Case Study for Information Management

Achieving Operational Excellence and Customer Intimacy - Enterprise Application: Border States Industries Inc. (BSE) (Chap. 9)

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Chap. 9
Achieving Operational Excellence and Customer Intimacy – Enterprise Application: Border States Industries Inc. (BSE)

Case Study: BSE (Chap. 9) (pp.392-394)

Border States Industries (BSE) Fuels Rapid Growth with ERP

1. What problems was Border States Industries encountering as it expanded? What management, organization, and technology factors were responsible for these problems?

2. How easy was it to develop a solution using SAP ERP software? Explain your answer.

3. List and describe the benefits from the SAP software.

4. How much did the new system solution transform the business? Explain your answer.

5. How successful was this solution for BSE? Identify and describe the metrics used to measure the success of the solution.

6. If you had been in charge of SAP’s ERP implementations, what would you have done differently?

Overview of Fundamental MIS Concepts

Enterprise Systems

• Also called “enterprise resource planning (ERP) systems”
• Suite of integrated software modules and a common central database
• Collects data from many divisions of firm for use in nearly all of firm’s internal business activities
• Information entered in one process is immediately available for other processes

Enterprise Software

• Built around thousands of predefined **business processes that reflect best practices**
  – Finance/accounting: General ledger, accounts payable, etc.
  – Human resources: Personnel administration, payroll, etc.
  – Manufacturing/production: Purchasing, shipping, etc.
  – Sales/marketing: Order processing, billing, sales planning, etc.

• **To implement, firms:**
  – Select functions of system they wish to use
  – Map business processes to software processes
    • Use software’s configuration tables for customizing

HOW ENTERPRISE SYSTEMS WORK

Finance & Accounting
- Cash on hand
- Accounts receivable
- Customer credit
- Revenue

Centralized Database

Sales & Marketing
- Orders
- Sales forecasts
- Return requests
- Price changes

Human Resources
- Hours worked
- Labor cost
- Job skills

Manufacturing & Production
- Materials
- Production schedules
- Shipment dates
- Production capacity
- Purchases

Business value of enterprise systems

• Increase operational efficiency

• Provide firm wide information to support decision making

• Enable rapid responses to customer requests for information or products

• Include analytical tools to evaluate overall organizational performance

Supply Chain Management Systems: NIKE’S SUPPLY CHAIN

Capacity, inventory level, delivery schedule, payment terms

Orders, return requests, repair and service requests, payments

Supply Chain Management Systems: THE BULLWHIP EFFECT

Bullwhip effect: Information about product demand gets distorted as it passes from one entity to next across supply chain

Supply Chain Management Systems: THE BULLWHIP EFFECT

**Push-Based Model**

- **Supplier**
  - Supply to forecast
- **Manufacturer**
  - Production based on forecasts
- **Distributor**
  - Inventory based on forecasts
- **Retailer**
  - Stock based on forecasts
- **Customer**
  - Purchase what is on shelves

**Pull-Based Model**

- **Supplier**
  - Supply to order
- **Manufacturer**
  - Produce to order
- **Distributor**
  - Automatically replenish warehouse
- **Retailer**
  - Automatically replenish stock
- **Customer**
  - Customer orders

THE FUTURE INTERNET-DRIVEN SUPPLY CHAIN

CUSTOMER RELATIONSHIP MANAGEMENT (CRM)

- **Sales**
  - Telephone sales
  - Web sales
  - Retail store sales
  - Field sales

- **Marketing**
  - Campaign data
  - Content
  - Data analysis

- **Service**
  - Call center data
  - Web self-service data
  - Wireless data

HOW CRM SYSTEMS SUPPORT MARKETING

Responses by Channel for January 2011 Promotional Campaign

- Direct Mail: 29.2%
- Telephone: 30.8%
- Web: 17.3%
- E-mail: 16.0%
- Cell Phone Text Message: 6.7%

ANALYTICAL CRM
DATA WAREHOUSE

Channels
- Call center
- Web site
- Wireless
- Field sales
- Direct mail
- E-mail
- Retail store
- Partner

Other sources
- Legacy systems
- Demographic data
- Third-party data
- Marketing campaign data

Customer data
- OLAP
- Data mining
- Other data analysis tools

Customer data warehouse
- Profitable customers
- Market segments
- Customer profiles
- Churn rates

ORDER-TO-CASH SERVICE

Customer

Leads  Orders  Availability  Fulfillment  Billing

Composite process

Order-to-cash

Integration layer

Existing systems

CRM  SCM  ERP  Other systems

1. What concepts in the chapter are illustrated in this case?

2. Analyze Amazon and Walmart.com using the value chain and competitive forces models.

3. What are the management, organization, and technology factors that have contributed to the success of both Wal-Mart and Amazon?


5. Where would you prefer to make your Internet purchases? Amazon or Walmart.com? Why?

資訊管理個案
(Case Study for Information Management)

1. 請同學於資訊管理個案討論前
   應詳細研讀個案，並思考個案研究問題。

2. 請同學於上課前複習相關資訊管理相關
   理論，以作為個案分析及擬定管理對策的
   依據。

3. 請同學於上課前
   先繳交個案研究問題書面報告。
References


– 周宣光 譯 (2011)，資訊管理系統－管理數位化公司，第12版，東華書局