

PGDM (RM), 2017-19
ERP FOR MANAGERS
RM-505

Trimester – V, End-Term Examination: December 2018

Time allowed: 2 Hrs 30 Min
Max Marks: 50

Roll No:

Instruction: Students are required to write Roll No on every page of the question paper, writing anything except the Roll No will be treated as **Unfair Means**. All other instructions on the reverse of Admit Card should be followed meticulously.

Sections	No. of Questions to attempt	Marks	Marks
A	3 out of 5 (Short Questions)	5 Marks each	$3*5 = 15$
B	2 out of 3 (Long Questions)	10 Marks each	$2*10 = 20$
C	Compulsory Case Study	15 Marks	15
Total Marks			50

SECTION-A

Answer any 3 out of 5 (Short Questions) – 5 Marks each

Q-A1 – Describe the steps involved in business process re-engineering and how are they linked to ERP implementation?

Q-A2 – Explain various steps of Sales Order Processing in SAP.

Q-A3 – Discuss the risks and benefits in Big Bang and Phased or parallel approaches of implementation of ERP.

Q-A4 – What is service-oriented architecture and how is it different from web based Architecture? Explain its benefits and drawbacks.

Q-A5 – What are the activities involved in Post Implementation of ERP?

SECTION-B

Answer any 2 out of 3 (Long Questions) – 10 Marks each

Q-B1 – How is the role of ERP system different from TPS, MIS, DSS and others? Can an ERP system support all levels of management?

Q-B2 – List the major differences between ERP life cycle and SDLC with suitable example. What do you think should be the role of consultants in the ERP Life Cycle? Explain

Q-B3 – Discuss the various reasons why ERP projects fail and explain the reasons for great success of some of the ERP projects, what had the successful project teams done differently from others?

SECTION-C
CASE STUDY – 15 Marks

Change Management at GSA University

GSA School of Management (GSM) was started in 1995 to impart management education to the aspiring students of management. The school had a clear vision of becoming one of the top schools of the world known for excellence education; high quality research; executive development; and value added consultancy. Over the period of thirteen years, the school has become one of the top schools in the country and moving forward to achieve its vision. More than thirty thousand students from almost all states of India apply for its management programmes. The school has now become a university, known as GSA University (GSAU) and thus offers more programmes in other disciplines as well. In order to bring more rigour and better monitoring of the programmes, management of GSAU has decided to implement ERP systems in 2008. GSAU decided to implement the Financial, Human Resource/Payroll, administrative communications, inventory control, warehouse, and employee service in the first phase of ERP system implementation.

While implementing new ERP system at the university, the management considered this project just not another IT project; rather they considered as a complete transformation project and recognized the fact that it is not enough to change the IT system but also to adapt the processes; to change workplace definitions; and to involve and educate the employees about the ERP system. GSAU realized that they were facing a high risk, not only because of the implementation costs and the technical effort, but also due to the prospect of major changes in business processes and organizational structure. In fact, GSAU knew that the ERP system will affect the people within the university and can lead to project failure if people are not properly involved and trained. Thus, the management did not spare any effort to change the attitude of the employees and to overcome the resistance.

Immediately after the decision was taken to implement ERP system, a change management team was set up to develop and coordinate the implementation of a change strategy. The team was formed from employees from all departments, IT-Staff, top management, middle management and lower level management, project members, and external consultants who had experience in managing change. The team was responsible to make assessment of the whole environment in which the change will take place, develop and coordinate the implementation of a change strategy, ensuring working relationships within and project managers, delivering effective change programs and outcomes, and assist the transition from the old system to the new system and work with staff throughout the university to keep them informed, involved and positive about the project.

The team formulated a well-defined change strategy involving all the phases of the ERP life cycle. The team identified the main reasons of the employees' resistance. They found that employee resist because they lack the skills to effectively use the system. Some employees also have problems in understanding the changes initiated by the application of the new ERP systems and the changes in business processes and workflow and they do not understand its implications and perceive that it might cost them much more than they will gain. Another important reason for governing the resistance is that the middle and upper management feels that the new ERP system redefines the organizational structures and the allocation of competencies, responsibilities and role definitions and their position may be at risk in an automated environment.

A range of change management activities was performed during the implementation of the ERP system to deal with resistance in change. Strategies included communication of ideas which helps employees see the

need for and the logic of a change. ERP system change management team used presentations to groups as a method to educate people about it beforehand. Another strategy that was implemented to support managers in dealing with potential resistance to change was considering direct support by providing training in new skills, and giving incentives to early adopters of the system to increase diffusion within the organization.

A key problem was the high degree of uncertainty and perceived risk involved in the acceptance of ERP system by individuals. For example, some old employees in the finance, HR and general administration departments who have built considerable experience in learning and using the old system feel threatened by the new system. It was found that some of the employee even perceived ERP system as a major threat to their jobs. They perceived that just because of the new automation system, many existing jobs would become redundant, which would lead to downsizing. This perception lead to resistance from the employees and they exhibited a very strange behaviour, such as looking for problems and inadequacies in the new system, consistently comparing the old with the new system, and exhibiting intolerance to ERP system's bugs and errors, and perceiving small mistakes in the system as a serious issues that have a considerable impact on the way they work. Some of the top functionaries even tried to scuttle the implementation by taking pleas of rules and laws. They even told the management that they should first get the system audit done from an independent auditor and the system should be run in parallel atleast for two years before finally switching it over to the new system.

The change management team provided training to all the employees, in general and to some employees who are major source of resistance, in particular. This was aimed at increasing their awareness about the new system and how it works and to allay their fears about the new system. Moreover, ERP system's change management team also considered influencing these employees' attitudes by giving them more trust that their experience will add value to the system. They also assured the employees that their jobs will not be terminated. Furthermore, the team developed a trusted relationship with these employees by seriously taking into consideration their views, needs and suggestions that were related to the new system and by responding efficiently to their comments and recommendations. In rare cases of resistance, the ERP system change management team has resorted to the option of requesting that the employee is replaced if it was perceived that their resistance is impacting the chances of successful diffusion of the new system within a department. At the 'Go live' stage of the ERP system, a help desk was set up at various places of the university so that any problem during this transition phase was handled at top priority.

QUESTIONS: 3 x 5 Marks

- Q1- "Successful ERP implementation projects are less about technology and more about people and processes". Do you agree with the statement?
- Q2- Do you think GSAU could effectively manage the resistance to change? Justify your answer.
- Q3- If you were the Head, change management at GSAU, how differently you could have proceeded to manage such king of resistance.