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| **HC1041** |
| **Impact of IT on Business** |
| **Individual Assignment** |
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# Executive Summary

The business report is based on IT for business. The objectives of the report are to understand the point-of-sales and its advantages & disadvantages, to know about the telecommunications used in POS and to identify the risks associating POS. Point of sales is basically a combination of hardware and software system. POS system is highly used in restaurants, hospitality, healthcare, jewellery shops, retail stores, wholesale stores, and entertainment sectors. It manages cash transaction and post-transaction in retail stores. The invention of POS had done in the year 2000. In earlier times POS included the hardware and software related to the sales transaction, credit card processing, receipt printing and more. Then it introduced new upgraded POS system with upgraded internal operations. POS system introduces mobile POS. The report will discuss about the advantages and disadvantages of POS. It helps in operating overall work efficiently. There are many advantages of using POS in the business. Point of Sales manages cash transaction and post-transaction in retail stores. It can run overall business operating smoothly and track sales, labour, and inventory related data automatically. It helps in increasing revenue, profit and customer satisfaction by decreasing order mistakes, wait time, employee turnover and employee stress level. It increases efficiency. Overall inventory data are managed through the POS system. There are some disadvantages of POS which will be discussed in the report. It has some disadvantages like connectivity errors, costly software for the update, high subscription fees and risks related to security, privacy, and confidentiality. POS uses the WAN network. A recommendation will be provided in this report.

Table of Contents

[Executive Summary 2](#_Toc526539363)

[1. Introduction 4](#_Toc526539364)

[2. The Objectives of the Study 4](#_Toc526539365)

[3. POS and Its Advantages & Disadvantages 4](#_Toc526539366)

[3.1. Advantages of POS 5](#_Toc526539367)

[3.2. Disadvantages of POS 5](#_Toc526539368)

[4. POS in Decision Making 6](#_Toc526539369)

[5. Telecommunication in POS 6](#_Toc526539370)

[5.1. LAN 6](#_Toc526539371)

[5.2. WAN 6](#_Toc526539372)

[6. Risks of POS 7](#_Toc526539373)

[7. Recommendations 7](#_Toc526539374)

[8. Conclusion 7](#_Toc526539375)

[References 9](#_Toc526539376)

# Introduction

The business report is based on IT for business. Whatever the industry size is, small to big size industries use information technology. Every business industries understand the positive effects of this technology. This report will discuss Point of Sales (POS). Point Of Sale system is mainly a combination of hardware and software. It is made to centralize the business operation of any organization. It manages cash transaction and post-transaction in retail stores. The paper will discuss the objectives of the study. POS has both advantages and disadvantages. POS helps in the decision-making process. The transactional information of retail stores can be tracked easily and these business activities are more effective. POS helps to manage information in a better way. POS includes telecommunication (Christopher, 2016). It uses several types of networks like LAN, WAN, and MAN. Media and technologies are also used in the POS system. There are risks in POS like security, privacy, and confidentiality. These risks will be discussed in the report.

# The Objectives of the Study

Every business report has some objectives which can summarize the key points of the report. The objectives of the paper are discussed below.

* To understand the point-of-sales and its advantages & disadvantages
* To know about the telecommunications used in POS
* To identify the risks associating POS

# POS andIts Advantages & Disadvantages

As it is discussed above that POS is used to do overall operational work efficiently. It is made to centralize the business operation of any organization (Toksoz & Price, 2017). POS mainly deals with cash transaction and post-transaction in retail stores. It is also used in coffee shops, jewellery stores, movie halls etc. POS came into the market in the year 2000. Point of sales in earlier times included the hardware and software related to the sales transaction, credit card processing, receipt printing and more. New upgraded POS system can update internal operations and makes the overall work efficiently. POS system introduces mobile POS (Taylor, 2016). It helps to take orders from customers through wireless handheld tablets. POS hardware includes the computer, Apple iPads, kitchen display system, receipt printers, cash drawers, pole displays, scanner, scales, and Android tablets. POS software includes transactions and data collection of customer, sales, inventory, manpower, and taxes.

## **Advantages of POS**

There are many advantages to POS. Point of Sales manages cash transaction and post-transaction in retail stores. It can run overall business operating smoothly and track sales, labour, and inventory related data automatically. It helps in increasing revenue, profit and customer satisfaction by decreasing order mistakes, wait time, employee turnover and employee stress level. It increases efficiency. With the help of this system, the services to the clients can be provided with much more ease as the records of the client are accurately kept and this includes the information about client base, the payment information and the delivery timings of the products to the clients. The recent time is highly based on digital technology (Kim, et al., 2017). So instead of using the cash register, POS can be used in this case. It can keep all payment and received transaction data so that when needed, any administrator can check earlier data. For any organization, it is important to check previous payment details. It has a digital touchscreen hardware which makes the employees work easily. It has greater accuracy with expanded payment options. Overall it makes faster service. The users can access all information and all required information at any time. The users are able to get any kind of information at any time without any difficulty. It is more improvised with high-end security.

## **Disadvantages of POS**

There are some disadvantages to the POS system. Sometimes, it faces connectivity errors. It is seen that many stores face internet connectivity problems (Gannamaneni, Ondrus, & Lyytinen, 2015).It results from customer dissatisfaction.The software required for POS is costly.Industries or organizations or stores who are using POS have to give costly web-based subscription fees. They need to give the fees to the administrators monthly or quarterly or yearly subscription fees.There are some risks in terms of security, privacy, and confidentiality. POS mainly deals with cash transaction which includes debit card and credit card transaction. Any transaction requires a card for swiping and the card PIN. It has the high chance of data theft and malware attack. It can have low-security policies and controls. The software-based system is more complicated.

# POS in Decision Making

The overall inventory data are tracked down by POS. This data helps in decision making. POS system is totally digital platform. It reduces time. So instead of using the cash register, POS can be used in this case. It has a digital touchscreen hardware which makes the employees work easily. It has greater accuracy with expanded payment options. Overall it makes faster service and effective operations. It can run overall business operating smoothly and track sales, labour, and inventory related data automatically (Sekaran & Bougie, 2016). Manual tracking is not required in this system.Point of sales in earlier times included the hardware and software related to the sales transaction, credit card processing, receipt printing and more. New upgraded POS system can update internal operations. The information taken from the POS system can be used for better management of the business (Madden, Meng, & Tan, 2018). For an example, information of a number of sales can help the managers to understand the remaining stocks and the profit made from the sales. Customer database also helps the management to track down their previous purchasing items’ list.

# Telecommunication in POS

Point of sales is based on telecommunication. It includes different types of networks, media, and cables. There are two types of networks which are used in POS. These are the followings.

## **LAN**

LAN is local area network. Basically, individuals prefer this type of networks. Many stores or small offices use LAN for operating their operations (Humprecht & Esser, 2018). LAN connects a group of computers and associated devices which share a common geographic area.

## **WAN**

WAN is wide area network. It is a geographically distributed private telecommunications network which interconnects many LAN networks (Newman, 2018). WAN also uses wireless networks. It uses fibre-optic cables. POS uses mainly WAN network. There are many benefits of using WAN. It transmits data fast with high-level security. The data transmission is inexpensive and reliable. WAN is also used for remote administration like the upload of new POS parameters.POS uses wireless technologies so that it can work efficiently.It uses fibre-optic cables.

# Risks of POS

Like any other system, the point of sale is also associated with some levels of risk. It includes risks related to security, privacy, and confidentiality. POS mainly deals with cash transaction which includes a debit card and credit card transaction (Gomzin, 2014). Any transaction requires a card for swiping and the card PIN. It has a high chance of data theft and malware attack. It can have low-security policies and controls. The customers swipe their cards without any doubt. So there is a high chance of data theft. The card image can be saved and the PIN number can be remembered. So the privacy issue is there for POS users (Slawsky & Zafar, 2017). POS has lack of confidentiality issue. The users operate this openly in front of customers so is not private operation at all. The information shared by the customers has not secured also (Chang, Kuo, & Ramachandran, 2016). It has no biometric device for login. Therefore, anyone can operate this without any problem.

# Recommendations

To keep the risks associating with POS in mind, it can be said that the system should introduce risk control issues. POS should use the biometric device for the users so that it will be impossible for unauthorized people to access the system. The cost of POS software should be reduced so that the companies can purchase the software without any problem. The hardware used in POS should be protected with antivirus software so that no data theft option will be left. It can introduce price change options. The acquired data should be cleaned up automatically after each transaction. Actually, card details of a customer are given in the system. So there is a high chance of data theft. If there is an automated clean-up software is built for card detail removing, it will be more reliable to many customers.

# Conclusion

Therefore it can be said that business houses use IT like Point-of-sales system to operate the overall work of the organization effectively and efficiently. The business report has discussed the objectives of the report. It includes the definition of point-of-sales and its advantages & disadvantages, the telecommunications used in POS and the risks associating with POS. There are many advantages of using POS in the business. Point of Sales manages cash transaction and post-transaction in retail stores. It can run overall business operating smoothly and track sales, labour, and inventory related data automatically. It helps in increasing revenue, profit and customer satisfaction by decreasing order mistakes, wait time, employee turnover and employee stress level. It increases efficiency. Overall inventory data of an organisation are maintained by POS. With the help of these data, better decision can be taken by management. Besides advantages, it has some disadvantages like connectivity errors, costly software for the update, high subscription fees and risks related to security, privacy, and confidentiality. POS uses the WAN network. There are many benefits of using WAN. It transmits data fast with high-level security. The recommendation provided in this report can be helpful for management of any business house.

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