FEEDBACK TUTORIAL LETTER

2nd SEMESTER 2019

Supplementary Test

ENTERPRISE SYSTEMS MANAGEMENT
(ESM821S)
TUTORIAL LETTER MEMO
SEMESTER 2/2019

ENTERPRISE SYSTEMS MANAGEMENT
ESM821S

Course Name: ENTERPRISE SYSTEMS MANAGEMENT
Course Code: ESM821S
Department: MANAGEMENT
Course Duration: ONE SEMESTER
NQF Level and Credit: LEVEL 8, 15 CREDITS

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TEST 2 [MAKE UP TEST] MEMO

SECTION A. MCQs—there is only ONE correct ANSWER for each question. [1 MARK EACH]

1. The maximum number of sessions one can open on the SAP system is?
   A. Four
   B. Unlimited
   C. Six
   D. Five
2. The ________ section is your work area for create a dashboard in SAP Lumira.
   A. SAP main menu
   B. Prepare
   C. Compose
   D. Visualize

3. Error messages, warnings and the status of current system can be found on the ________ bar.
   A. Application toolbar
   B. Status bar
   C. Standard toolbar
   D. Title bar

4. Open source software can be considered in order to reduce which costs?
   A. Hardware costs
   B. Software license costs
   C. Implementation costs
   D. Training costs

5. Software as a Service can reduce the following costs EXCEPT (Select the Best Answer)?
   A. Application software costs
   B. Hardware costs
   C. Training costs
   D. System dissolution costs

6. Which of the following factors will most likely ENCOURAGE an organization to outsource the IT function (select the BEST choice)?
   A. The IT function to be outsourced is a core business function
   B. The lack of skills to perform the IT function
   C. The inability of a vendor to perform the function at a lower cost
   D. The organization is unable to manage third parties

7. Which of the following icons can one press in order to move back to the previous screen?
   A) Yes
   B) No
   C) No
   D) Yes

8. ERP systems integrate a business' processes across their:
   A. System boundaries.
   B. Functional dependencies.
   C. Value chain.
   D. Sales activities.
9. In the ERP life cycle, a gap analysis should be conducted in the ________ stage.
   A. Analysis and design
   B. Requirements investigation
   C. Scope and commitment
   D. Acquisition and development

10. The most critical success factor for ERP systems is to have a solid commitment of the:
    A. Top management.
    B. End users.
    C. Consultants.
    D. IT department.

SECTION B. Essay and Discussion

A. Discuss THREE complications that are likely to be faced by business organisations when selecting a suitable ERP system and vendor. [6 Marks]

Solution:
- A lack of a once-and-for-all ERP that can be adopted and can address all organisational functional areas without employing customisation. This challenge is more pronounced among small businesses that have limited IT skills or lack IT departments. This is critical to Namibia given the dominance of small businesses.
- Another point is that software and vendor selection models that were found more effective in aiding software and vendor selection are complex and difficult to understand, especially for less educated employees of small businesses. Hence, stakeholders have an extra challenge of paying attention to contextual factors when contemplating suitable criteria for software and vendor selection.
- Furthermore, the emergence and popularity of open source enterprise systems that are available at no initial costs (license fees) and with limited support add another dimension when it comes to software and vendor selection. This make it difficult for business organisations to apply some of the existing templates or models for selecting vendors and software.

B. State and explain FIVE characteristics of a good ERP system that is suitable for Namibian business organizations. [10 Marks]

Solution:
- **Functionality**: priority will be given to a software that has enough modules to address all organisational main activities and is aligned to critical business processes.
- **Compatibility**: this aims to establish how the new software will fit into the existing systems and organisational contextual factors of being a small or large business.
- **Usability**: ease of use.
- **Security**: leading proponents suggest that computer security can be achieved by making sure that the enterprise system promotes confidentiality, integrity and availability. Highly regularised business sectors, like the banking sector, will most certainly prioritise systems that offer greater security.
− *Ease of customisation*: the extent with which a software can be easily customised or modified to suit the organisation’s needs is an important factor that affects software selection choices. This factor is more pronounced in open source software than proprietary software.

C. Outline **FIVE environmental** factors that may influence the choice of an ERP system. **[10 Marks]**

Solution:
- The local legislation
- Political factors e.g. US vs China
- Culture: language, traditions and beliefs
- Location of the vendor or client
- Technology climate etc

D. Recommend **TWO ways** business organisations can consider in order to reduce the TCO of ERPs (your proposition should clearly indicate the costs to be reduced and how this will happen). **[4 Marks]**

Solution:
- Cloud computing and open source software can be considered to reduce TCO.
- Costs that can be reduced by cloud computing include: hardware and software initial costs, hardware and software ongoing costs, implementation costs, operational costs.
- Open source software can reduce system software initial costs, application software initial costs, system software ongoing costs and application ongoing costs.

*END OF MEMO*