FEEDBACK TUTORIAL LETTER

2nd SEMESTER 2019

Test 1

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 1 MEMO

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

1. Which statement best describe characteristics of second-generation Customer Relationship Management (CRM)?
   A. Back-end and front-end systems were disintegrated
   B. CRM started to be viewed as a strategic tool
   C. Front-end systems were integrated to back-end systems
   D. Focused on the automation of sales activities

2. The _________ section is your work area for creating individual graphs in SAP Lumira.
A. SAP main menu
B. Prepare
C. Compose
D. Visualize

3. One can open a transaction on the SAP system through the following options EXCEPT?
   A. /i
   B. Use favorites
   C. Use the SAP menu
   D. /oMM03

4. Due to security concerns, select a cloud architecture deployment strategy that could be suitable for the Namibian government.
   A. Private cloud
   B. Hybrid cloud
   C. Public cloud
   D. Community cloud

5. Business ________ reengineering involves changing the mindset of employees to do their tasks in a new way.
   A. Software
   B. System
   C. Task
   D. Process

6. ____________ is software that guarantees a buyer the right to read, redistribute and modify the software freely.
   A. Off the shelf software
   B. Software as a Service
   C. Open source software
   D. None of the above

7. In which cloud computing service model does the service provider has control over nearly all the hardware and software requirements of clients?
   A. Infrastructure as a Service (IaaS)
   B. Platform as a Service (PaaS)
   C. Software as a Service (SaaS)
   D. Public cloud

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. Requirements investigation
   B. Scope and commitment
   C. Analysis and design
   D. Acquisition and development

10. Systems integration means allowing access to a shared data resource by people from different ________ areas of the organization.
   A. Functional
   B. Geographical
   C. Logical
   D. Physical

SECTION B. Essay and Discussion

A. State and explain two theories of management that could explain the origins of information systems that promote information silos [4 Marks]

Solution:
– The word ‘silos’ to explain how information systems once resembled compartmentalised units that were isolated from each other. The use of information systems in functional silos can be traced back to theories of management that explain how organisations could be split into horizontal and vertical silos. Henry Fayol split an organisation into horizontal silos, namely planning, organising, coordinating, commanding, and controlling. Organisations are split into these functional areas in order to improve performance.
– Just as an organisation can be split into horizontal silos or functional divisions, so can they be split into vertical silos or hierarchical layers. At the top of the hierarchy is a management group responsible for strategic planning, followed by middle level management that is responsible for short to mid-term planning. Lower level management is responsible for the day to day running of the business.

B. Namibia Institute of Pathology Ltd is seeking for an ERP implementation strategy that could reduce the overall implementation costs. You are required to:

I. Recommend a financially favourable ERP implementation strategy to the Namibia Institute of Pathology. [2 Marks]

II. Explain two possible challenges the Namibian Institute of Pathology is likely to face because of using the strategy in (I) above? [4 Marks]

Solution:
I. Abrupt implementation
II. A lack of fallback option in the event the system does not work as expected. Users are deprived the right to learn from easily comparing the new system against the old system.
C. Propose five technologies that a shop like Pick ’n Pay Namibia could use and improve its supply chain management. [5 Marks]

Solution:
- Barcode readers, electronic commerce, warehouse management systems, ERPs, RFIDs, IDEs, etc

D. Propose two ways business organisations in Namibia can consider when reducing the TCO of ERPs (your proposition should clearly indicate the costs to be reduced and how this will happen). [8 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.

E. List five reasons why ERP implementation is likely to fail in Namibia. [5 Marks]

Solution:
- Poor selection of the software
- No consideration of advice from consultants
- Lack of contingency planning
- No end user involvement
- No business process re-engineering and system customization was done to make sure the system suits its context
- Insufficient testing—a rushed schedule meant that testing some of the modules was skipped. In addition, the system was not tested to establish if there are no potential short comes.
- Lack of end user cooperation
- Poor management support.

F. Discuss the stages in the evolution of Customer Relationship Management systems [10 Marks]

Solution:
- First generation. The first generation is characterised by two activities that led to the acronym CRM.
  - The first activity included sales force automation that focused on automating sales activities. For example, using electronic means to place sales orders and making quotations.
The second activity was customer service and support, which was meant to offer after-sale services to customers. A major limitation of CRM during this stage was a lack of integration between back-end and front-end CRM systems.

- **Second generation CRM.** The second generation of CRM focused on integrating isolated subsystems into a single package. This stage saw the integration of independent front-end systems to back-end systems. For instance, back-end ERPs such as research and development, manufacturing and distribution were integrated with front-end CRM systems such as service support, order processing, sales and marketing. The aim was to combine pre-sales operations and post sales activities - something that was not achieved entirely.

- **Third generation CRM.** More efforts were made to integrate front-end and back-end business systems. Increasing growth in the Internet helped with system integration. It was during this stage that CRM started to be viewed as a strategic tool rather than a technology-based solution. Business organisations started to realise success in their strategic CRM implementations, as reflected by increasing profits.

- **Fourth generation CRM.** During this phase, strategic CRM was widely accepted, even by small businesses. The insurgence of social media provided more angles for implementing CRM.

- **Fifth generation CRM.** This generation experienced a full swing of using social media in CRM. The term ‘social CRM’ was even introduced to describe the nature of CRM during this era. There’s a growing interest in encouraging customer participation through electronic means. On the other end, organisations are able to gather data from different social media platforms, analyse it and use findings from the data to influence customer behaviour.

*END OF MEMO*