









# **Business Value of Enterprise Systems** Increase operational efficiency Provide firmwide information to support decision making Enable rapid responses to customer requests for information or products Include analytical tools to evaluate overall organizational performance **Business Process Man** Process

# **Business Process Management**

- Intentional effort to plan, document, implement, and distribute an organization's business processes with IT
- Best processes to manage:
  - Include employees from multiple departments
  - Require decisions that cannot be easily automated
  - Processes that change based on circumstances
- ♦ Key Benefits of BPM:
  - Empowering Employees to make limited decisions
  - Built-in reporting provides feedback to organization
  - Enforces Best Practices and Consistency for a process

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# **Business Process Reengineering**

- Automating a bad process doesn't improve it
- Develop new processes that take advantage of new technologies and concepts
- \* BPR is fully understanding goals of a process and redesigning it to improve productivity and quality
  - Organize around outcomes, not tasks

People

- Instead of repeating one step in the process over and over, the person stays involved in the process from start to end
- When one department of organization creates information it should be processed by that same department
- Centralize geographically dispersed resources (IT, HR, Billing)
- Link parallel activities instead of integrating their results
- Decisions points in workflow and build controls into process
- Avoid data redundancy, capture data once, at the source

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# IT's Six Strategic Business Objectives

#### 1. Operational excellence:

- Improvement of efficiency to improve profitability
- Walmart's RetailLink links suppliers to stores
- 2. New products, services, and business models:
  - Enabling tool for new products and services
    Example: Apple's iPod, iTunes, iPhone, iPad
  - Business model: describes how company produces, delivers, and sells to create wealth
- 3. Customer and supplier intimacy:
  - Serving customers well leads to customers returning, which raises revenues and profits
  - Example: High-end hotels use computers to track customer preferences and customize environment
  - Intimacy with suppliers allows them to provide vital inputs Just-In-Time, which lowers costs

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### **IT's Six Strategic Business Objectives**

- 4. Improved decision making with DSS
  - Without accurate information managers must use forecasts, best guesses, luck
    - Leads to overproduction and underproduction of goods
    - Poor response times, raise costs, lose customers
- 5. Competitive advantage
  - Delivering better performance
  - Charging less for superior products
  - Rapid response to customers and suppliers
- 6. Survival
  - Industry-level changes example: ATM's and ACH
  - Governmental regulations requirements examples
    - Toxic Substances Control Act 30 year records
    - Sarbanes-Oxley Act 5 year accounting records for audit

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- Enterprise Resource Planning (ERP)
  - ERP is software applications that utilize a central database for the entire organization
  - Enforce best practices
  - Supply Chain Management (SCM) module included
  - ♦ Can take 2 3 years to implement and lots of \$\$\$

#### Supply Chain Management (SCM)

- Inventory control, supplier links, distributor links
- \* Customer Relations Management (CRM)
  - Create relationships with customers
  - Salesforce is the current leader
  - UMUC chose Salesforce







