



## Kelly's Salon Case Study

In 1995, Kelly's Salon was opened by Kelly Kostanza in a strip mall near the College campus. Kelly's Salon started as a barbershop with one chair. Over the years, Kelly has expanded her business to include hair styling for both men and women. Her business has grown to three barber chairs, three hair styling stations, and a shampoo station. In response to her customers' requests, Kelly would like to further expand her business by adding two stations for manicures. The small gift shop next door to her has recently come up for sale, and she is thinking about acquiring that area for manicures.

When Kelly's Salon first opened, it was the only barbershop within a ten-mile radius. It was one of the first businesses to open in the strip mall where it is located, and the number of customers has increased each year. Over the years a couple of other barbershops have opened around the area, and there is news that a Hair Cuttery (offering men's and women's haircuts and styling only) will open about 5 miles away. In the shopping center across the street, an expensive spa has now opened where hair styling is offered along with manicures. Just around the corner from Kelly's Salon is a home with a sign offering manicures.

While Kelly's Salon continues to grow and profits are increasing, Kelly is sure that she could improve her operation in the areas of scheduling, supply ordering, inventory management, collecting customer information, and marketing.

**Customer and Employee Scheduling:** Currently, Kelly takes appointments by phone and accepts walk-in customers on an as-available basis. If there is a vacancy in the schedule, she is happy to have a walk-in customer for that time slot. As her business has expanded, Kelly has found that keeping track of which employees will be working at any particular day and time, and matching that with customer appointments has become almost unmanageable. Until recently, she has been comfortable with allowing staff to decide what days and times they want to work, and most of them are part-time. So far, little effort has been made to find a substitute if one of her employees cannot come to work. Now, Kelly has recognized that she is turning away a significant number of walk-in customers, and at other times, her staff is not busy at all. It seems to Kelly that she is very busy on Saturdays, and that Mondays are slow days, but she has no real data to use to make a schedule for her employees. She would like you to help her improve her process for scheduling staff and customers.

**Inventory Management:** Now that she has employed four part-time barbers, six part-time stylists, and two part-time shampoo girls, and is contemplating adding at least two manicurists, Kelly is also concerned about maintaining an adequate stock of supplies. It has become difficult for her to keep track of what supplies have been used and what needs to be ordered. She knows that if she runs out of shampoo or hair spray, for example, that she will not be able to serve her customers. She makes notes to herself and sticks them on her office message board to remind herself to place orders, but she only knows to do so when one of the employees tells her that the last container of a product has been taken from the supply cabinet. Many times, the shop is very busy and either the employee forgets to tell her, or she forgets to make a note. Kelly is happy her business is growing, but the chaos of making sure there are adequate supplies is creating a great deal of stress for her.

**Supply Ordering:** Even if Kelly successfully keeps track of the supplies that have been used, she really does not have time to place orders to her suppliers. Over time, she has noticed that the prices she is paying seem to be going up quickly, but she has no way check to see if she could order supplies at a lower cost. She is wondering if she could save money by finding lower-cost suppliers, suppliers who offer

free shipping, or suppliers who sell in bulk. It has become apparent that Kelly's Salon needs an improved supply ordering process.

**Customer Information:** There are some regular customers who come to Kelly's Salon, and Kelly recognizes them, but often cannot recall their preferences. Several of these customers have called requesting appointments with their favorite barber or stylist, and, while Kelly knows this is important to them, she cannot assure the customers that it will be possible. Many of her barbershop customers come in every two weeks, while most of her customers who want a haircut and style are more likely to visit a few times a year. Kelly would like to know in which category each of her customers fall. She is also seeking your help in finding a better way to document the process of maintaining customer preferences and personal information.

**Marketing:** Kelly would also like to contact her customers and keep them coming back, but currently she has no way to do that. She would also like to make sure when she contacts each customer that she is doing so appropriately. She would also like to provide special offers such as coupons around the time of their birthday, believing that these types of marketing efforts would increase her repeat business and her profits. She would also like to reach more new customers, especially as she expands her business. Kelly's Salon uses very little marketing except word-of-mouth, and essentially still operates the same as it did in 2000 when Kelly opened her one-chair barbershop.

Kelly's Salon is a for-profit business and must cover its variable costs, fund future improvements and produce a reasonable profit for the owners. Kelly would like to expand into the gift shop area next door, and improve her current management practices. She also believes that she could actually increase her profits if she did a better job of marketing in combination with better scheduling and management of her supplies.

Kelly's Salon currently uses no technology. There is not even a computer in the back office. Kelly has hired you to help her with determining how she could apply information technology to help her manage her growing operation. Throughout this course you will assist Kelly with analyzing her business and applying a technology-related solution to improve the operation of Kelly's Salon. Your advice will be based on the business practices discussed in the class and the course materials to help her increase revenue, keep the business running, and bring the business into the 21st century.

Note 1: You will be looking for a technology solution. While installing a tea and coffee bar may attract new customers, it is not a technology solution.

Note 2: As you approach the assignments, you will find it helpful to think about your own experiences with a barbershop or styling salon. Making a trip to a local barbershop or salon may help you think about the processes, challenges, and opportunities.

### **Purpose of the Assignments**

This case study specifically addresses the following course outcomes to enable you to:

- analyze business strategy to recognize how technology solutions enable strategic outcomes
- analyze internal and external business processes to identify information systems requirements
- identify and plan IT solutions that meet business objectives

### **STAGED ASSIGNMENTS**

There are four staged assignments which use the Case Study and are designed to follow the relevant course topics in the class schedule. The weight of the assignments is shown in the Course Syllabus. The

due dates are shown with the Assignments. Upon completion of these assignments, you will have performed an array of activities to demonstrate your ability to apply the course content to a “real world situation” to:

- Analyze the business environment and justify Kelly's selected generic strategy and process for improvement
  - Stage 1 Project: Business Environment Analysis (Word document with analysis)
- Determine the functional (business) requirements by analyzing inputs, processing and outputs for the process selected for improvement, using the process model provided
  - Stage 2 Project: Business Analysis and Functional Requirements (Word document with table of inputs, processing and outputs)
- Evaluate various IT requirements
  - Stage 3 Project: IT Requirements (Word table)
- Propose an IT solution and evaluate what it would take to implement your solution
  - Stage 4 Project: Proposed IT Solution and Next Steps (Word document)

**Course Learning Outcomes:** These assignments are designed to help you identify how to effectively analyze and interpret information to improve the business. This is an opportunity for you to apply course concepts, vocabulary, and critical thinking skills and think like a business professional. When you are writing a paper or developing a presentation, write in third person, preparing your document as if it is going to the owner, Kelly Kostanza, whom you want to impress with your knowledge and abilities.

**Writing Expectations:** For academic writing, the writer is expected to write in the third person. In third person, the writer avoids the pronouns I, we, my, and our. The third person is used to make the writing more objective by taking the individual, the “self,” out of the writing. This method is very helpful for academic writing, a form in which facts, not opinion, drive the tone of the text. Writing in the third person allows the writer to come across as unbiased and thus more informed.

Do more than just going through the mechanics of pulling together information -- think about what you are doing, why you're doing it, whether it make sense, whether the information seems realistic, and what the results show. Support your recommendations with course concepts, vocabulary, and your research.

**Resources:** Several of the assignments require external research, using sources other than the materials provided in the classroom. It is important that you identify relevant, timely resources that specifically support the points or information you provide in your assignments. You should read the source and assimilate the information first, and then put it into your own words and incorporate it into the flow of your writing (with an appropriate in-text APA citation and a list of references at the end of your paper). Direct quotes should be used very sparingly—only when the author's own words uniquely present a concept that would be lost if paraphrased by you.

**Evaluation:** The grading rubric is included with each assignment. Review the rubric to ensure all aspects of the assignment have been addressed.

**Example:** Be sure to read and refer to the “Walmart Example” posted in the classroom to help you understand what is expected for each of the assignments.

**Format:** One of the prerequisites for this course is that you have a fundamental working knowledge of word processing software. Detailed instructions for each Staged Project, 1 through 4, are posted in the designated area of the classroom. You must prepare each assignment in the indicated format (i.e., table, outline, report, double-spaced, or other specified format) and submit it by the date indicated in the schedule. No credit will be given for late assignments or those submitted in file formats other than those stated in the assignment instructions.

**Software Expectations:** Because these assignments require you to use Microsoft Word, or produce documents that can be read using MS Word (as indicated in the instructions), you may need to "brush up" on your familiarity with Word to use functions that perhaps are new to you. Therefore, do not wait until the last minute to begin an activity. You should read through all the assignments in advance to ensure you (1) understand what is expected, and (2) allow enough time to effectively create the information being requested.

There is a significant amount of information available to you to assist in developing your skills in using the Microsoft Office Products. MS Word, or its equivalent, is required for these exercises. Do not hesitate to use the on-line help and wizard tools built into the MS Office applications for help as you work with the software tools. There are also many web sites that provide tips. Even YouTube has some useful videos demonstrating various techniques.

If you use software tools other than Microsoft, it is your responsibility to ensure that the documents you submit can be read, and retain their formatting, when they are read and reviewed using the Microsoft Office suite.