ISM 50 - Business Information Systems

Lecture 7

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Class Announcements

- Business Paper Proposal Due Tuesday!

- Tuesday presentations:
  - Elise Narte (Alibris Case)
  - Rahmi Alemeddine (news)
Class Announcements

- Project proposals due in 5 days!!
  - 1-2 pages
  - Give a plan what you will do
  - Cite some references, and show that you have started your research!
  - See website for more details.
Student Talks

- Christopher Lee (news)
So what exactly is ERP??
The precursor to ERP, MRP

- **MRP (Material or Manufacturing Resource Planning)**
  - Take:
    - Product Demand forecasts
    - Inventory Balances
    - Replenishment Lead Times
  - Develop a Production schedule for a single plant
  - At this Point, it is a planning tool
Later on, more capabilities added:

- Order Processing
- Product Costing

The planning tool begins to take more and more of an active roll in the business processes.
A desire to Link Across Functional Departments of firm

- Each functional department had its own legacy application
  - Programmed in different languages
  - Different Data formats

- Often some data was shared between departments by duplicating it.
MRP evolves into ERP

- A common software architecture with modules to support different business functions.
  - Accounting, finance, sales, HRM, material management, etc...

Key features:
- Multi-functional
- Integrated
- Modular
How would you design an ERP?

Design a user interface for each module

- Ask user to fill in certain “fields” at particular times.
- Set up a sequence of events
  - When the sales department enters an order, that event triggers an event at the manufacturing department.

But by doing this, aren’t we presuming a particular business process?
Fundamental options

- Customize the application to existing organization?
- Mold organization to off-the-shelf application?
  - Is software a good way to propagate best practices?