

MIS 2151: Business Processes, ERP Systems and Controls

Exam 3 Case

Merry Info, Inc.

Merry Info, Inc. is relatively small information technology company. This \$72MM information technology company develops innovative niche software solutions. These solutions are used by a wide variety of small to large businesses and government entities. Initial solutions came from the research and innovation of the founder and driving force of Merry Info, Inc. - Navin Merry. Merry Info is a recognized world leader in ID and tracking software.

Navin and the core technologists of Merry Info met during the dot-com era of Silicon Valley. Their early high-end system solutions were initially successful but the dot-com collapse caused the company to reinvent themselves. A chance development of easy to use barcode printing software with integrated database features served as the base for several related industry and niche use applications under the 'ID' brand label.

Merry Info sells its solutions in 25,000+ customers in 130+ countries via a variety of channels including distributors, an Internet Store and a growing Business to Business (B2B) sales team. They have achieved many successful quarters of annual and profit growth. However, the company remains tightly held corporation with limited number of stockholders (including many employees).

Company Leadership

- *Navin Merry, Founder and Chief Executive Officer:* Navin followed the path of many innovative and driven software nerds (self-admitted) and founded Merry Info in 2000. Despite the dot-com setbacks, his energy, innovation and ability to guide development of easy to use but highly functional software solutions have been the backbone of Merry Info's success.
- *Eric Moore, Chief Technology Officer:* Eric is responsible for the actual technology strategy and all product development by Merry Info and guides the talented development team. Eric and Navin have worked together since the early days of Merry Info and is the person who brings to life Navin's ideas and seemingly knows every line of code in the company.
- *Robert ('Bob') Girard, VP of Sales:* Bob is a recent addition to the Merry Info team. Bob has been a successful salesman and sales manager for a number of companies. He is embracing the challenge of selling computer technology products globally and putting together a top-notch sales team for Merry Info.
- *Barry Simone, Administrative Consultant:* Barry was hired as a consultant by Merry 15 months ago to 'clean up' the administrative processes at Merry Info. With most employees focused on technology or sales, the administrative processes were a second thought. Merry Info contacted Barry after finding his website which touted his ability to transform poor administrative processes. Barry led the Rapid Deployment implementation of SAP (a preconfigured service solution) at Merry Info. He now supports and continues to run several of the Merry Info's administrative processes.

- *YOU, Vice President of Administration:* YOU earned a Master of Science in IT Auditing and Cyber Security (ITACS) from the Fox School of Business at Temple University. After short careers at other manufacturing companies, you decided to leave due to severe concerns with the financial health of the companies and management's disregard for internal controls. YOU are excited to join Merry Info, Inc. and have the ability to use your experience putting their poor administrative processes and IT capabilities back on the right track.

Company Insights

Since joining Merry Info 10 weeks ago, you have aggressively been gathering information from inside and outside about the company and how it operates. Below are some of your notes:

- Navin strongly encouraged the SAP implementation. In addition to the business value, he desired to learn how Merry Info's products could integrate with the popular SAP software solutions.
- There is constant focus and pressure to grow sales for the company despite fewer new products.
- Although Merry Info's typical products (software licenses) are different than physical materials you've experienced at other companies, the processing of orders has much the same steps and the company does ship some physical materials (e.g. literature, software disks, etc.).
- Newspaper article with headline: "Local consultant under investigation for history of fraud and embezzlement".
- Over the last few months the SAP system has been more unstable than usual.
- Although Merry Info is a closely held public company, there is pressure by the stockholders to continue the history of sales and profit growth. Employee stockholders are demanding some company payout for the investments they have made in the company.
- The company's CPA sent a letter to Navin after last year's 'audit' and tax preparation sharing the following concerns. Navin gave the letter to you with instructions to 'fix it – I don't have time for these administrative distractions':
 - There are almost no internal controls on the key administrative processes (Sales, Order / License processing, procurement, finance)
 - There is no detailed review of these processes by any employee of Merry Info.
 - It's unclear where some of the manual transactions come from. The CPA has to trust whatever data is in the system is correct.
 - No evidence of review of customer, vendor and employee lists maintained in SAP and other administrative systems.
 - Despite the SAP implementation, many disparate administrative systems exist with manual interfaces between each.
- Barry Simone has been absent from work a large number of days lately and seems very distracted.
- The leadership of the company does work very hard. However, "Where do the leaders of the company afford their lavish lifestyle of country club living, world vacations, etc.?"

- The SAP technical logs are a mess as both Barry, the administrative staff and the technology development staff (working on some SAP integration tools) are driving changes.