feared making mistakes.
- **Inadequate Communication**: The shift in leadership style was abrupt, with no gradual transition or clear guidelines on how employees should handle their new responsibilities.
- **Resistance to Change**: Employees were comfortable with the old system and found the new approach stressful, leading to delays, dissatisfaction, and absenteeism.
- **Impact on Operations**: The lack of swift and authoritative decision-making disrupted field operations, leading to frustration among the recycling teams.
- **Cultural and Behavioral Mismatch**: Byiza's initial belief that employees were "lazy" created a dependent culture and were not psychologically ready for empowerment.

However, although reverting to the old style might be preferred by the employees, it does not solve the original problem faced by Byiza. He is heavily relied upon to the point that his health is being affected preventing the company from growth

b) Based on the facts from the case, Emmauel Byiza's team was going to resist the action and as a consultant you have been approached to advise Byiza on how this can be avoided or overcome, **critically evaluate THREE ways of overcoming resistance to change and its potential application in the Contracts Office at ARC. (12marks)**

1. **Provide Training and Support**: One of the best ways to overcome resistance to change is Byiza to provide training and support about the change efforts beforehand. Up-front communication and awareness help employees see the logic in the change effort. This reduces unfounded and incorrect rumors concerning the effects of change in the organization. The challenge with this is that it might lead to additional cost and time investment in training programs.

2. **Engage Employees in the Change Process**: When employees are involved in the change effort, they are more likely to buy into change rather than resist it. This approach is likely to lower resistance to change. Where the initiators do not have all the information, they need to design the change and where others have considerable power to resist, participation and involvement can help significantly even though the downside to this is that it may take time to build consensus, delaying the implementation of changes.

3. **Implement Change Gradually**: Byiza can Introduce changes in a phased manner, allowing employees time to adapt and build confidence for example begin by delegating simpler, low-risk decisions to the Contracts Office while keeping more complex decisions with Byiza and gradually increase the level of responsibility as employees gain experience and confidence to reduce abrupt changes and ensure minimum operational disruptions even though the change might take longer in such a process.

4. **Negotiation and agreement.** Where someone or some group may perceive losing out in a change and where that individual or group has considerable power to resist, managers can combat resistance by offering incentives to employees not to resist change. This can be done by allowing change resistors to veto elements of change that are threatening or change resistors can be offered incentives to leave the company through early buyouts or retirements in order to avoid having to experience the change. This approach will be appropriate where those resisting change are in a position of power.

5. **Manipulation and co-option:** Where other tactics will not work or are too expensive. Kotter and Schlesinger suggest that an effective manipulation technique is to co-opt resisters. Co-option involves the patronizing gesture in bringing a person into a change management planning group for the sake of appearances rather than their substantive contribution. This often involves selecting leaders of the resisters to participate in the change effort. These leaders can be given a symbolic role in decision making without threatening the change effort. On the other hand, if these leaders feel they are being tricked they are likely to push resistance even further than if they were never included in the change effort leadership

6. **Explicit and implicit coercion:** Where speed is essential and to be used only as a last resort. Managers can explicitly or implicitly force employees into accepting change by making clear that resisting change can lead to losing jobs, transferring or not promoting employees

QUESTION THREE

Marking Guide

Up to 3marks are available for each point given and critically assessed by looking at the good both the pros and cons of each valid point available	**13 marks**
3 marks * 4 points = 12 total marks	

Award 1 additional mark for creativity. Note: award marks for any other way which might not be part of this but innovative and sensible	
Up to 4 marks for the point identified and explained. In each of the points given analysis must be done on the impact it has ensured growth and retention. 3 points * 4 marks = 12 marks Note: that if the impact is not given then the marks awarded will not be full	**12 marks**

Model answer

   a) Based on the scenario**, critically assess FOUR ways you could use to market Bihendutse Supermarket online.**

To ensure continued growth and success in a competitive retail market, Bihendutse Online Supermarket (BOS) must strengthen its online marketing strategy. Given its current position, leveraging digital marketing channels is crucial for maintaining visibility and attracting new customers. Below are four ways BOS could effectively market its products online:

1. **Social Media Marketing**

   Social media platforms such as Facebook, Instagram, Twitter, and TikTok are essential for engaging with both existing and potential customers. BOS can create campaigns highlighting promotions, product launches, and its CSR initiatives to build a strong online community. Regular posts showcasing customer testimonials or special offers can boost brand awareness. Targeted advertisement can be used to segment audiences based on demographics, location, and consumer preferences, driving traffic to the website. This approach will help BOS maintain direct communication with consumers and increase brand recognition. It can also build a loyal customer base by addressing customer queries and comments in real-time, fostering trust and engagement.

2. **Website**
   I could come up with the website that markets BOS. On this website I would post the various retail stores that are run by BOS and products that are found in the stores and ensure the website is updated regularly to provide timely information to clients.

3. **Search Engine Optimization (SEO) and Content Marketing**

   Optimizing BOS's website content for search engines will help improve its ranking on Google, making it more visible to users searching for relevant products like groceries, household items, or local food items. Creating quality blog content about healthy eating, shopping tips, and new product offerings can attract traffic to the supermarket. BOS can incorporate relevant keywords into their product descriptions. Educational and engaging content, such as recipes for some of their products could further attract potential customers.

Effective SEO and content marketing will enhance visibility on search engines, leading to higher traffic. This will improve the online customer acquisition process and potentially reduce paid advertising costs in the long run.

4. **Email Marketing and Personalization**

   Email marketing remains one of the most effective tools for engaging with customers, promoting sales, and offering personalized recommendations. BOS can collect email addresses from customers (with consent) to send tailored offers, reminders about ongoing sales, or updates on new items. By segmenting their email list based on consumer behavior and purchase history, BOS can send personalized promotions, product recommendations, or discounts, thus increasing the likelihood of repeated customers and purchases. Personalized emails will drive customer loyalty, encourage repeat purchases, and enhance the overall shopping experience by delivering relevant content to each consumer. This method is effective in maintaining customer engagement and retention.

5. **Influencer Marketing**

   Collaborating with local influencers or bloggers can amplify BOS's reach online. Influencers with a significant following in Rwanda or neighbouring countries can promote BOS's products to their audience through sponsored content, videos, or reviews. BOS can partner with influencers within the health, food, or lifestyle sector to showcase its products, particularly the healthy foods section and affordable local items. They could also collaborate with bloggers to create content around BOS's values, product offerings, and CSR efforts. Influencers bring credibility and authenticity to BOS's marketing efforts, enabling them to reach a wider and more targeted audience. By leveraging influencer marketing, BOS can drive awareness, attract new customers, and generate more traffic to its online store, especially among the demographics where social media influence is strong.

6. **Listing on Location Based Services**

   I could also ensure that BOS is listed on Location Based Services and Apps. This will ensure that consumers are able to search the supermarket on this Apps and the customer will be able to know its location as well as the products it sells

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b) **Analyse THREE strategies that BOS has used to grow and retain its market share.**

1. **Diversification of Product:** BOS has expanded its product offerings from basic household goods and groceries to include electronics, clothes, toys, and a range of other products. This diversification strategy caters to a broad customer base with varying needs and preferences. The introduction of the BOSF section, offering traditional healthy meals, is an example of BOS's ability to adapt to shifting consumer preferences toward healthier food options. This addition has become particularly popular in urban areas where consumers are more conscious of health and wellness. Product diversification has helped BOS to cater to a wider audience and meet the needs of different customer segments. This strategy not only attracts a larger customer base but also encourages repeat purchases by offering customers more reasons to visit BOS stores.

2. **Strategic Store Location and Expansion**: BOS has strategically placed its stores in areas with low competition, such as rural towns, while also targeting high-footfall urban areas, including residential zones and industrial areas. The supermarket chain is also expanding its footprint by opening new hypermarkets and supermarkets across Rwanda. The store placement in residential areas, town centers, and near industrial zones ensures that BOS can serve both urban and rural populations. Additionally, BOS's approach of targeting low-income residential areas with varying price points makes it accessible to a broader audience. The strategic placement of stores has allowed BOS to capture market share across diverse locations, ensuring convenience for consumers. Expanding to multiple regions and opening new hypermarkets strengthens its presence in the retail market and attracts more customers.

3. **Support for Local SMEs and Community Involvement:** BOS supports local small and medium enterprises (SMEs) by sourcing a significant portion of its merchandise from them, both locally and from other African countries. This has been integrated into BOS's corporate social responsibility (CSR) initiatives, which focus on strengthening local businesses and improving the community. BOS works with local producers and artisans to provide them with a steady distribution channel for their products, while also supporting regional economic growth. By offering favorable pricing arrangements and partnership contracts to SMEs, BOS has been able to build strong relationships with these businesses.This strategy enhances BOS's brand reputation as a socially responsible company and helps build strong community ties. Supporting local SMEs also allows BOS to offer unique, locally produced products that differentiate it from international retailers. Furthermore, it strengthens loyalty among customers who value locally sourced goods and sustainable business practices.

QUESTION FOUR

Marking guide

Award 2 marks for a correct introduction to the value chain 2 marks for each appropriate point up to a maximum of 10 marks Note: the allocation of marks based on the impact	**12 marks**
Award 3 marks for each well explained solution up to maximum of 12 marks and 1 mark for conclusion considering other limitation of technology	**13 Marks**

a) Analyse the existing value chain, using it to highlight areas of weakness at Jaynnette Company Limited in the primary activities.

Model answer

The value chain is a strategic framework developed by Michael Porter that breaks down a company's activities into primary (directly related to production and sales) and support (indirectly contributing to operations) functions. By analyzing each step, businesses can identify inefficiencies, cost drivers, and opportunities for competitive advantage.

For Jaynnette Company Limited (JCL), applying this model reveals critical weaknesses in its supply chain, production, delivery, and customer service processes.

1. **Inbound Logistics**

   Involves sourcing and receiving raw materials (e.g., wood, upholstery, textiles) from suppliers which causes weaknesses including:

   o **Over-reliance on limited suppliers:** 95% of wood is sourced from three long-standing suppliers, making the supply chain vulnerable to disruptions.
   o **Inefficient communication:** Orders are still sent via email, which has resulted in instances where suppliers fail to receive orders, causing production delays.
   o **Payment issues:** Delays in matching supplier invoices with purchase orders have strained relationships with suppliers.

   The above production delays, strained supplier relationships, and inefficiency in procurement operations.

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2. **Operations**
   The process of transforming raw materials into finished products (bespoke sofas and chairs);

- **Long production timelines:** Despite relatively high inventory levels, JCL fails to meet 45% of its estimated delivery dates due to inefficiencies in production.
- **Poor scheduling:** The relaxed production process does not align with customer delivery requirements, leading to delays.
- **Inadequate production planning:** JCL does not seem to have a robust system for ensuring timely completion of orders, resulting in customer dissatisfaction.

Failure to meet promised delivery dates undermines customer trust and contributes to order cancellations.

3. **Outbound Logistics:** The delivery of finished goods to customers leading to weaknesses such as;

- **Rigid delivery routes:** Delivery vans follow fixed routes regardless of demand, leading to inefficiencies and higher logistics costs.
- **Failed deliveries:** About 30% of deliveries are unsuccessful because customers are unavailable at the delivery address, resulting in products being returned to the factory.
- **High rescheduling costs:** Contacting customers to rearrange deliveries is costly and inefficient due to the reliance on phone calls.

4. **Marketing & Sales (Customer Interaction)**

- **Poor post-order communication**: Customers feel ignored.

- **No order tracking system**: Frustration over delays.

5. **Service (After-Sales Support)**

- **Lack of cleaning/maintenance guidance**: Customer dissatisfaction.

- **Difficult returns process**: Negative customer experience.

b) Based on the challenges and opportunities outlined in the case study, you have been approached to advise on the options available for better streamlining of the supply chain.

i. **Production Delays: Use of a Manufacturing Resource Planning (MRP) System:** A Manufacturing Resource Planning (MRP) system could help JCL better manage inventory and production schedules. By forecasting demand more accurately and optimizing the production flow, JCL can reduce the production delays that impact delivery times. This will provide a more accurate inventory levels, efficient production schedules, and reduced delays in meeting customer orders. This could create cost savings which may be reflected in the prices charged to JCL and therefore lowering input costs.

JCL should also be able to implement systems that optimize the quantities of products ordered a result of improved understanding of demand and the costs of ordering and storing of inventory.

ii. **Delivery Inefficiency**: JCL could improve this process by partnering with third-party logistics providers in which furniture is stored safely in transit for delivery and be able to provide greater flexibility in delivery schedules and improve on-time delivery, reduced delivery failures, improve customer satisfaction, lower logistics costs, and better delivery tracking for customers.

iii. **Lack of Customer Communication: A Customer Relationship Management (CRM) System** can help automate customer communication and send regular updates regarding the status of orders. By allowing customers to track their order status through an online portal, JCL can improve transparency and reduce dissatisfaction caused by long waits and unexpected delays; while managing customer expectations, and reduced frustration.

iv. **After-Sales Service; an Online Helpdesk is a process that** JCL can to provide customers with instant answers to frequently asked questions about furniture care, repairs, or returns. A comprehensive online helpdesk system could also enable customers to easily report issues, request replacements, or schedule repairs.

However, the use of technology may come with its challenges as suppliers may resist adopting the technological improvements, especially smaller ones with limited technical capabilities, Initial setup costs including staff training and may face resistance from employees due to changes in workflow.