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:
Border States Industries (BSE) Fuels Rapid Growth with ERP (Chap. 9)

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?

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

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

Upstream

Capacity, inventory level, delivery schedule, payment terms

Downstream

Orders, return requests, repair and service requests, payments

Tier 3 Suppliers  Tier 2 Suppliers  Tier 1 Suppliers

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

Production based on forecasts

Inventory based on forecasts

Stock based on forecasts

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

CRM SOFTWARE CAPABILITIES

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

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