

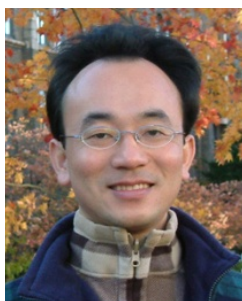
Hot Issues of Information Management

Achieving Operational Excellence and Customer Intimacy – Enterprise Application: Summit and SAP (Chap. 9)

1061IM4B09

TLMXB4B (M0842)

Wed 8,9 (15:10-17:00) B702



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2017-12-20



課程大綱 (Syllabus)

週次 (Week)	日期 (Date)	內容 (Subject/Topics)
1	2017/09/20	Introduction to Case Study for Hot Issues of Information Management
2	2017/09/27	Information Systems in Global Business: UPS (Chap. 1) (pp.53-54)
3	2017/10/04	Mid-Autumn Festival (Day off) (中秋節) (放假一天)
4	2017/10/11	Global E-Business and Collaboration: P&G (Chap. 2) (pp.84-85)
5	2017/10/18	Information Systems, Organization, and Strategy: Starbucks (Chap. 3) (pp.129-130)
6	2017/10/25	Ethical and Social Issues in Information Systems: Facebook (Chap. 4) (pp.188-190)

課程大綱 (Syllabus)

週次 (Week)	日期 (Date)	內容 (Subject/Topics)
7	2017/11/01	IT Infrastructure and Emerging Technologies: Amazon and Cloud Computing (Chap. 5) (pp. 234-236)
8	2017/11/08	IT Infrastructure and Emerging Technologies: Amazon and Cloud Computing (Chap. 5) (pp. 234-236)
9	2017/11/15	Midterm Report (期中報告)
10	2017/11/22	Midterm Exam Week (期中考試週)
11	2017/11/29	Foundations of Business Intelligence: IBM and Big Data (Chap. 6) (pp.261-262)
12	2017/12/06	Foundations of Business Intelligence: IBM and Big Data (Chap. 6) (pp.261-262)

課程大綱 (Syllabus)

週次	日期	內容 (Subject/Topics)
13	2017/12/13	Telecommunications, the Internet, and Wireless Technology: Google, Apple, and Microsoft (Chap. 7) (pp.318-320)
14	2017/12/20	Enterprise Applications: Summit and SAP (Chap. 9) (pp.396-398)
15	2017/12/27	E-commerce: Zagat (Chap. 10) (pp.443-445)
16	2018/01/03	Final Report I (期末報告 I)
17	2018/01/10	Final Report II (期末報告 II)
18	2018/01/17	Final Exam Week (期末考試週)

Management Information Systems:

Managing the Digital Firm

1

**Organization, Management, and the
Networked Enterprise**

2

Information Technology Infrastructure

3

**Key System Applications for the
Digital Age**

4

Building and Managing Systems

Chap. 9
Achieving
Operational Excellence
and
Customer Intimacy –
Enterprise Application:
Summit and SAP

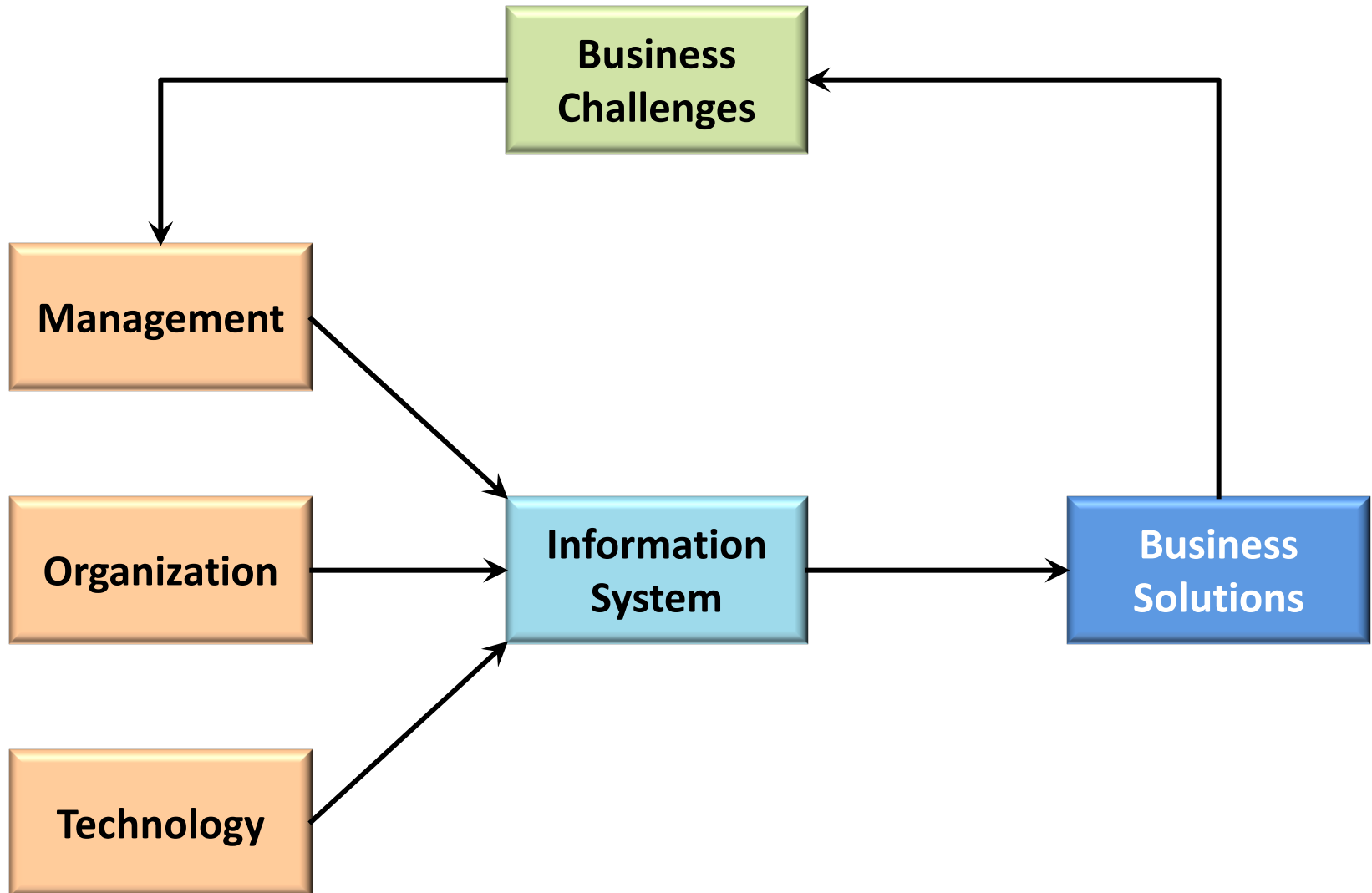
Case Study:

Summit and SAP (Chap. 9) (pp. 396-398)

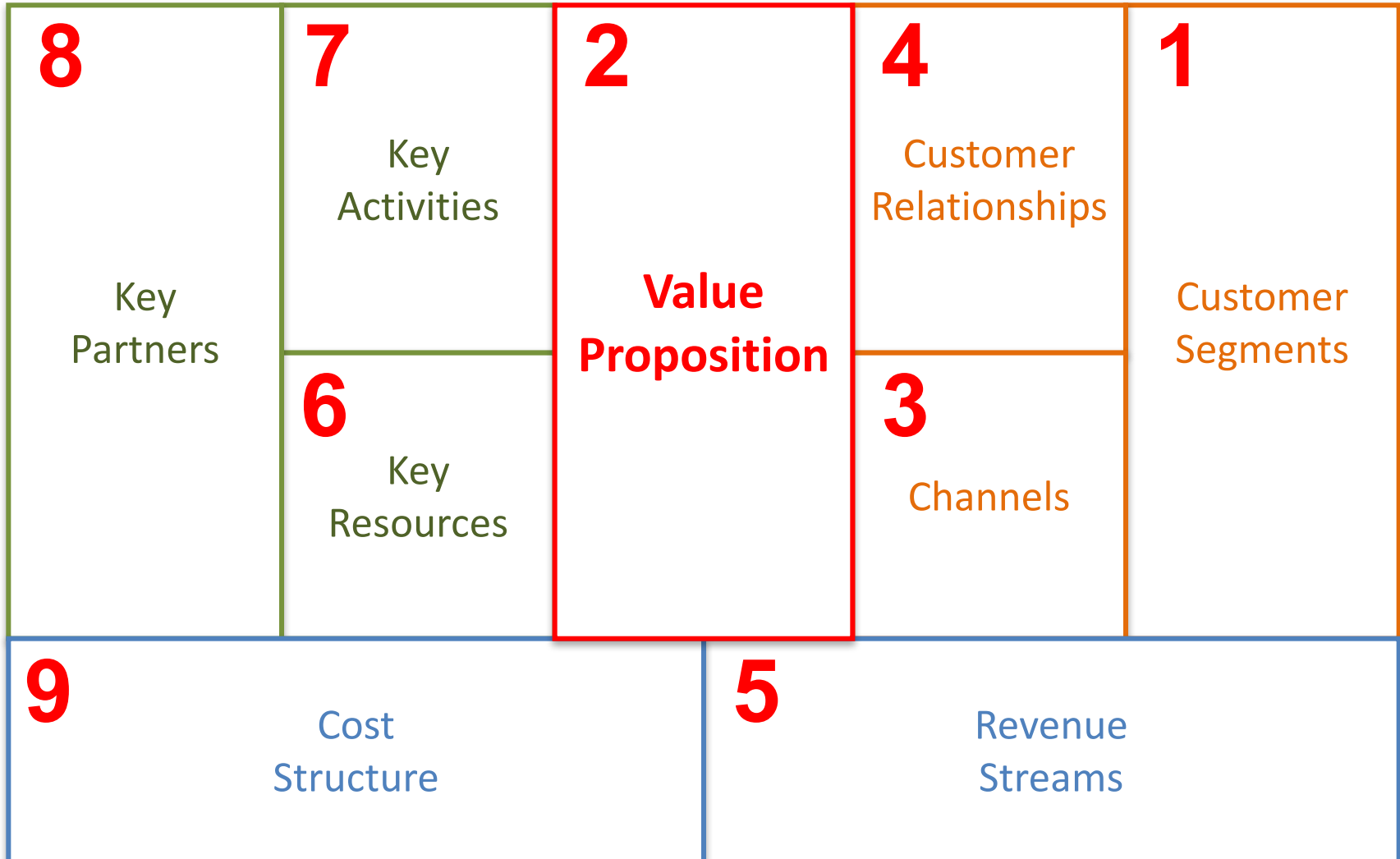
Summit Electric Lights Up with a New ERP System

1. Which business processes are the most important at Summit Electric Supply? Why?
2. What problems did Summit have with its old systems? What was the business impact of those problems?
3. How did Summit's ERP system improve operational efficiency and decision making? Give several examples.
4. Describe two ways in which Summit's customers benefit from the new ERP system.
5. Diagram Summit's old and new process for handling chargebacks.

Overview of Fundamental MIS Concepts



Business Model



Definition of Business Model

A business model
describes the rationale of
how an organization
creates, delivers, and captures
value.

Definition of Business Strategy

A business strategy
is
a long term plan of action
designed to achieve a particular goal
or set of goals or objectives.

Objectives

Business Objectives

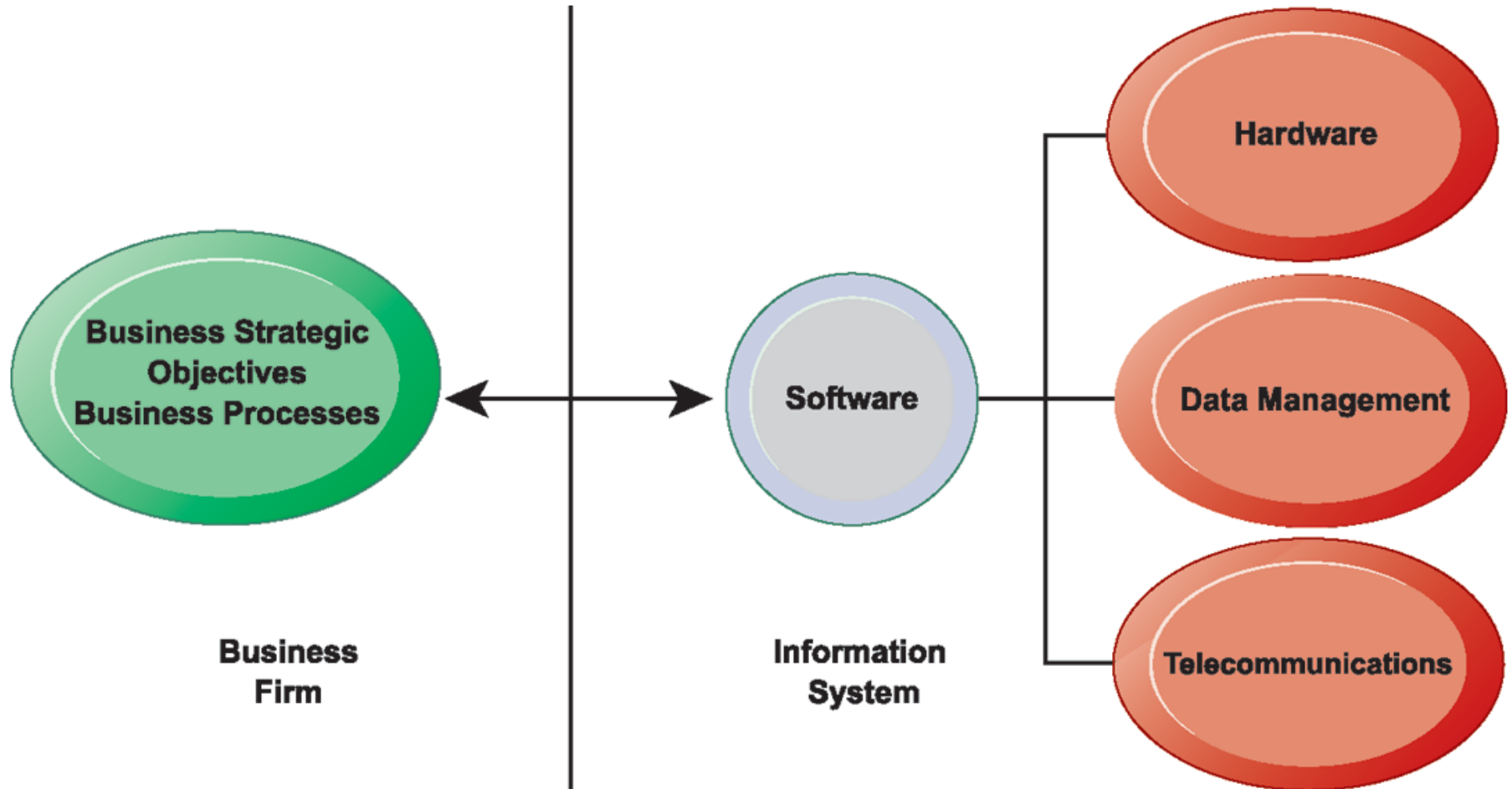
Strategic Business Objectives of Information Systems

Strategic Business Objectives of Information Systems

1. Operational Excellence
2. New Products, Services and Business Models
3. Customer and Supplier Intimacy
4. Improved Decision Making
5. Competitive Advantage
6. Survival

Chap. 9
Achieving
Operational Excellence
and
Customer Intimacy –
Enterprise Application

The Interdependence Between Organizations and Information Technology



Business Processes

- Business processes:
 - the set of logically related tasks and behaviors that organizations develop over time to produce specific business results and the unique manner in which these activities are organized and coordinated.
- Business processes:
 - the manner in which work is organized, coordinated, and focused to produce a valuable product or service.
- Business processes are the collection of activities required to produce a product or service.

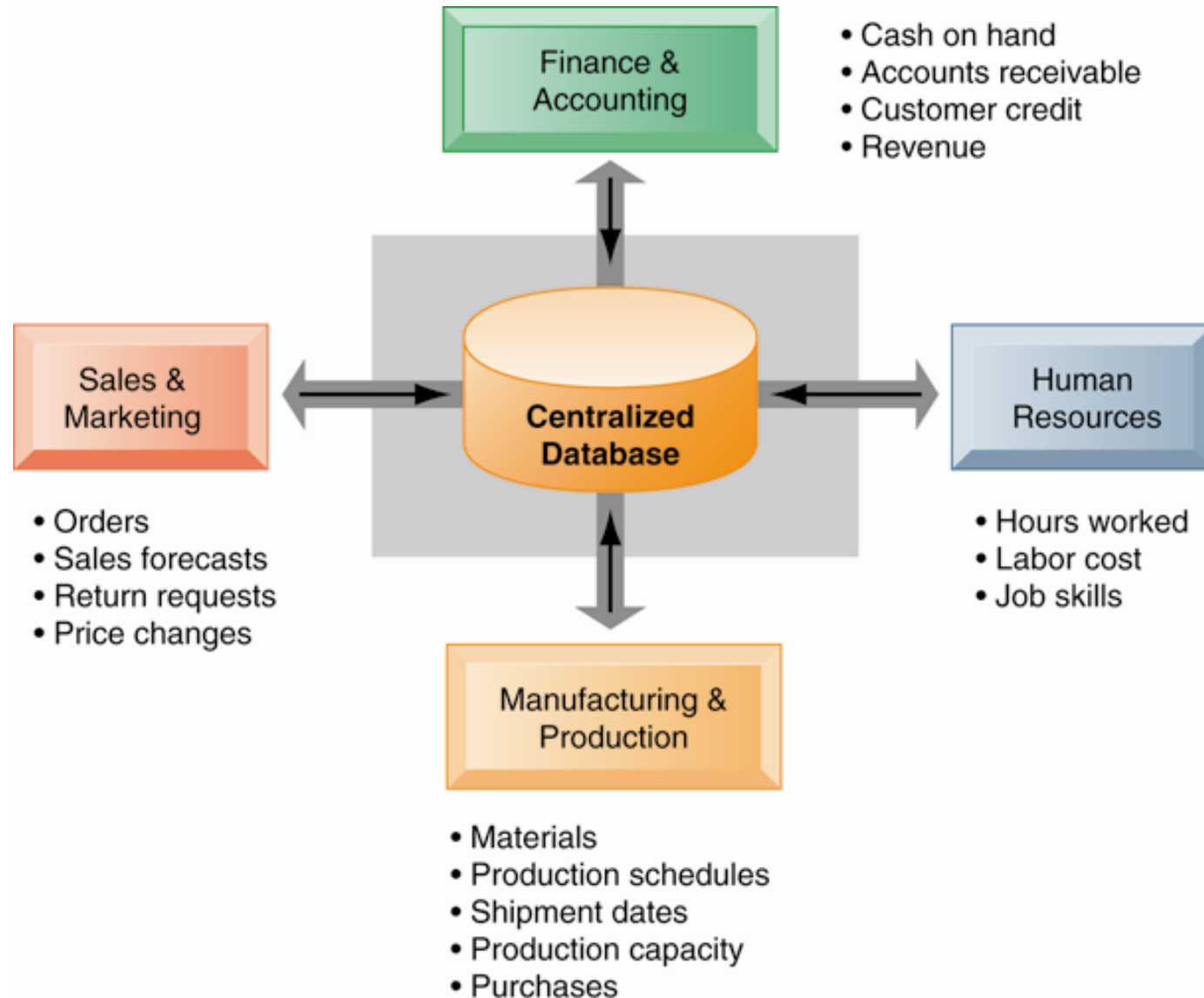
Enterprise Systems

- 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 and accounting:** General ledger, accounts payable, etc.
 - **Human resources:** Personnel administration, payroll, etc.
 - **Manufacturing and production:** Purchasing, shipping, etc.
 - **Sales and 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



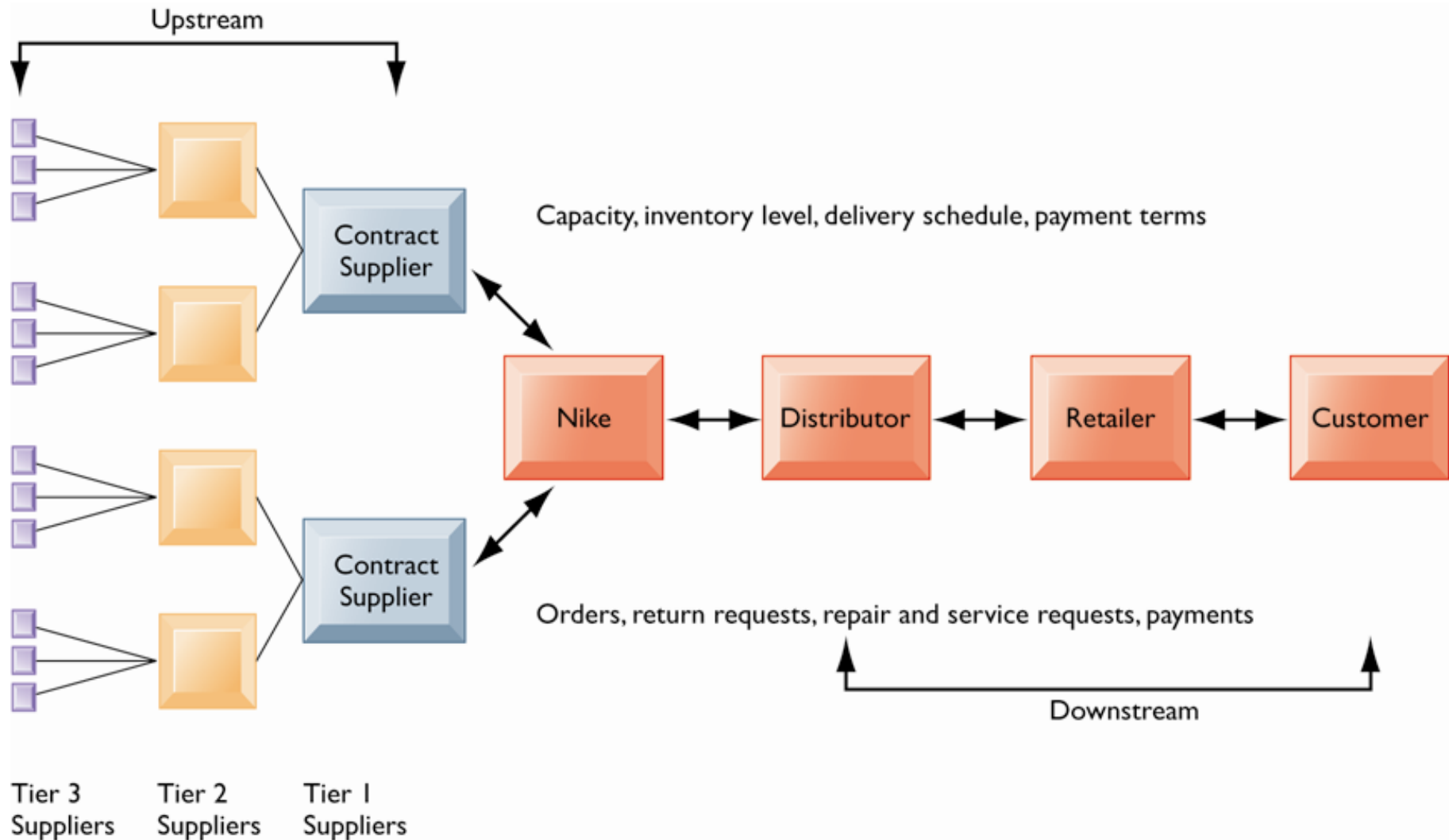
Business Value of Enterprise Systems

- 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

- Supply Chain
 - Network of organizations and processes for:
 - Procuring materials, transforming them into products, and distributing the products
 - Upstream supply chain:
 - Firm's suppliers, suppliers' suppliers, processes for managing relationships with them
 - Downstream supply chain:
 - Organizations and processes responsible for delivering products to customers
 - Internal supply chain

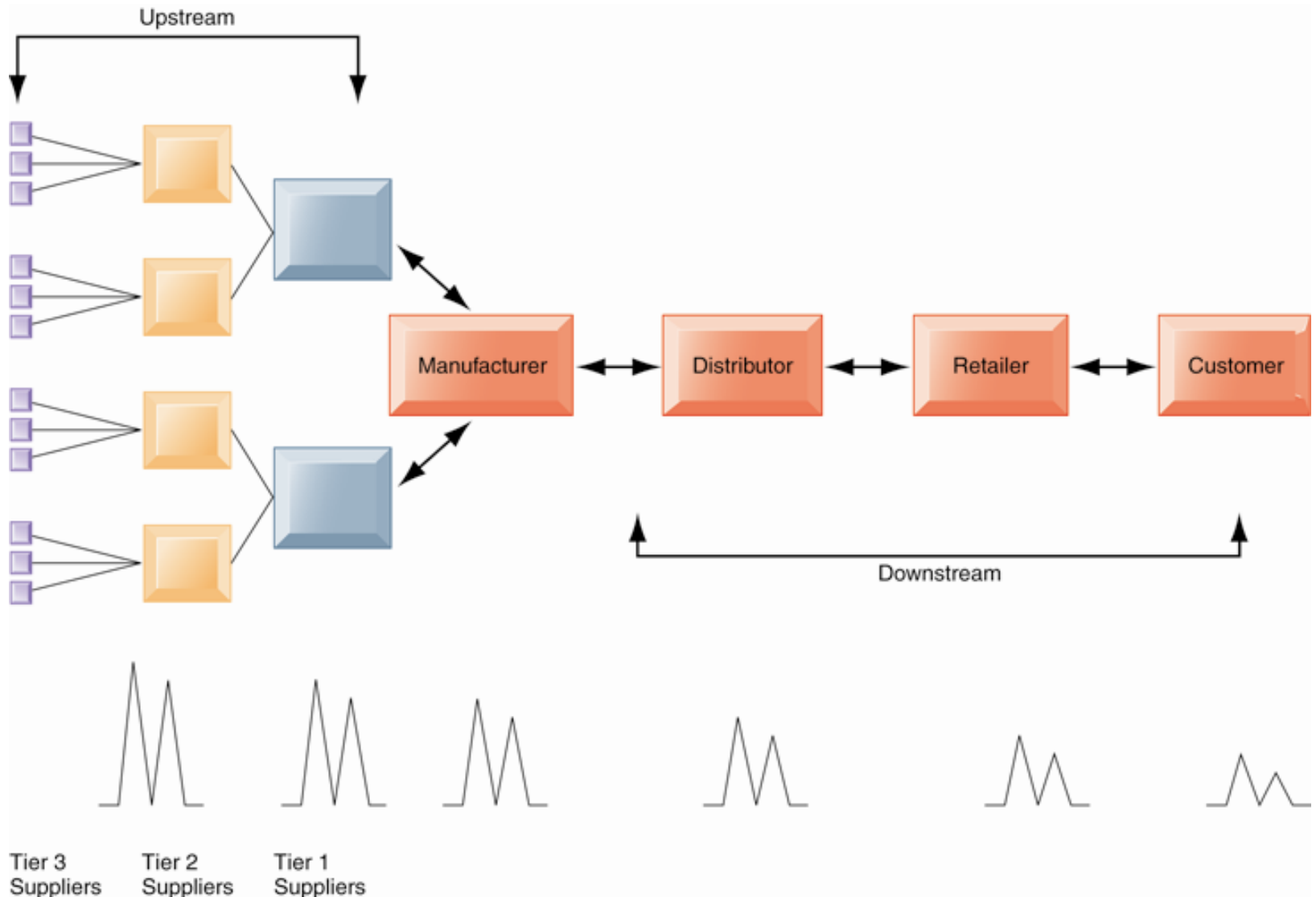
Supply Chain Management Systems: Nike's Supply Chain



Supply Chain Management Systems

- Supply Chain Management (SCM)
 - Inefficiencies cut into a company's operating costs
 - Can waste up to 25% of operating expenses
 - Just-in-time strategy:
 - Components arrive as they are needed
 - Finished goods shipped after leaving assembly line
 - Safety stock: Buffer for lack of flexibility in supply chain
 - 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



Supply Chain Management Software

- Supply chain planning systems
 - Model existing supply chain
 - Enable demand planning
 - Optimize sourcing, manufacturing plans
 - Establish inventory levels
 - Identify transportation modes
- Supply chain execution systems
 - Manage flow of products through distribution centers and warehouses

Global Supply Chain Issues

- Greater geographical distances
- Greater time differences
- Participants from different countries
 - Different performance standards
 - Different legal requirements

Internet Helps Manage Global Complexities

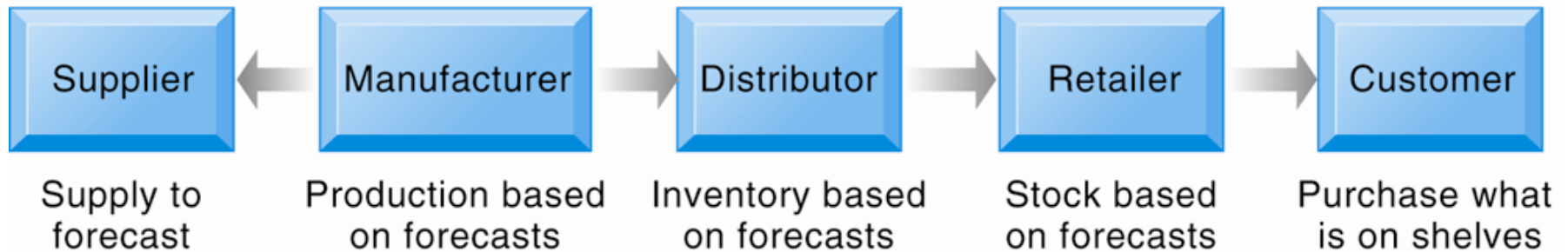
- Warehouse management
- Transportation management
- Logistics
- Outsourcing

Supply Chain Management

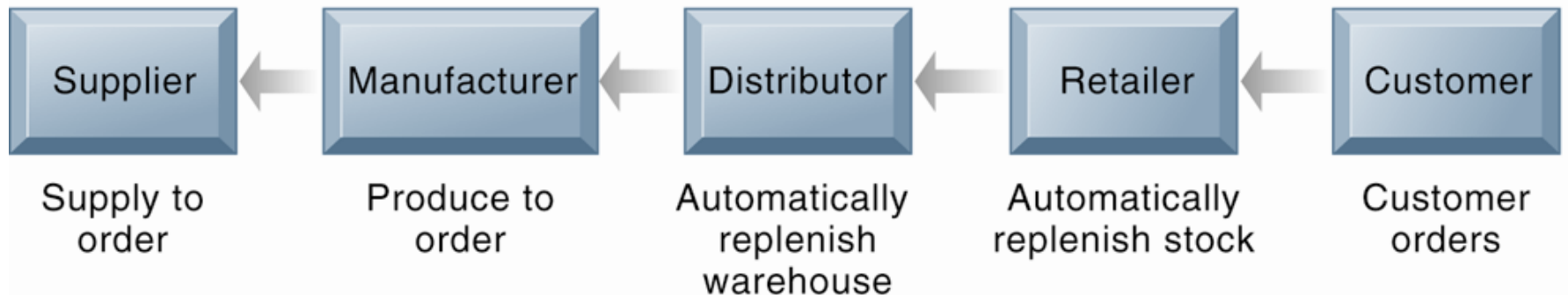
- Push-based model (build-to-stock)
 - Earlier SCM systems
 - Schedules based on best guesses of demand
- Pull-based model (demand-driven)
 - Web-based
 - Customer orders trigger events in supply chain
- Internet enables move from sequential supply chains to concurrent supply chains
 - Complex networks of suppliers can adjust immediately

Push- Versus Pull-Based Supply Chain Models

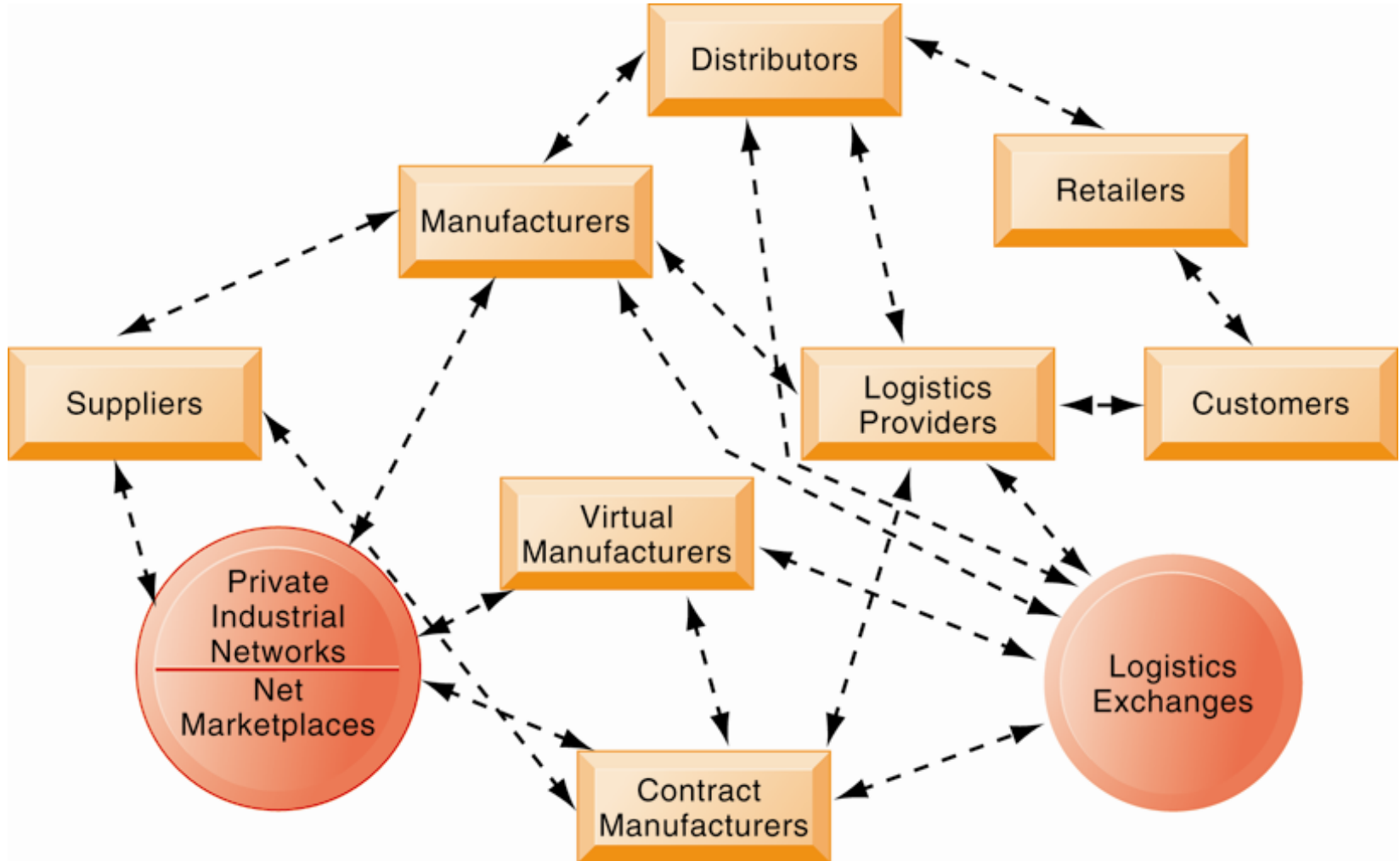
Push-Based Model



Pull-Based Model



The Future Internet-Driven Supply Chain



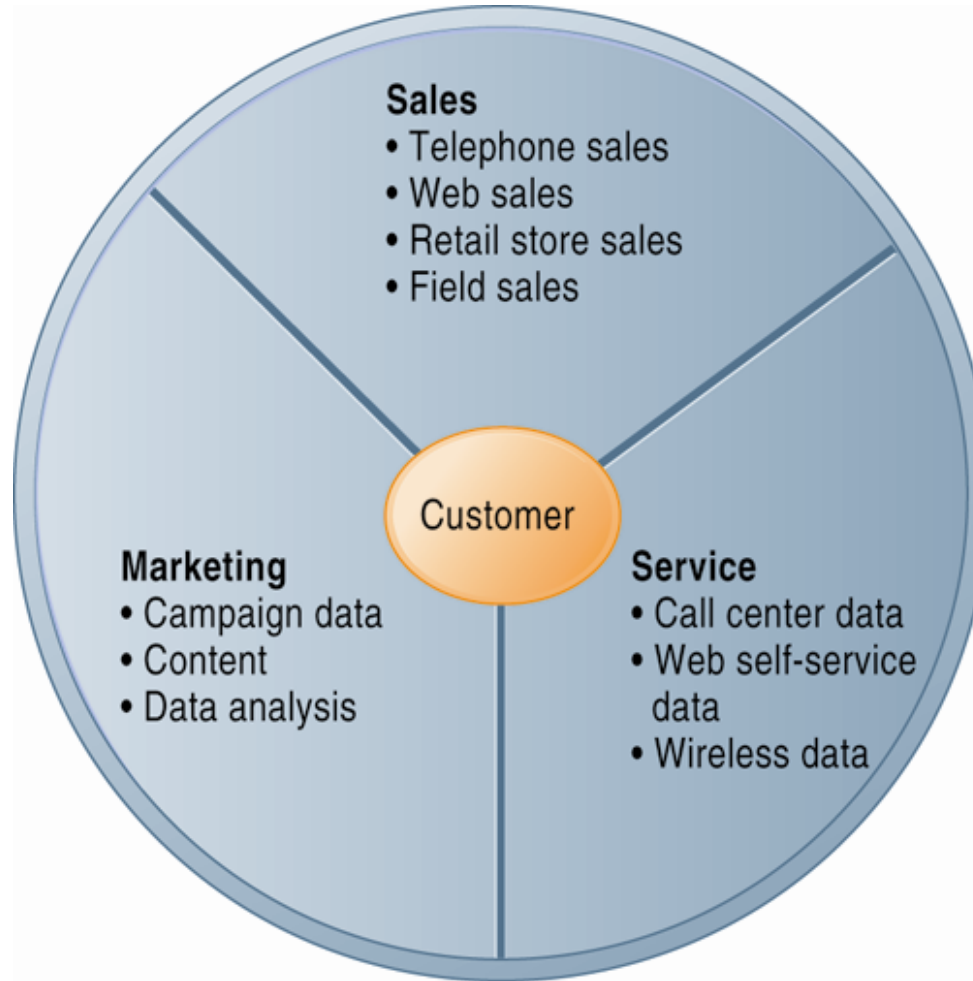
Business Value of SCM Systems

- Match supply to demand; reduce inventory levels
- Improve delivery service
- Speed product time to market
- Use assets more effectively
- Reduced supply chain costs lead to increased profitability
 - Total supply chain costs can be 75% of operating budget
- Increase sales

Customer Relationship Management Systems

- Customer relationship management (CRM)
 - Knowing the customer
 - In large businesses, too many customers and too many ways customers interact with firm
- CRM systems:
 - Capture and integrate customer data from all over the organization
 - Consolidate and analyze customer data
 - Distribute customer information to various systems and customer touch points across enterprise
 - Provide single enterprise view of customers

Customer Relationship Management (CRM)



CRM Software

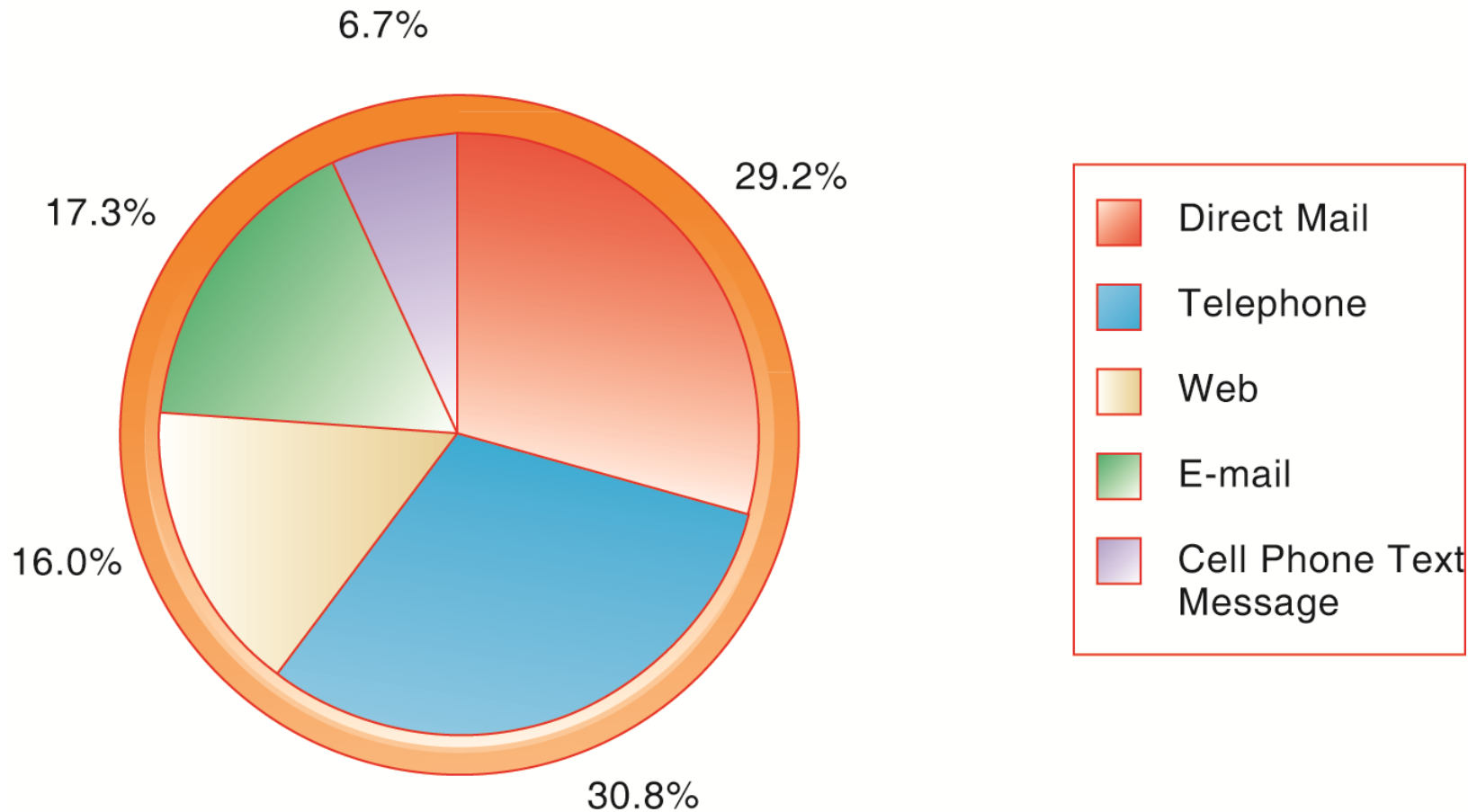
- Packages range from niche tools to large-scale enterprise applications.
- More comprehensive have modules for:
 - Partner relationship management (PRM)
 - Integrating lead generation, pricing, promotions, order configurations, and availability
 - Tools to assess partners' performances
 - Employee relationship management (ERM)
 - Setting objectives, employee performance management, performance-based compensation, employee training

CRM packages typically include tools for

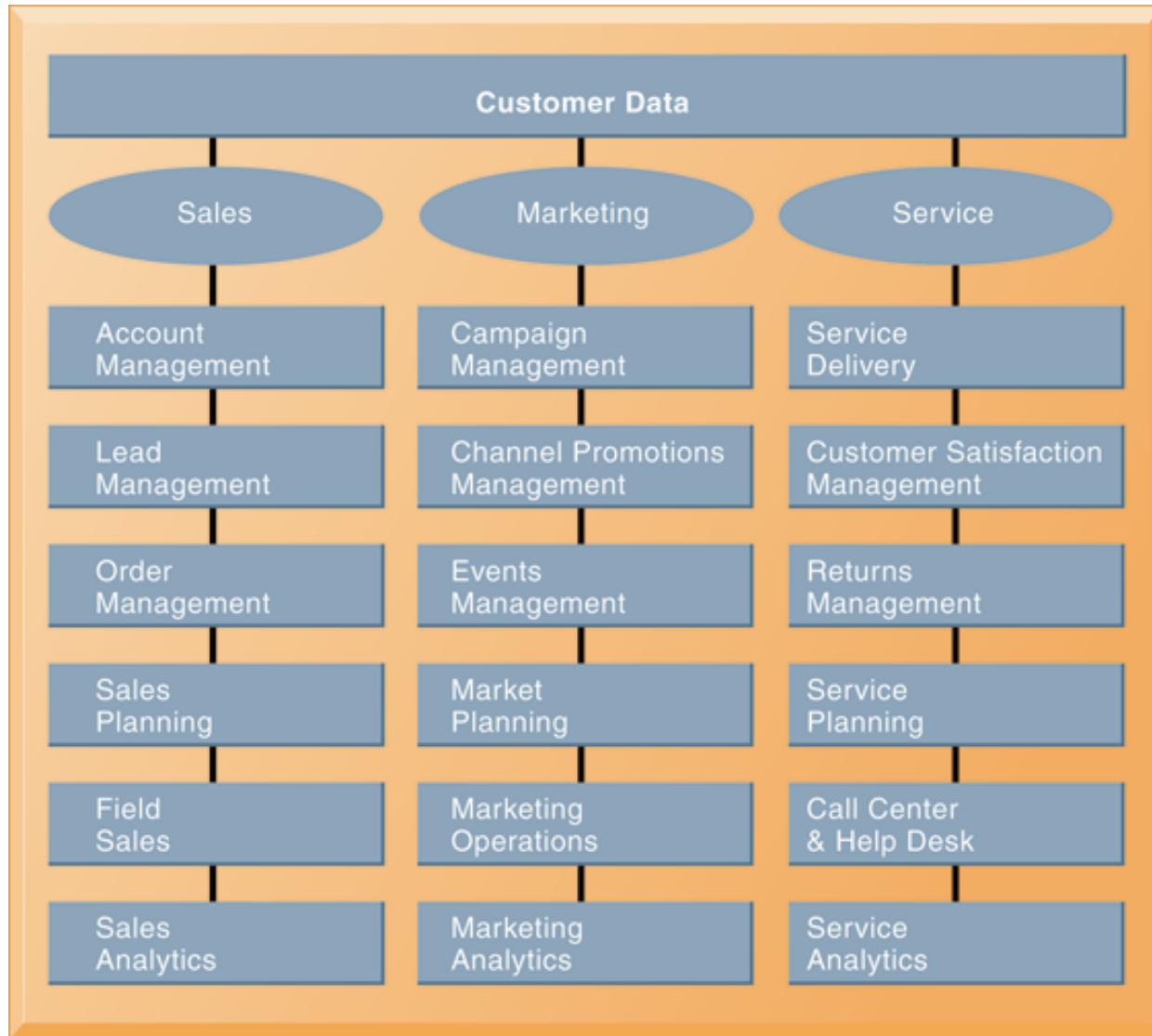
- Sales force automation (SFA)
 - Sales prospect and contact information, sales quote generation capabilities
- Customer service
 - Assigning and managing customer service requests, Web-based self-service capabilities
- Marketing
 - Capturing prospect and customer data, scheduling and tracking direct-marketing mailings or e-mail, cross-selling

How CRM Systems Support Marketing

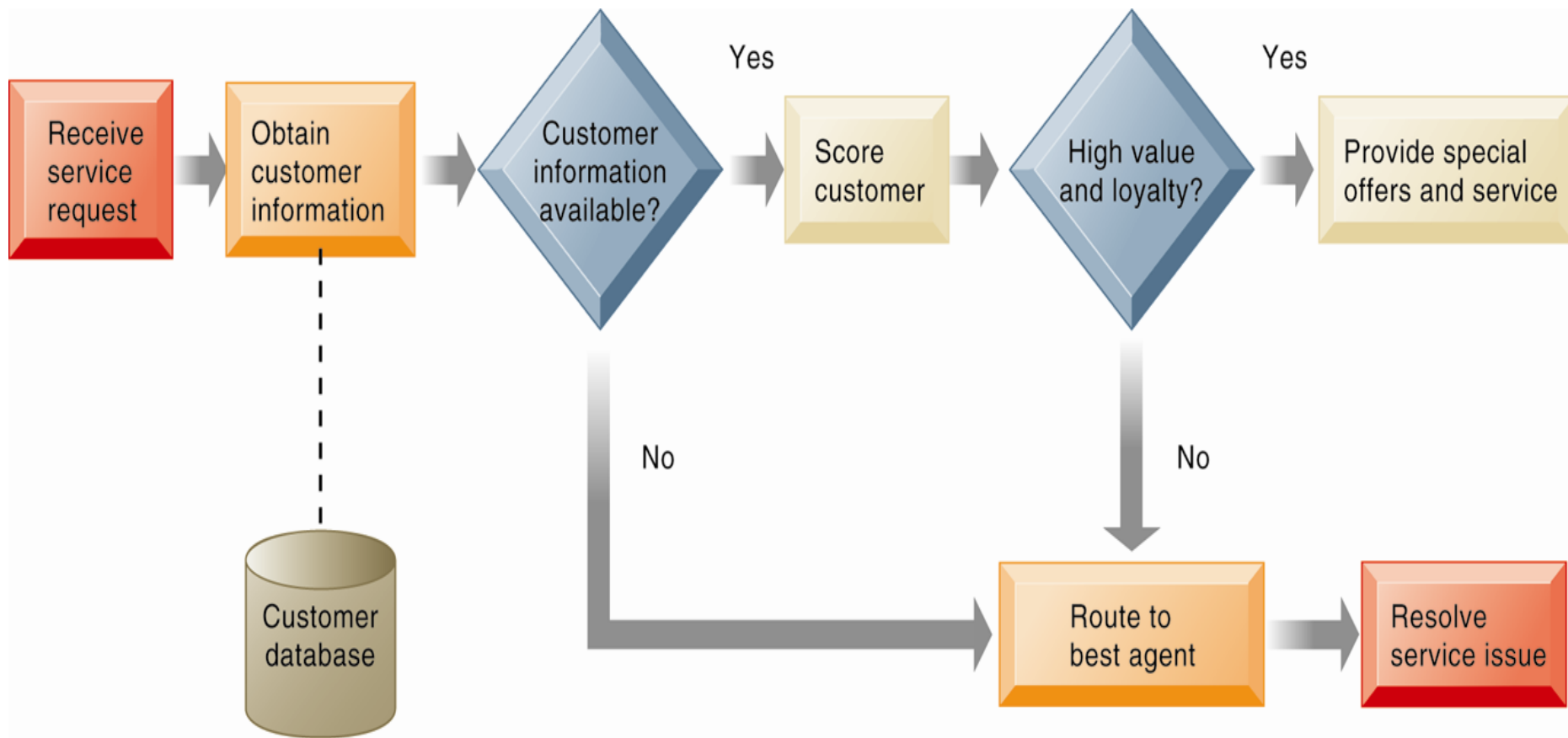
Responses by Channel for January 2013
Promotional Campaign



CRM Software Capabilities



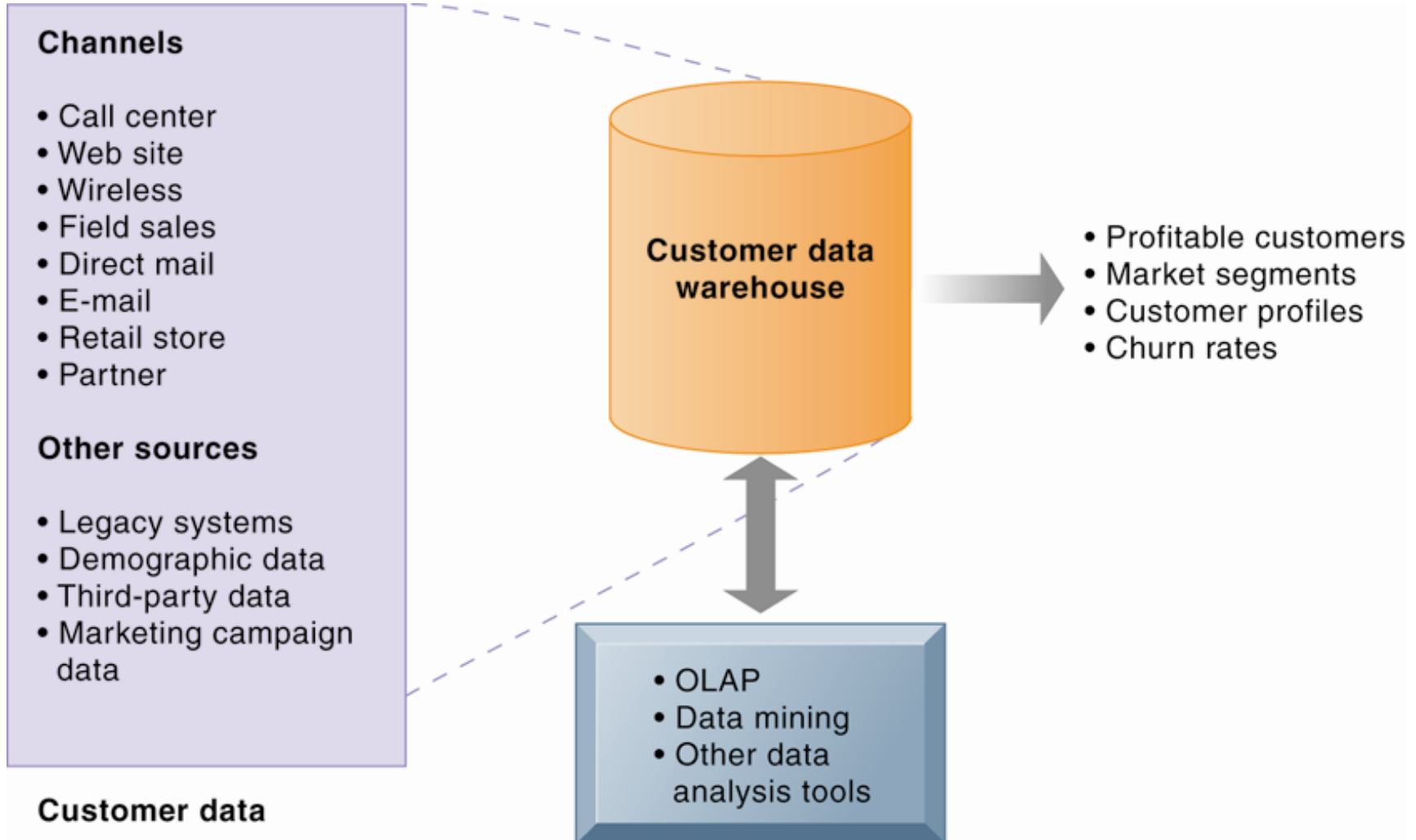
Customer Loyalty Management Process Map



Customer Relationship Management Systems

- Operational CRM:
 - Customer-facing applications such as sales force automation, call center and customer service support, and marketing automation
- Analytical CRM:
 - Based on data warehouses populated by operational CRM systems and customer touch points
 - Analyzes customer data (OLAP, data mining, etc.)
 - Customer lifetime value (CLTV)

Analytical CRM Data Warehouse



Business Value of CRM Systems

- Increased customer satisfaction
- Reduced direct-marketing costs
- More effective marketing
- Lower costs for customer acquisition/retention
- Increased sales revenue

Churn Rate

- Number of customers who stop using or purchasing products or services from a company
- Indicator of growth or decline of firm's customer base

Enterprise Applications: New Opportunities and Challenges

- Enterprise application challenges
 - Highly expensive to purchase and implement enterprise applications
 - Average “large” system—\$12 million +
 - Average “small/midsize” system—\$3.5 million
 - Technology changes
 - Business process changes
 - Organizational learning, changes
 - Switching costs, dependence on software vendors
 - Data standardization, management, cleansing

Next-Generation Enterprise Applications

- Enterprise solutions/suites:
 - Make applications more flexible, Web-enabled, integrated with other systems
- SOA standards
- Open-source applications
- On-demand solutions
- Cloud-based versions
- Functionality for mobile platform

Next-Generation Enterprise Applications

- **Social CRM**

- Incorporating social networking technologies
- Company social networks
- Customer interaction via Facebook
- For example: Buzzient platform integrates social media with enterprise applications

- **Business intelligence**

- Inclusion of BI with enterprise applications
- Flexible reporting, ad hoc analysis, “what-if” scenarios, digital dashboards, data visualization

Case Study:

E-commerce: Zagat (Chap. 10) (pp.443-445)

To Pay or Not to Pay: Zagat's Dilemma

1. Evaluate Zagat using the competitive forces and value chain models.
2. Compare Zagat's and Yelp's e-commerce business models. How have those models affected each company's Web strategy?
3. Why was Zagat's content well suited for the Web and for the mobile digital platform?
4. Do you think Zagat's decision to use a pay wall for its Web site was a mistake? Why or why not?
5. Will Zagat's acquisition by Google make it more competitive? Explain your answer.

資訊管理專題

(Hot Issues of Information Management)

1. 請同學於資訊管理專題個案討論前
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
先繳交資訊管理專題個案研究問題書面報告。
4. 上課時間地點：
週三 8,9 (15:10-17:00) B702

References

- Kenneth C. Laudon & Jane P. Laudon (2014),
Management Information Systems: Managing the
Digital Firm, Thirteenth Edition, Pearson.
- Kenneth C. Laudon & Jane P. Laudon原著，
游張松主編，陳文生翻譯 (2014)，
資訊管理系統，第13版，滄海