

Ollscoil na hÉireann, Gaillimh

NATIONAL UNIVERSITY OF IRELAND, GALWAY

SEMESTER I EXAMINATIONS 2000

B. COMM. DEGREE/B.Sc. INFORMATION TECHNOLOGY

Management Decision Systems I MS303

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Time Allowed : Two and a Half Hours

Candidates are required to answer three questions. All questions carry equal marks.

Question 1

Watmore Dairy is the dairy product division of Food Company located in the south east. The company purchases bulk milk on the open market and produces a range of dairy spreads, yoghurts and cheeses. Watmore went live with a new ERP system in late 1998. Since then the firm has made only minor revisions to the system. With a successful Y2K behind it the firms finance department has decided to revisit to original business case for the ERP system to see if further benefits can be realised. In particular the firm is disappointed that the original business case for the ERP implementation has not been met. You have been asked to write a short report for the executive committee on the following issues:

- A review of the reasons why ERP implementations fail to deliver the promised benefits;  
(12 Marks)
- A suggested framework or approach to realising additional benefits from the ERP system;  
(15 Marks)
- Suggestions on the specific areas where the firm might leverage its investment in ERP systems;  
(6 Marks)

Question 2

Varity Group manufactures electronic and other components for the automotive industry in Europe and North America. The company is organised into six strategic business units (SBU) which are treated as independent profit centres. Directors of the SBUs' have full autonomy regarding the sales of products and the purchase of raw materials and other inputs. AB-Saur is one of the six SBUs' and manufactures break assemblies for the luxury/executive car market. These are highly sophisticated assemblies involving computer controlled Anti Lock Braking (ABS) systems. Customers for these products include automotive manufacturers and firms involved in the sub supply chain in the automotive sector.

The marketing director of AB-Saur has asked you to prepare a briefing for him and other members of the senior management team on the potential of marketing information within the unit. In particular your briefing should address the following:

The characteristics or salient features of Marketing information systems including CRM;  
(18 Marks)

The types of activities, which any proposed CRM systems should support;  
(10 Marks)

The importance of CRM in the era of e-Business;  
(5 Marks)

### Question 3

GMO Limited is a medium size manufacturing company located in Wexford. The company manufactures power supplies for the electronics industry. In recent years the firm's turnover has grown from 1ml to over 15ml. Sales are made to markets worldwide and components are sourced mainly in the Pacific Rim. Joan Canavan is Finance Director of GMO limited and she has retained you as a consultant to advice the company on selecting a new accounting system. In particular Joan has asked you to advice on the following issues:

The key reporting features and analysis capabilities, which the proposed accounting system should have;  
(15 marks)

The impact of e-commerce on the selection of the proposed system;  
(8 marks)

Other important factors, which the firm should consider before deciding on which accounting software to purchase.  
(10 marks)

### Question 4

The north east regional health authority is planning on implementing an ERP system as a way of integrating and replacing the large number of diverse platforms which it currently uses across the authority. Under the ERP proposal the authority will implement a single version of the ERP software at its headquarters and users will access the application over high speed data connections. As part of the final approval process for the proposed ERP implementation you have been asked to prepare a briefing memorandum for the board of the authority which is due to sign off on the €8ml software and hardware project. As part of the briefing you have been asked to address the following issues:

The nature of ERP systems and the type of functionality they typically offer;

The risks or drawbacks associated with ERP implementations;

The type of issues which should influence the vendor selection process;

Other relevant issues.

### Question 5

CHIP Limited is one of Ireland's oldest snack food producers. The company sells its products under the CHIP label and for many years it has enjoyed a near monopoly in the potato chip market. The company currently employs over 150 staff at its plant in Finglas and has a further 75 sales and distribution staff. In recent years CHIP Limited has come under increased competitive pressure from both domestic and over seas competitors. In line with international trends the snack food market in Ireland has changed dramatically in the past ten years. The range of snack foods available has grown with the introduction of new flavours and ingredients. New products offered by competitors include Corn Chips, Tortilla Chips, Cheese Puffs, Salty Snacks, and Pretzels.

CHIP Limited traditionally sold into three types of outlets; small retail shops, large multiples and pubs. While CHIP has continued to enjoy healthy sales with small retail shops its sales in large multiples and supermarkets have fallen off dramatically in the past three years. According to figures provided by one of the large supermarket chains sales of the CHIP6 pack family product now account for less than 25% of the potato chip sales and less than 10% of the sales of all snack foods.

Sofie Smyth has recently taken over as head of operations with CHIP Limited and she has been given a mandate by the company's shareholders to turn around the company. Sofie plans to meet the competition head on with a range of new product lines based on the non potato chip market and has set about developing a new range of flavours and packing. Sofie is reluctant to launch the new product line until significant improvements are made to the firms reporting systems. In particular she feels that the existing reporting systems are not precise enough to allow her to manage the sales and distribution staff effectively. Sofie has been told that it will take up to two years to replace the existing reporting systems with a more modern ERP based solution. She has therefore decided to implement a datawarehouse as a mechanism for extracting information from the firms diverse systems and for improving the quality of information available for decision making.

You are required to prepare a report for Sofie on the following issues:

An appropriate approach to implementing the proposed data warehouse;

(15 marks)

The types of end user information access issues which data warehousing addresses including examples of applications for the firm in question;

(10 marks)

The role of data warehousing in supporting the firms Decision support activities

(8 marks)