* **Assignment 2 - IS/IT competitiveness business report (2500 words; value 25%)**

Answer the question below in an academically rigorous manner, using **business report** style, with claims supported by referring to relevant literature. The assignment will need to be a mix of your own intellectual property (interpretation and analysis) and evidence drawn from published material to support your arguments, or the case you are building. You may make appropriate assumptions about the case as required, but please note them in your report.  
  
**Scenario:**  
You are the IT/Administration manager in a medium-sized, high-end build-to-order furniture manufacturer called Classact. The business has been successful for many years largely because of the CEO's ability to work personally with and anticipate the needs and wants of Classact's loyal customer base. There are 10 independent furniture retailers who regularly place orders for Classact products (about 80% of total orders) and a growing group of individual consumers who place orders directly (about 20% of total orders). The overall aim of the business is to provide all customers with quality products and personalised service at a premium price. Classact currently services the local market only.

However, recent business performance has suffered compared to the five other manufacturers who compete in the build-to-order, high-end furniture market and is of some concern, particularly in regard to sales and profitability. You have conducted some industry research and have found that:

- Direct competitors are even faster at anticipating changes in customer needs than Classact and while the build-to-order model gives some protection against this, the business is losing orders when trends change strongly in terms of any new materials that are required and new designs.

 - Competitors have far better inventory management and manage their supply chain at greater speed and at less cost than Classact. Production and delivery times at Classact are twice that of competitors and customers are showing impatience with the situation.

- Many direct competitors have an online shop capability as part of a sizeable and strategic IS/IT investment. Classact does not. Many furniture stores and individual customers are showing a growing preference for using online channels. 

Classact's CEO has not seen any value in IS/IT in the past and does not want to invest money in something that will not improve the business bottom line. However, you believe there is an urgent need for an aggressive use of IS/IT to help turn business performance around. As the IT/Administration manager you are concerned that if Classact continues to rely on its' patchwork of PC applications and even older manual systems, the company will eventually fail to compete effectively in the market.

Your task here is to produce a compelling business report and argument to convince the CEO and other senior management that the use of IS/IT can restore the business to competitiveness. You should specifically identify at least three (3) IS/IT applications that would be appropriate for the business in that regard. You may make any assumptions that are appropriate for the case as long as you note them in your report.

You should draw on case studies from other companies, perhaps in dissimilar industries, to help produce a persuasive, well-supported, superbly referenced, and robust defence of your position. Remember that your answers are to be demonstrations of the application of what you have learned in the subject to a real world business.