For Your Comfort (FYC), an ergonomic furniture manufacturing company was a dream founded by Ronald J. Dirksen and Richard Woodart in 1947, the year after World War II ended. War veterans were returning home and wanted to lead a life of material comfort; FYC's trademark *Easy Couch* was a seller! The company expanded its line of furniture into both residential and commercial office furniture but remained largely a small-town family-owned boutique for many years. In the early 1980s, FYC introduced "mail-order" selling which increased its revenues substantially. FYC gained gradual recognition with its introduction of an "ergonomically friendly" office and home furniture line in the late 1980s and opened 2 branches in different cities during the decade. It also started sourcing timber from Canada and South East Asia and some hardware, hinges, saws, and fasteners from China. The 1990s saw FYC branch out to new territories by owning and operating branch stores. There are currently 16 stores throughout the USA with the manufacturing plant at its base. The biggest store in each city is equipped with a clearance floor, which holds items that are rejects, used returns, or items that are simply out of style but are marked down consistently until they are sold. In 1999, Ronald J. Dirksen, CEO, passed away, leaving the business to his daughter, Donna Dirksen, a smart Berkeley-educated mechanical engineer.

Donna had several challenging tasks in her hand—sorting out the operations and finances of the company, knowing her employees, tiding through the recession of early 2000's, and getting the company out of the red. Before she took over, the company's sales had been slipping, and it even suffered a small loss one year due to increased competition. With Donna at the helm, the company's profitability and product line visibility grew but still functioned in an old-fashioned way. Both fixed and variable costs were very high in comparison to the industry averages and Donna had some concerns: high paper-based transaction volume, delayed processes (especially in invoicing and collections), expensive overhead costs in managing different locations (franchisees and employees) and internal departments, ineffective marketing campaigns, and lack of latest technology (old POS systems and applications).

Donna currently has 5 direct reports:

- Thomas (Tom), the COO, who manages the company's operations, administrative functions, and the IT department. He has 4 direct reports: Karen, Director of Finance and Accounting; Annika, Director of Human Resources; Dave, Office Manager; and Marc, Project Manager of IS department.
- Dan, Vice-President of Sales. He has 6 regional Sales Managers reporting to him from different regions and 2 Marketing Managers. Patty, Director of Customer Service who handles both the company's own store retail staff as well as customer support department, reports to both Dan (for home-store sales and customer service) and Tom (for overall corporate customer service).
- Lara, Vice-President of Brand Management and Merchandizing
- Kevin, Vice-President of Manufacturing, who manages both the Sourcing team as well as the Manufacturing shop floor (which includes the Design team).
- Debbie, Corporate Planning and Strategy Advisor

The IS department functions as a team of full-time employees and occasional contractors who mainly maintain routine applications, computers (nearly 100 PCs/laptops), the 3 servers, and other infrastructure and peripherals for the company. It is managed by Marc, a Computer Science graduate who had about 4 years of IT project lead experience. Marc is good at programming, executing orders, and managing his team but lacks the vision and foresight required to take up an IT leadership role in the organization. Marc reports to Tom, who has been in the organization for nearly 30 years and is resistant to change but quite amiable otherwise. Dan is also an old-timer in the company and an excellent sales professional; however, he is somewhat arrogant, and his "listening skills" are challenged. He also does not take to technology as easily. Kevin, on the other hand, loves to try out new technology. In his 15 years, Kevin has suggested many technological improvements in production processes, but other than a few experiments, there has been no radical improvement in the IT processes. He still calculates inventories, budgets, and manual roll-out time for products (or at most, he uses Excel sheets). Karen's Finance and Accounting department is probably the most computerized of the lot. She has some accounting packages running for ledger entries, account reconciliation, invoicing and payments, collections, aging, and calculations/reporting applications for Debbie. Patty has some training in IT previously, and she loves trying out new gadgets. In her department, however, the PoS systems had to be replaced and were in her current year's budget. The company has just replaced PCs for all the staff and 3 servers (one for the e-mail server, one for data storage, and one mirror data storage and website).

The corporate website, hosted by a local hosting company, went up about 10 years ago but is still mainly an e-catalogue site with pictures and product numbers of the items in various product lines. Customers can look up prices and designs on the website, telephone, or e-mail (through web form) to place orders and receive shipment in about 10 days. They can also read about the company, search for specific items by product line # or item #, find the contact details of important contacts, find the toll-free customer service and sales order phone number, and view news releases. Customers can make purchases by visiting a store or ordering through the phone using their credit card/checks; they may also organize an in-store pick-up or a door delivery. Clientele include wholesale customers as well as retail customers. The former consisted of interior design firms, local furniture dealers, corporate houses, government, and other bulk buyers.

Donna, who is quite technology savvy, has analyzed many furniture and other retail organizations showing remarkable profitability through a well-managed technologically-upgraded IS strategy. She wants to invest in new technologies and a sound IT strategy aligned with FYC's business to turn the company around. She hires you as the IT leader in the organization who will spearhead the alignment of IT and business goals; capitalize on the latest emerging technologies, e-business, and IT management; and harness that information to aid corporate growth. Marc is your direct report.