Outline For Today

- Class Announcements
- Student Presentation
- ERP and other Organizational Applications
- Frito Lay Case

Class announcements

- Assignment 2 due Wednesday
- Project Proposal due April 25
  - See guidelines on Class Webpage.
- Look at "Strategy and the Internet," by M. Porter
  - In your reader
  - Discusses how the Internet affects the Porter 5 forces.
  - It might be a good article to cite in your business paper.
- Group Issues??
  - Students without a group?
  - Groups missing a group member?
  - Groups of 2 wanting to add another member?

Class announcements

- Reading for next class
  - Messerschmitt Ch 3.4, 3.5, 3.6, 3.7
  - Alibris Case (Required)
  - Student Presenters next class:
    - Weseloh, Matthew Thomas (Alibris case)
    - Laje, Clayton Roy Fontecha (news article)
- Forum
  - Put your first and last name on any posts
- Class
  - If you think you made a good comment in class that got overlooked, you may talk to Shiv after class.

Student Presentation

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So what exactly is ERP??
Early 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

ERP Overview

ERP

- 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?
Questions

How standardized are organizational processes?
- Customer service
- Finance
- Manufacturing

Fundamental options

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

What did Cisco do?

- "All-Star" team from people in all functional departments.
- Commitment from Oracle and KPMG to work with Cisco to customize the software to Cisco's needs.
- Commitment from top management
- Rapid Iterative Prototyping approach

ERP’s are difficult

- Dow chemical spent $500 million implementing one system, gave up and switched to another!
- Many retailer shelves were bare of Hershey Candy for Halloween 99 after Hershey tries to adopt SAP’s ERP.
- Many other fiascos...

Some ERP categories

- Sales force management
- Document management
- Customer service and support
- Manufacturing logistics
- Accounting
- Human resources
- Supply-chain management

Productivity quandary

Economists have difficulty identifying major productivity improvements due to investment in information technology

Questions:
- How does one separate quality from productivity?
- In what ways can computing harm productivity?
Classification of Organizational Applications

- These don’t necessarily have to be implemented as part of an ERP
  - Worker Collaboration
  - Operations and Logistics
  - Decision Support
  - Information and Knowledge Management
  - Customer Outreach
    - Also Called Customer Relationship Management (CRM)

Frito Lay Case

- Student Presenter:
  - John Joseph Prager

Frito Lay Case

- Is the HHC a good idea?

Frito Lay Case

- Risk?

- Project Size?

Rollout?