I N N H O L D

Anmerkninger fra redaktørene:

Denne utgaven av Anvendt Informatikk eNytt inneholder tre utvalgte prosjekter ved avdeling for økonomi, informatikk og samfunnsfag i vårsemesteret 2006. Rapportene som er presentert kan være noe forkortet i forhold til originalarbeidene, men de er ellers ikke redigert eller modifisert av redaksjonen eller andre. De fleste rapportene er på engelsk.

Stikkord for de presenterte arbeidene er forretningsmodell (business model) og ERP (Enterprise Resource planning).

1 Innledning

E- handel er digital varehandel mellom og blant organisasjoner og individer. Det vil si at det gjelder alle transaksjoner som gjøres via digital teknologi. Det vil igjen si bytte av verdi over organisatoriske eller individuelle grenser for å få tilbake produkter eller tjenester. E-handel er tigjengelig hvor som helst og over hele verden.

I denne oppgaven skal jeg ta for meg internettsiden Lookfantastic.com[1]. Det er en side som tilbyr personer å kjøpe hår – og skjønnhetsprodukter over nettet. Foretaket er situert i England, Sussex og ble opprettet i 1997. På siden står det lite om selv foretaket og dets historie. For å finne mer ut om siden tok jeg kontakt via sidens kontaktpunkt[2]. Jeg fikk svar dagen etter hvor jeg ble henvist til Sjef for markedsføringen, Jason Russel. Han kunne gjerne svare på spørsmål angående siden per telefon. Jeg ringte han på hans kontor i England. Han var meget imøtekommende, men det var ikke alt jeg fikk svar på. Jeg kommer til å ta for meg Lookfantastic.com herunder generelt om siden og veien til god markedsføring. Jeg vil komme noe inn på sikkerhet og toll samt konkurranse. Videre vil jeg, ut fra min samtale med Jason Russel samt det jeg selv har funnet ut om siden, fokusere noe på nøkkelingrediensene i en forretningsmodell. Jeg vil også så langt det lar seg gjøre si noe om forretningsmodellen til Lookfantastic.com. Til slutt ønsker jeg å skrive noe om hvordan jeg, som forbruker, opplever siden. Jeg vil da også komme noe inn på fordeler og ulemper knyttet opp mot netthandel og da spesielt kjøp av skjønnhetsprodukter.

2 Lookfantastic.com

2.1 Genrelt om siden

Siden ble startet i 1997. Firmaet har ikke hatt fysiske butikker eller salonger før firmaet i 2005 kjøpte opp frisørsalongkjeden Crowns Hair Group[3]. Firmaet selger hår – og skjønnhetsprodukter på nettet og kaller seg for internetts nummer én innen hår og skjønnhet. Lookfantastic.com kan tilby mange kjente og eksklusive merker innen hår og skjønnhet til halvparten av prisen en må betale i Norge, og det er inkludert frakt. Noen produkter er blant andre Redken, Krestase, Dermalogica, KMS, Tigi, Alterna og andre populære og eksklusive produkter. I tillegg til sitt brede eksklusive utvalg kan de sende produktene til store deler av verden innen 48 timer. De server opp mot 50 forskjellige land, herunder også Norge[4].

2.2 Pure

Pure er et resultat av en portal satt opp i 2000 av grunnlegger og salg/Markedsførings direktør, Darren Fell[5]. Portalen ble designet for å bevises at e – post og SMS kunne fungere svært effektivt som et markedsføringsverktøy. Pure er et digital markedsførende programvare foretak og har hatt stor suksess. Suksessen deres er basert på evnen til å utvikle voksende og sofistikerte løsninger som er enkle å bruke og som møter klientenes virkelige forretningsbehov. De lover løsninger som er så effektive at klientene aldri vil gå tilbake til det de gjorde før.

Lookfantastic.com er en av suksesshistoriene Pure skilter med[6]. Markedsføringsteamet ved Lookfantastic brukte online teknikker som online flygeblad i tillegg til tradisjonelle markedsføringsteknikker for å tiltrekke kunder til sidene deres. Disse metodene var tidkrevende og teamet hadde ingen måter å måle effektiviteten på. De spurte derfor Pure om hjelp til å finne en løsning[7]. Løsningen gikk ut på at det skulle bli mindre tidkrevende og mer effektivt å distribuere flygeblad over e-post. I tillegg skulle det bli lettere for markedsføringsteamet å ta seg av nye kunder

så vel som å slette de som ikke er kunder lengre. De kunne og kan også ha kontroll på hvor mange som åpner flygebladene og hva de klikker seg inn på. De kan da aktivere ut fra resultater. De har videre muligheter til å forskyve fellesmailer slik at de ikke tar opp for mye båndbredde ved distribuering av salgsfremmende materiale. Markedsføringsteamet sparer med dette tid på markedsføringen over e- post. Det fører igjen til at de kan bruke mer tid på andre kampanjer. Siden har blant annet nye tilbud hver måned. I tillegg til ekstraordinære tilbud jul, allhelgensaften, påske med mer.

2.3 Sikkerhet og toll
Det mange som kvier seg for å gi opp kortnummer ved e – handel. Lookfantastic.com har et ikon nederst på siden som viser en hengelås på et kort med teksten "internett shopping is safe" ved siden av. Når en da klikker på dette ikonet kommer en inn på internettsiden som verifiserer at Lookfantastic.com er en del av dette konseptet[8]. Siden viser til at det er trygt å handle på Lookfantastic.com. Det viser meg som forbruker at foretaket er opptatt av å være seriøse. Det at siden i tillegg har eksistert siden 1997 gjør også at jeg som forbruker ser på siden som en slags veteran innen e – handel.
Lookfantastic har blant annet vært presentert i Dagbladet i april 2003 der en jente som heter Renate har tipset om siden. Dagbladet har også vært innom og sjekket siden og skriver at det viser seg å være halvparten av norske priser på produktene inkludert frakt[9]. Noe en likevel bør tenke på er at hvis en bestiller produkter for over 200 kroner må en betale toll. Det er derfor viktig å holde seg under denne 200 kroners grensen hvis en skal spare noe på det. Det står litt om det i artikkelen i Dagbladet også.

2.4 Konkurranse
Jeg kom over en annen side i den samme artikkelen i Dagbladet som omhandlet Lookfantastic.com i 2003[10]. En annen leser har tipset Dagbladet om nettbutikken www.straeberrynet.com. Dagbladet hadde ikke sjekket denne siden så da gjorde jeg det. Siden skilter med gratis levering over hele verden. Leveringstiden kan derimot komme opp i 14 dager. Denne siden har også et massivt vareutvalg, men har ikke alle de samme produktene som Lookfantastic har. En annen forskjell er at Lookfantastic.com bare har profesjonelle salongprodukter mens Strawberrynet.com har diverse andre merker også som kan kjøpes i parfymerier og lignende.
Jeg testet ut kjøp av to produkter av samme merker på begge internettsidene for å ta en slags stikkprøve. Jeg valgte da ut to produkter fra Dermalogica: Dayly resurfer og Dermalogica skin kit – dry. Det viste seg at Dayly resurfer var billigst på strawberrynet.com. En må likevel regne med 14 dagers leveringstid. Når det gjelder Dermalogica skin kit – DRY var det derimot Lookfantastic som var billigst inkludert fraktkostnader som kommer på ca 40 kroner.

2.5 Oppsummering
Lookfantastic kaller seg nummer en innen hår og skjønnhet på internett. De tilbyr eksklusive produkter og medlemskap som gir minimum 15 % rabatt ved kjøp av de fleste produktene. I tillegg er det rask levering uansett hvor du befinner deg. Siden har eksistert siden 1997, og i 2005 kjøpte foretaket opp en frisørkjede. Lookfantastic.com har ikke kommet dit de er i dag uten hjelp. Jason Russel som er sjef for markedsføring uttalte at uten hjelp fra Pure hadde siden den dag i dag slitt med å utøve og opprettholde markedsføringen via e – post[11].
Siden framstår som sikker ved at de viser til en side som verifiserer at det er trygt å handle hos Lookfantastic.com. En må huske på toll når en handler på internettsider over landegrensene.

Strawberrynet.com er en internettside som kan sees på som en av konkurrentene til Lookfantastic.com da de skilter med gratis forsendelse over hele verden. Strawberrynet.com har i tillegg et massivt produktutvalg som kan få enhver jente til å sikle. Det virker likevel som om sidene

går noe forbi hverandre i produktutvalget. Lookfantastic.com tilbyr kun profesjonelle produkter. Strawberrynet.com har i tillegg til noen salongprodukter, mange merkeprodukter som også er å få kjøpt i et parfymeri. Jeg vil tro at markedet til Lookfantastic.com består av kvinner med rimelig høy forbruksinntekt. Strawberrynet.com blir nok mer brukt av ungdommer og kvinner med normal inntekt. Dette er spekulasjoner fra min side.

3 Forretningsmodell

3.1 Hva er en forretningsmodell?

En forretningsmodell er et sett av planlagte aktiviteter som er laget spesielt for å få fortjeneste i en markedsplass. Jeg vil da se spesielt på e-handel modeller som er modeller som tar sikte på å bruke og påvirke de unike kvalitetene på internett og World Wide Web[12].

3.2 Nøkkelingredienser i en forretningsmodell

Det er åtte nøkkelingredienser i en forretningsmodell[13]:

1. Verdiforslag – hvorfor skal kunden kjøpe fra deg?
2. Utbytte modell – hvordan vil du tjene penger?
3. Avsetningsmulighet - hvilken markedsplass satser du på? Hva er størrelsen?
4. Konkurrerende miljø – hvem andre okkuperer ditt tiltenkte marked?
5. Konkurransefortrinn - hvilke spesielle fordeler har ditt firma å tilføre markedet?
6. Markedsføringsstrategi – På hvilken måte planlegger du å promotere produktene eller tjenestene dine for å tiltrekke din målgruppe?
7. Organisatorisk utvikling – hvilke strukturer innenfor firmaet er nødvendige for å følge forretningsplanen?
8. Ledelsesteam – hva slags erfaringer og bakgrunn er viktig for ledelsen i firmaet å inneha

Jeg vil ta for meg valørforslag og markedsføringsstrategi.

3.2.1 *Hva er verdiforslaget til Lookfantastic.com? Har foretaket noen form for markedsstrategi?*

I min kontakt med markedsføringssjefen (Jason Russel) for lookfantastic.com spurte jeg om hvorfor kunden skulle kjøpe fra Lookfantastic.com. Han fokuserte veldig mye på kundeservice og 100 % kundeomsorg. Russel sier også at det er veldig få utilfredse kunder. For at kundene skal ha sitt å si har de mulighet til å bedømme hvert enkelt produkt. Anmeldelsen blir da synelig for alle som går inn og ser på produktet.

Det er et stort utvalg av eksklusive produkter for enhver smak til en konkurransedyktig pris. Det at det er stor variasjon av merker er også en fordel som burde trekke kunder. Det er videre rabatter på noen utvalgte produkter til enhver tid. Lookfantastic er det eneste nettfirmaet, i følge Jason Russel, som har en så god avtale med Dermalogica som de har. Lookfantastic.com, i samarbeid med Dermalogica, tilbyr blant annet "face mapping"[14]. Kundene har også mulighet til å teste ut diverse kjendisfrisyrer ved å enkelt legge inn et bilde av seg selv[15].

Medlemskapet i Lookfantastic er gratis og medlemmer får automatisk prosentavslag på det de kjøper. Videre mener Jason Russel at informasjonen på siden er svært bra. Det sendes stadig oppdaterte nyheter per e – post til kundene. Siden har utvidet informasjon om hvert enkelt produkt i tilegg til kundeanmeldelser.

Dør – til – dør leveranse er også noe som kan friste kundene. I tillegg skal produktene være på din dør 48 timer etter bestilling. Effektivt og en slipper å vente på produktene i flere dager/uker. Lookfantastic kan også skilte med en viss stjernefaktor. Noen av produktene viser til at vakre kjendiser som Jennifer Lopez, Britney Spears og Madonna er brukere av produktene.

3.2.2 *Oppsummering*

Lookfantastic.com har kunden i fokus og ønsker å tilby kunden det beste innen skjønnhetspleie på internett og kaller seg derfor nummer en innen dette feltet. Det virker som at Lookfantastic tar

kundeservice på alvor ved at de hele tiden kommer med nye tilbud og følger opp kundene ved å sende ut nyhetsbrev per e – post. Det at en kan forvente at det en har bestilt dukker opp innen 48 timer er, etter min mening, eksepsjonelt. Markedsføringspromoteringene er blant annet nyhetsbrevene som sendes per e - post til kundene. Det at Lookfantastic.com tilbyr kundene "Face mapping" og frisyretesting er en del av markedsføringen der siden prøver å komme opp med "nye ideer" som kan trekke kundene til siden. Kjendisfaktoren gjør vel også sitt for å selge produktene. Kjendisfaktoren kan nok være med på å virke andre veien også hvis kunder ikke syntes noe om de kjendisene det skiltes med.

3.3 B2C (Business to Consumer) model.

Det er ikke alltid like lett å finne ut hvilken forretningsmodell innen e – handel et foretak benytter. Noen ganger kan det også være at samme foretak benytter flere forretningsmodeller. B2C e – handel er den mest kjente typen av e – handel.

Slik jeg ser det bruker Lookfantastic.com B2C som en hovedmodell. Det er innlysende på grunn av kundefokuset siden har opp mot individuelle kunder. Målgruppen til siden er i hovedsak kvinner med fast inntekt. Dette er noe Jason Russel bekrefter under telefonsamtalen jeg hadde med han. Det kan si noe om avsetningsmuligheten til siden, men jeg skal ikke gå nærmere inn på det.

Business – to – Consumer (B2C) modeller. I boka nevnes sju modeller innen B2C[16]:

1. Portal
2. E – tailer
3. Content provider
4. Transaction
5. marked creator
6. service provider
7. community provider

Jeg kommer til å se litt nærmere på E – tailer, derunder virtuell grossist og "Clicks and Bricks."

3.3.1   *E – tailer*

E – tailer: Det er online forretninger som driver med detaljsalg. De kan komme i mange forskjellige størrelser. Amazon.com er en stor e- tailer. Små lokale forretninger med egen webside er også å regne som en e – tailer[17].

Virtuell grossist: Lookfantastic.com er et slikt foretak. Lookfantastic begynte, som Amazon.com, å operere kun i den virtuelle verden uten bånd til fysiske forretninger. Det må etter min mening ha gått bra siden nettsiden startet i 1997 og er der fortsatt. Kundene kan handle på siden på hvilken som helst tid av døgnet uten å i det hele tatt måtte forlate hjemmet eller kontoret.

Denne sektoren er ekstremt konkurrerende. Siden kostnadene for å starte en e - tailer er så lave er det titusener av små e – tail butikker som etablerer seg på nettet. Det er derimot ikke så veldig mange som overlever og blir lønnsomme. Lookfantastic.com er skreddersydd for kvinner som har fast inntekt og en grei bruksinntekt. Foretaket har sett seg ut en nisje, noe som kan ha vært en viktig brikke i kampen om å overleve.

"Clicks and Bricks": Denne typen e – tailers er substitutter for eksisterende fysiske forretninger og har de samme produktene. Lookfantastic.com kjøpte opp frisørkjeden Crown, men jeg er ikke sikker på at den da blir som en substitutt i forhold til frisørkjeden. Jeg vil tro at for at en internettside skal være en substitutt til en fysisk forretning så må det være omvendt. Det vil si at forretningen starter internettsiden. Kan det være at det, i dette tilfellet, er frisørkjeden som er et substitutt for Lookfantastic.com? Frisørkjeden ble oppkjøpt først i 2005 så det er så pass nytt at det enda ikke er så mye jeg fant ut angående oppkjøpet og forretningsmodellen her.

3.3.2   *Oppsummering*

Lookfantastic kan sies å være en virtuell grossist fra 1997-2005. I 2005 kjøpte de opp en frisørkjede. Er de da gått over til å være en online distribusjonskanal for et foretak som også har fysiske forretninger? Jeg vil tro det.

4 Subjektiv oppfatning av Lookfantastic.com

Jeg som forbruker av siden har gjort meg opp noen meninger ut fra det jeg har lært under arbeidet med denne oppgaven samt etter å ha hatt telefonkontakt med foretakets leder innen markedsføring. Tipset om siden fikk jeg av min søster på 23 år for 2 år siden. Jeg har vært en flittig bruker siden den gang. Jeg har sett etter andre lignende internettsider som tilbyr skjønnhetsprodukter, men har enda ikke funnet noen som etter min mening matcher Lookfantastic.com. I tillegg til det varierte og vide utvalget siden kan tilby, er informasjonen en får genuin. Grunnen til det er at Lookfantastic.com har samarbeid med ledende profesjonelle hår og skjønnhetsgrupper som igjen har ført til at alle råd er genuin informasjon fra profesjonelle innen bransjen[18].

Jeg er videre imponert over hvor raskt jeg får svar ved henvendelser. Svaret kommer enten samme dag eller dagen etter. Det viser etter min mening at kundeservicen står i høysetet hos siden.

Noe jeg bet meg merke i fra første stund var de lave prisene, de eksklusive produktene og den korte frakttiden. Det eneste jeg har opplevd som negativt på de to årene jeg har brukt siden er at en pakke jeg hadde bestilt ved juletider tok lengre tid enn forventet. Det viste seg da at postgangen var sen da det var midt i den tiden der folk sendte av gårde julegaver. Jeg fikk likevel raskt svar ved henvendelsen hvor de tilbød meg å få tilsendt nye produkter hvis pakken ikke dukket opp.

Det er, for meg, noe som taler imot å handle skjønnhetsprodukter på nettet. Jeg får ikke mulighet til å kjenne på produktet. Selv om det er "face mapping" og muligheter til spørre om produktråd er ikke det alltid nok. En hudpleier som har kjent på huden er mer rustet til å kunne gi produktråd enn en som aldri har sett deg. Det gjør at det ikke er alt jeg kjøper over nettet uansett hvor profesjonell produktene er. Passer de ikke til min hudtype så hjelper det ikke at det er et eksklusivt produkt. Siden er ellers lett og ryddig og navigere på. I tillegg er det ikke veldig tidkrevende å gjennomføre en betaling. Jeg føler med i tillegg trygg på at betalingen skjer på en sikker måte. I en ellers så travel hverdag er det for meg greit å kunne kjøpe produkter fra Lookfantastic.com. Hver fysiske salong fører ikke de samme produktene og en kan være så uheldig at salongen ikke fører det merket jeg bruker. Det gjelder hårprodukter så vel som hudpleieprodukter.

4.1 Oppsummering

Som forbruker av siden er jeg meget fornøyd med det siden har å tilby selv om jeg ikke er ukritisk til å kjøpe produkter uten å ha prøvd dem, eller at en hudpleier har anbefalt dem for akkurat min hudtype.

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2. LOG205: MONSTER

AV KJETIL MAGERØY AND IVAR NYLAND

A CASE STUDY OF MONSTER.COM

TRUMPASAURUS, MONSTER.COM'S MASCOT.

1. Case Question

• Monster.com is the leader in online recruiting. What are Monster's key competitive advantages relative to its online recruiting competitors?

Monster.com has several different advantages relative to its online recruiting competitors. Here's a list of some of the key competitive advantages they've got:

- Monster.com is internationally well known.
- They've got a recognizable logo that people know, even if it is presented without "Monster.com" written underneath it. With offices in over 20 countries of the world, Monster.com helps job seeker meet employer in ways not possible earlier.
- Wide choice of services.
- Monster.com offers services both for employers and job seekers. As a job seeker you have several different options. You can go online, and go through job postings without registering to the site. Some people will see that as an easy way of looking for work. Just go straight to the source without having to go through any checkpoints.
- As a job seeker you can register on Monster.com and post your resume. Statistics show that by doing that you double the chance of getting an interview, or even a job. This feature, like any other for job seekers on Monster.com, is free.
- By logging on to monster.com you'll find a lot more that just the possibility to post jobs and look as postings. They've got their own "career center" with a lot of useful information. There are numerous articles regarding how to make a resume, tips on approaching employers, questions likely to be asked on job interviews, career development tips, pay and rights, as well as almost everything regarding you as an employee.
- Employers have a wide range of options as well when it comes to Monster.com as a portal for find candidates for their firm openings. Here's where Monster.com makes some serious money besides advertisements. Employers can pay to both go through job seekers resumes and post openings/jobs.

We looked though the expenses employers in Norway and the United States have to pay for two services: Resume search and posting a job. In the US an employer has to pay $850 for 1 job posting and the possibility to go through resumes of people who live within a 100 mile radius. In Norway, for a similar offer, including 1 job posting and 1 week unlimited resume search, the price is 6900 NOK. And both of those offers in both countries are special sales offers for a limited time only. Now, obviously, going through a service like Monster isn't cheap. But then again they're now getting straight to the source, the job seekers. These prices can as a chock to us while doing this case study. But then again, the price is low if you're able to find the right person for the right job. We did a comparison to Yahoo's HotJobs, and similar offers were not offered in the same way, but if contacted by email, different solutions could be worked out. In other way, Monster.com has a better serviced web site that HotJobs.

Employers can also post special advertisements on Monster.com for job seekers to see. Not necessarily specific job postings, but this way they can present their business, making it more attractive for job seekers who are not familiar with the business and their reputation. This is a package deal from Monster were they create the entire ad with everything needed. These of course, are pricy like any other service provided for employers.

Best hits in all major search engines.
Monster.com pops up high on the first results screen when you do word searches like "job" and "work", and any other job related searches in major search engines like AskJeeves, Google, Altavista, and Yahoo. It's kind of strange how Monster.com is higher on the result page on searches for "job" than job.com on Google. But then again it depends on the Google score count and how relative the result is for the searcher. As Monster is a bigger site than job.com, the engine returns the most popular search. And then again Monster.com might have, and most likely has, paid Google and other companies that work with search engine hits a lot of money to score high up on engine searches. Another strange thing we realized was that by executing the search string "job" on Yahoo you'll see that Monster.com scores higher than what Yahoo's own and owned Yahoo HotJobs. Of course

some of these results are due to the fact that Monster.com's sites have programmed in some good meta-tags, but in the end, popularity and visits defines the final search score.

Great network of affiliates and partners.
Another advantage Monster.com has is that they've got a strong network of companies. Monster Worldwide is the parent company of TMP Worldwide Advertising & Communications, one of the world's largest Recruitment Advertising agency networks, and TMP Worldwide Directional Marketing, the world's largest Yellow Pages advertising agency and a provider of direct marketing services. With these connections, Monster.com had a flying start to begin with. And the fact that partnership and affiliates have helped Monster.com become the company it is today makes them value the partnerships even more. A good example of that is the partnership between Monster.com and Military.com. Military.com is a portal site for everyone that is connected to any branch of the army, navy, marines or air force in the US. - A place to gather news and information, in other words. What Monster.com and   Military.com has worked out is a deal where Monster.com helps military veterans getting back into the workforce. It helps them get a job, and also convinces employers to employ veterans because they are qualified, not only for goodwill. Military.com gets a good deal out of it by offering another service from their web site, while Monster.com gathers more users to their site. It is a win-win situation for both of them.

2. Case Question

•   TMP Worldwide is the world's largest provider of traditional and online career services and the world's largest yellow-page advertising agency. Discuss the benefits of TMP's unique combination of online and offline human-capital services.

What Monster.com, formerly know as TMP Worldwide, in general benefits from is the wide selection of services over a vast market – online and offline. Their services range from the job market, marketing and phone services. The great thing is that these services can be used both with and without the access to the Internet. And in some ways that describes the "clicks and bricks" term where you have accessibility as a firm both offline with a physical location or service not required by the Internet, and the online features the Internet can offer.

3. Case Question

•   The Internet is dramatically changing the way the recruiting industry operates. Yet jobseekers and recruiters honestly admit they are having a hard time trying to figure out how to use the Internet effectively. Discuss the strengths and weaknesses of online recruiting.

There are multiple pros and cons of online recruiting, just like anything else. A lot of employers like to meet the person applying for the job before inviting the person to an interview. This is not only because of face-factor, but also to see personality, first time impression, style and behavior. All this is to determine whether or not this person would fit in at the work place or not. In some ways this sounds morally wrong, but it actually is a well-known tactic and the raw truth that personality factor is worth more than qualifications – in some cases. Now a weakness would be that this isn't possible to determine with online recruiting, but it's a now strength since qualifications for the job, which in the end is the most important thing, plays into role a 100%.
Now the obvious strengths of online recruiting are:
•   The postings for openings are available 24/7
•   There are no strings attached by looking at the ads for jobs
•   You can do it whenever and however you decide

- Applying for the job is usually done easily though email
- If you're not familiar with the firm you can instantly look up information about it online
- Employers can locate/discover you if you post your resume
- Employers can locate specially qualified jobseekers from almost wherever in the entire world
- Employers can easily post an opening at the firm though the internet
- As a jobseeker you know have access to apply for a lot more jobs than you would've without the internet, as postings are gathered at one location.

There are not as many weaknesses of online recruiting as there are strengths. One obvious disadvantage as a jobseeker would of course be that there are a lot more competition for the jobs in your area when out-of-towners can apply for it as well. Not that they couldn't do that earlier, but now it's just as easy for you as for them. Another weakness might be that the site admin might be slow on removing job postings for jobs that have already been taken. That way you might get your hopes up when applying for a job, when in reality the position might have been taken even before you applied. People might even put down things on their application that aren't true. That's of course a possibility in offline recruiting as well, but it might take a bit longer to discover when done online. In other words when online it is harder to filter out the appliers that aren't serious.

4. Case Question
- What are the major changes necessary for the improvement of the online recruiting industry? How do you see the future of online job hunting?

There aren't really a need for major changes for improve the online recruiting industry. Of course there's always from for improvements, but we can't see any major changes needed. Improving the search feature on the sites, standardizing resumes, improving the user interface, and increasing the popularity of the site are some changes that always help. These changes are of course not revolutionizing, but there are few other changes to be made than making things easier to execute, easier to locate, more and better services as well as attractive.

Now as for the future of online job hunting we would imagine that there would be job interviews done over web cams, smaller sites evolving though specializing in niches such as limited and specified job field openings, as well as a battle between the online job sites to capture jobseekers to post resumes and companies to post openings at their site.

5. Case Question
- What are the competitive challenges that Monster.com is facing in the future? Is Monster in serious danger of loosing its leadership position?

In the future Monster.com should watch out for job sites specializing in certain undiscovered fields within job recruiting, sites with the ability to interest people's curiosity by offering revolutionizing deals, as well as sites specializing in a limited field of job openings and specific niches. A new market idea is worth more than you can imagine in your wildest dreams – they are what every entrepreneur stretch for.

Now what Monster.com has is a good reputation and a well-built up trust to its users. People who use the site know what they are getting, both employers and jobseekers. In addition to that new users see Monster.com as a pioneer in the field, who knows what they are doing, and knows their popularity. And why would a site be popular if it wasn't good? Now whether they are in any serious danger is hard to say, but like any other firm online there's no space for slacking off. You constantly need to work hard to improve, improve and improve. Like mentioned earlier in this case study, there's always room for improvements. It's the same for any product or service. And with so many diverse and different users like monster.com has, there will –always- exist new features and services to offer. That's the great thing about a popular service. As the amount of followers increase, so does

the product or service possibilities, as they demand services to fulfil their needs. Different people – different needs.

But to finally answer the question: Yes, we think Monster could loose its leadership position, but we don't think they'll be far behind. It's a tough business, and the road to success is dependant on hard work and some luck.

6. Case Question

• Monster.com has created a unique brand image that jobseekers "from intern to CEO" can relate to. Discuss Jeff Taylor's innovative marketing strategy.

Jeff Taylor, or Chief Monster, which is the title he like to refer to himself as, created a strategy of employee retention. Basically what he did was to focus on solidarity in the work environment. He made every single employee, "from intern to CEO", feel welcomed, appreciated and wanted. Chief Monster did that in the simplest way. A way that unfortunately not many employers focus on: He valued his employees. He rewarded employees for hard work by awarding merit raises to staff members who had put down serious amount of time at the firm. By doing that people felt appreciated for their commitment to Monster, and left them to not even consider leaving the firm for the possibility of a better work place. Moral and loyalty is everything. Maintaining a positive work atmosphere during possibly tough times is the key to greatness. Employee satisfaction increases workflow and willingness to kick into a high gear. Such a place is extremely popular and tempting for jobseekers. Knowing the perfect company attracts people worldwide.

Harvard Business School has a site called "Working Knowledge – for business leaders". More like a newspaper-style article machinery. I found an article there some weeks back that I can't locate again, but nevertheless, here's an excerpt, fairly long, from an article on that site, showing Jeff Taylor's commitment to uphold solidarity in the workplace and valuing his employees:

"It's 12:05 p.m. on a Wednesday, and Jeff Taylor, founder of the online job marketplace Monster, is running late. His assistant sticks her head in the door of his office and urges him to move on to his next appointment: the employee lunch, an open-discussion meal that Taylor hosts every other month. On Tuesday, Taylor spent the morning in an orientation session for twenty-seven new hires. Later in the week, he'll be serving as DJ at a company-wide outing, a payback to employees after last year's holiday party was cancelled because it seemed like too much of an extravagance. Staff at the Maynard, Massachusetts-based company have something else to celebrate these days: merit raises were recently awarded."

If the pay check is appreciated, employees will stick to their job unless pay at another firm is insanely higher. In which most cases, it isn't. After all, a job is a place you'll have to work at usually six days a week. I think most people, especially I, value high moral and feeling wanted more than a few extra bucks more an hour. It should be fun to go to work, you should feel challenged, but at the same time live healthy while working hard and also having some fun. I won't say Jeff Taylor has come up with an innovative way of management, but it's rare to see these kinds of gestures in an enormous firm like Monster.com.

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3. INF904: MASTERS INFORMATICS SEMINAR: ERP W/PROF. MARY SUMNER

ERP SEMINAR: BANDON GROUP CASE STUDY

REPORT 1 AV RONALD KVALSUND

REPORT 2 AV HEIDI KJERSEM

REPORT 3 AV TROND MAHLE

REPORT 4 AV MOHAMMAD JAFARI

Visiting Professor to Molde University College in May 2006 taught a Masters Seminar on Enterprise Resource Planning to masters students in Logistics and Informatics. Dr. Mary R. Sumner is Associate Dean for Executive & Continuing Education, Professor of Computer Management and Information Systems School of Business at Southern Illinois University Edwardsville.

Mary Sumner on Molde Fjord, Norway in May 2006.
Integrated Case Study: Bandon Group, Inc. is provided in Mary Sumner's book, "Enterprise Resource Planning", Peason-Prentice Hall, Upper Saddle River, New Jersey, 2004, pp. 151-175. The 9 Steps of the Study can be summarized as follows. Only some steps are represented in the student reports.
Step 1 Purpose and scope of the study
Step 2 Document high-level business direction
Step 3 Identify key information needs and measures
Step 4 Determine detailed business requirements
Step 5 Document current IT situation – Internal
Step 6 Document current IT situation – External
Step 7 Determine gap between current IT situation and desired IT direction
Step 8 Determine feasibility of an ERP system
Step 9 Determine ERP design issues

Report 1 – Ronald Kvalsund

Background information

Bandon Group is a family owned distributor of copiers, electronic printers, faxes and other office equipment. It has four divisions located in Portland, Phoenix, Salt Lake City and Denver. The Corporate headquarters in Phoenix handles central administrative functions and information systems support for order processing, billing, accounts payable, and accounts receivable. The division has the right to pursue autonomous CRM and sales prospecting tools.

Information Systems Study: Bandon Group, Inc. Steps 2, 3, 7, 8 and 9 (Sumner, 2005:155).

Step 2: Executive management interviews

Develop list of major problems and opportunities defined by management.

Current systems problems

The Company's largest problem is the lack of common grounds regarding business processes, tools and lack of appropriate and timely reports. The division has selected different systems for sales prospecting/CRM. Lack of interoperability between the sales prospecting/CRM systems and the central administrative information system and customer databases (Office Machines Dealership - OMD), has resulted in inconsistent and redundant information. A common challenge is that they do not have any relational database, and this makes it almost impossible to provide ad hoc queries and on-demand reports. The information is spread over too many systems, with reduced possibilities to provide the requested information for tactical and strategic management (reports). The company has one unique process (meter click billing process), and this is supported by the OMD system. The legacy systems do not have a foundation for eBusiness, which is identified as an important area for the company

The Company has one shared legacy system (OMD), but four different Sales prospecting systems (CRM):

- Salt Lake are using *Soaring*:
  - o Pro: it's a relational database integrated with OMD

- o   Con: not integrated with any ERP solution
- Denver are using *Goldmine (PC)*:
  - o   Pro: relational database
  - o   Con: not integrated with OMD
- Phoenix are using *Pivotal*:
  - o   Pro: relational database.
  - o   Con: not integrated with OMD
- Portland are using *Microsoft CRM*:
  - o   Pro: integrated with MSoffice. Could be integrated with MS GreatPlaines.
  - o   Con: not integrated with OMD

Opportunities

There are several opportunities by standardization of the company's work processes, software and use of IT systems. Adopting an enterprise system and common processes might result in a more efficient and more profitable organization in a long term perspective.

The Competitors are implementing ERP-systems and eBusiness, and this is likely to give the competitors an advantage compared to the Bandon Group, Inc. Implementing an enterprise system in Bandon Group, Inc will reduce/remove the advantages for the competitors.

ERP and CRP systems will support new and emerging lines of business, including information systems consulting, document outsourcing, color graphics and document management.

Step 3 Critical success factors, measures, IT needs:

Shared IT needs

The Managers are requesting better sales and marketing analysis reporting, to help their revenue to grow further. The IT systems must support service management reports, including service call reporting, suspect activity reports (e.g. machines doing excess volume) and service history broken down by customer. They need better software which will streamline their business processes, reduce cost and optimize resource planning and resource usage. Invoices are too complicated, and there are requirements to establish electronic bill presentment. Another shared IT need is eBusiness, with the possibility to provide web stores, online meter reading and service calls.

Financial system for new IT consulting business ventures are also a requirement from all divisions except Salt Lake.

Common Critical Success Factors (CFS):

All the Managers are pretty much focused on the same things regarding their CFS. They all want revenue and marked growth, and better cost control or cost reduction. Further more do some of the Managers like to focus on the customers to make their voices heard and offer them better service and make the customer more loyal.

Common Measures:

Some of the Managers have common measures when it comes to knowledge and marked shares. They also have common measures when it comes to:
- o   Better response time, better sales forecasting
- o   Better cost control and cost saving
- o   Better information about non-customers and whom to target for prospecting
- o   New accounts, net adds and replacement
- o   Customer feedback

Step 7: List of IT priorities, Bandon group and divisions and software systems support

	IT needs	Bandon Portland	Bandon Salt Lake City	Bandon Group Corporate	Bandon Denver	Bandon Phoenix
Sales	Ad hoc query ability	X	X	X	X	X
	Relational database	X	X	X	X	X
	Lease documents in Adobe format	X			X	
	Lease invoices in Adobe format				X	
	Electronic meter-reading capture		X		X	
	Desktop application software			X		
	Import D&B data				X	X
	Customer web access (I-Manager)	X	X	X	X	X
	Remote access	X	X	X	X	X
	User-defined fields					
	Sales prospect tools	X	X	X	X	X
Service	Remote access via laptop	X	X			
	Technical updates via CD				X	
	Electronic purchase order interface				X	
	GPS tracking for service technicians					X
	Suspect service activity reporting			X		X
	Management reporting for service (e.g. excess volume)	X	X	X		
Administrati	Customize invoice format	X	X		X	X
	Electronic invoicing capabilities			X	X	X
	Billing for technology services			X	X	X
	Central licensing of desktop software			X		

Step 8: Determine feasibility of an ERP system

Should Bandon Group pursue ERP or should they keep their legacy system (OMD) and add a CRM (for sales prospecting)?

From the descriptions of the Managers in the interviews it's pretty clear that Bandon Group has big challenges with the current situation. Several of the issues may be solved by streamlining the organization, business processes and by replacing the legacy systems with an ERP system. An ERP

system will support the best practices in the business processes. These processes are also used by their competitors and implementation of an ERP system will not give Bandon Group any advantage compared to these companies but it will reduce the current disadvantage not using the best practice.

The Company is requesting eBusiness capabilities, on-demand reports and the possibility to provide the requested information for tactical and strategic management. An ERP system will provide the requested functionality and also remove the challenge with inconsistent and redundant information. One common ERP system instead of several legacy systems may provide a more proactive IT department.

The current situations with several CRM systems which are not interoperable with OMD have resulted in challenges with customer relationship. This problem will probably increase if the Company expands into new markets. One common CRM system, connected to a ERP system or the OMD, will support the Company's goal to gain additional sales and make the support for the customers better.

There are several available solutions for the Company:
1. Replace all legacy systems with an ERP system with an CRM add-on
2. Keep the OMD but replace all legacy sales prospecting system with a common CRM system.
3. Replace all legacy systems with the necessary functionality (ERP and CRM) from an Application Service Provider (ASP).

The table below shows the advantages and disadvantages with the three solutions.

Replace all legacy systems with an ERP system with an CRM add-on.

Advantages	Disadvantages
- New business processes - Shared costs of system (software, support, training, maintenance) - Better reporting (relational database) - Integration between ERP and CRM, and ERP and eBusiness - New business possibilities - More information for tactical and strategic management	- ERP does not support their unique process (e.g. meter click billing) - Additional costs required to write a customized ERP module for the meter click billing - Cost of implementing ERP from a legacy environment - Training of the technical people and the end-users - Migration of data from the old systems - Configuration - Software cost

Keep the OMD but replace all legacy sales prospecting system with a common CRM system.

Advantages	Disadvantages
- It works - Knowledge of OMD (10 years) - Inexpensive - No training needed - Short implementation times - Avoid the cost of a major ERP	- Training cost for CRM - Data migration cost for CRM - Lack of reporting capability - No migration to eBusiness - No system to support their new IT consulting business

implementation	• Short term "fix" • Does not fit any vendor strategy

Replace all legacy systems with the necessary functionality (ERP and CRM) from an Application Service Provider (ASP).

Advantages	Disadvantages

• Reduced implementation costs
    o ASP will provide:
       ▪ Hardware
       ▪ Software
       ▪ Tech support
       ▪ Licensing
• Access to reporting tools
• Access to configuration specialists
	• How to customize the unique process (meter click billing)
	• Vendor reliability
	• Information security
	• Loose some control over your own data
	• Dependent upon the ASP
	• Dependent upon ISP

Step 9: Supplier Evaluation and Recommendation

It is difficult to give a clear recommendation based on the information provided in the Information Systems Study: Bandon Group, Inc. and the company presentation from Oracle, SAP, Peoplesoft and Microsoft. Implementation of an ERP system in Bandon Group, Inc will require big changes in the company when it comes to changes in business processes, required skills for the involved personnel and resources needed for this huge transformation. Critical Success Factors for an ERP implementation (Synthesis of Research and Case Studies

Nestle, Boeing, Anheuser Busch, Monsanto, Edward Jones, inc. 2000 – 2006):

- Business Justification for ERP
- Vanilla ERP Implementation
- ERP Project Team has Business Experts
- Experienced ERP Project Leadership
- Effective Training
- Effective Use of External Consultants
- CEO Involvement
- Project Champion
- Strategies to Reduce Resistance to Change
- Steering Committee Meets on a Regular Basis

If Bandon Group decides to implement an ERP system, the above mentioned CSF must be addressed through the whole project.

The company presentations was evaluated by all students in the ERP-seminar, and the table below shows the average values given in ten different categories.

Supplier Evaluation Summary Worksheet				
Factors	**Microsoft**	**Oracle**	**Peoplesoft**	**SAP**
Corporate history	6,3	7,9	6,6	8,3
Market strategy	6,2	7,2	6,1	7,9
Product offerings, integration	6,5	7,6	6,5	7,7

Consulting support	6,5	7,2	6,7	7,2
Availability of training	6,5	7,6	7,2	7,3
Fit with current business processes	5,8	6,9	6,3	7,1
Reporting applications	7,3	7,1	7,3	6,5
User-friendliness (tutorials)	7,2	7,4	7,5	5,9
Cost (modules, maintenance)	6,8	6,7	6,2	6,2
Ability to integrate other ERP modules	6,3	8,2	6,3	6,6
Total score	*65,4*	*73,8*	*66,7*	*70,7*

Based upon the requirements provided in the Information Systems Study and the company presentations, I would recommend Bandon Group, Inc to start the process with replacing the legacy systems with a new ERP system. This must be considered as an important element of the overall corporate strategy, not merely as replacement of the legacy systems. It will require fundamentally transforming the company's processes and the way they conduct business, and the necessary skill sets throughout the organization.

Bandon Group, Inc should perform a life cycle cost analysis of ASP or in-house management of the new systems. Detailed requirements must be established and evaluated towards the available ERP and CRM systems.

Report 2 – HEIDI KJERSEM

Step 2: *Executive management interviews*
– *Develop list of major problems and opportunities defined by management.*

a) *Problems:*
- Do not have a foundation for eBusiness
- To many files (inconsistent redundant)
- Information spread over too many systems
- OMD (package) has accounting information
- Sales prospect data is in different system
- They have a unique process (meter click billing)

b) *Opportunities:*
- Competitors are implementing ERP
- Competitors are implementing eBusiness
- Growth in system consulting
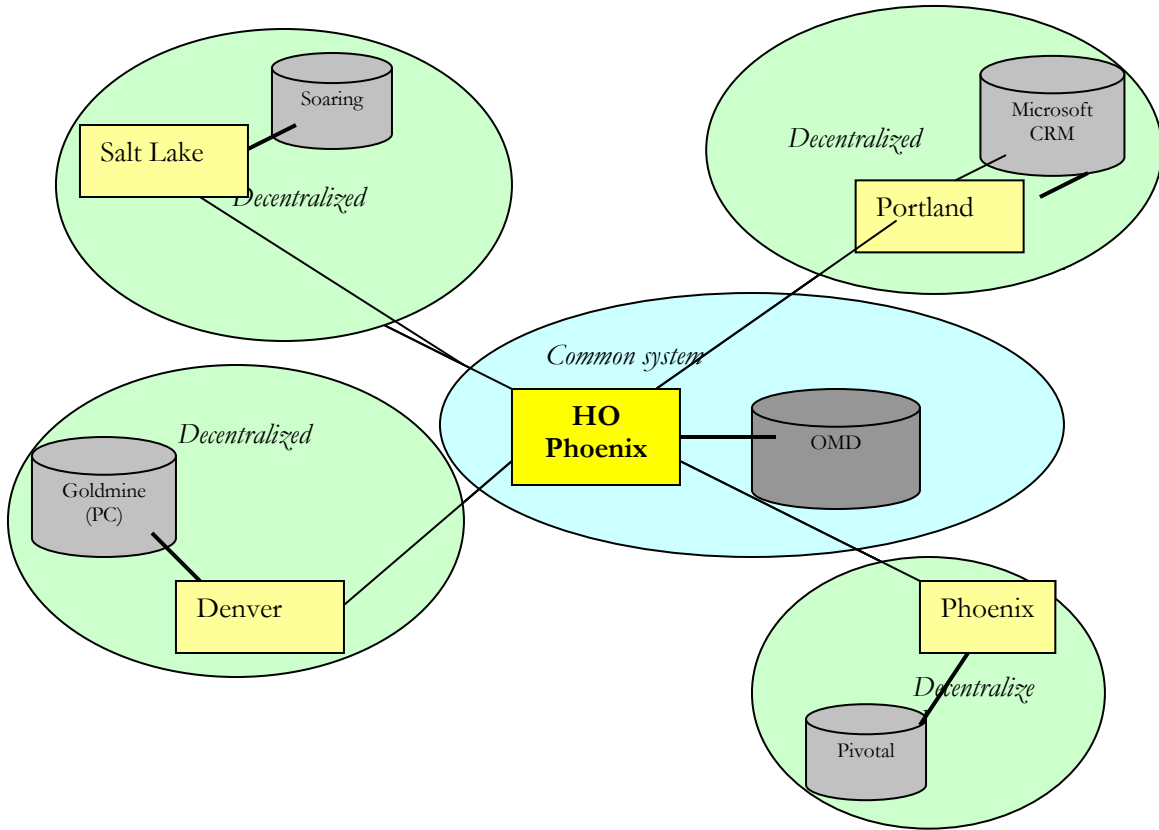
Shared legacy system is OMD
Sales Prospecting:
 Various CRM
  Denver
  Phoenix
  Portland
  Salt Lake
Soaring:
 + Relational databases
  Integrated with OMD
 - Not integrated with any ERP
Pivotal:
 + Relational databases
 - Not integrated with OMD

Goldmine:
 + Relational databases
  - Not integrated with OMD
Microsoft:
 + Integration with MS Office
  Could be integrated with MS Great Plains
  - Not integrated with OMD

As we can see from the different divisions, all have selected different CRM packages, and none of them are integrated with each other. This lead to difficulties finding data needed from different divisions. Bandond Group is stuck! They have all kind of different solutions in the different divisions. They are not facing IT on a company based basis.

Step 3: *Critical success factors, measures, IT needs*
– *Write a summary of common or shared critical success factors, measures, IT needs.*

a) *Critical Success Factors (CSF):*
1. Effective relationship building with customers:
2. Technical expertise; effective contact management
3. Effective customer service; product knowledge
4. Accurate and timely billing;
5. Effective sales support
6. Ability to offer web based information services (e.g. meter reading submission, service call reporting)

b) *Measures:*
1. Growth of knowledge
2. New accounts, net adds, replacements
3. Response time; efficient dispatching of service calls out to techs; service call tracking; service history analysis
4. Lack of customer complains; customer satisfaction
5. Customer feedback

c) *IT needs:*
1. eBusiness (webstore to sell supplies, online meter reading, enter service calls) - Maybe add IManager into legacy system?
2. Sales/Marketing analysis reporting. No relational databases; no SQL environment
3. Service Management reports. Can't customize reports since no relational DB capability
   ➤ Service call reporting
   ➤ Suspect activity reports (e.g. machine doing excess volume)
   ➤ Service history
4. Invoicing : Invoices too complicated, can not do in current environment - Electronic bill presentment
5. New Business: Financial system for new IT consulting business ventures (all except Salt Lake)
   ➤ OMD does not support financial accounting for consulting venture.

Step 7: *List of IT priorities.*

IT Need	Bandon Portland	Bandon Salt Lake City	Bandon Group Corporate	Bandon Denver	Bandon Phoenix
Sales					
Ad hoc query ability	X	X	X	X	X
Relational database	X	X	X	X	X
Lease documents in Adobe Format	X				

Lease invoices in Adobe Format				X	
Electronic meter-reading Capture	X	X	X	X	X
Desktop application Software					
Import D&B data				X	
Customer web access (I-Manager)	X	X	X	X	
Remote access					
User-defined fields					
Sales prospecting tools	X	X	X	X	X
Service					
Remote access via laptop	X				
Technical updates via CD				X	
Electronic purchase order Interface				X	
GPS tracking for service technicians		X			
Suspect service activity reporting		X			
Management reporting for service (e.g., excess volume)	X	X			X
Administration					
Customize invoice format	X	X			
Electronic invoicing capabilities		X	X	X	X
Billing for technology services		X		X	
Central licensing of desktop Software	X			X	X

Step 8: *Recommendation*
- *Should Bandon Group pursue ERP?*
- *Should they keep their legacy system (OMD) and add a CRM (for sales prospecting)?*

My recommendation for Bandon Group is to pursue ERP. They cooperate with lot of huge suppliers (e.g. Canon, Minolta and Sharp), which I assume are using ERP at present. This will make the information flow to the suppliers much more efficient. Also they need a common CRM, to make it easier to find information in the files and provide better reporting (sales and service). I think it will be just to push the problem ahead of them self, a postponement of what they anyway have to introduce to Bandon Group in just a few year, to avoid falling behind the competitors. My recommendation is also based on the table in step 3. It will become more and more common for mid-market firms to invest in ERP, and this is also something the suppliers are well aware of, and try to adjust. They don't need to do the changes in a "big bang", but perhaps start with the financial management. Since they don't manufacturing but procure finished gods from suppliers, manufacturing management models are not necessary to implement. They can buy an off-shelves package, but need to customize the unique meter click billing process. Since Bandon Group also wants to start up competition in the IT consulting segment, ERP will be an incremental contribution to this market, and to other business

possibilities. At last there will be a saving in software support, maintenance, training and upgrades, since they now can share the cost of one common system.

Step 9: *Supplier Evaluation and Recommendation*
- *ERP (Oracle, Microsoft, SAP, Peoplesoft)? (You can include the chart comparing the alternative vendors here).*
- *CRM without ERP, keeping legacy system?*
- *Outsourcing to an external web-based ERP vendor*

Factors	Microsoft	Oracle	Peoplesoft	SAP
Corporate history	6,3	7,9	6,6	8,3
Market strategy	6,2	7,2	6,1	7,9
Product offerings, integration	6,5	7,6	6,5	7,7
Consulting support	6,5	7,2	6,7	7,2
Availability of training	6,5	7,6	7,2	7,3
Fit with current business processes	5,8	6,9	6,3	7,1
Reporting applications	7,3	7,1	7,3	6,5
User-friendliness (tutorials)	7,2	7,4	7,5	5,9
Cost (modules, maintenance)	6,8	6,7	6,2	6,2
Ability to integrate other ERP modules	6,3	8,2	6,3	6,6
Total score	65,4	73,8	66,7	70,7

My recommendation of choice of ERP vendors would have to be Oracle, mostly because it is not necessary to buy every model but can choose specific ones, Bandon Group don't need the Manufacturing model for instance. Other reasons have to be that they have the highest total score and score high on product offering, integration; consulting support, training and user friendliness. These are very time consuming areas which is important that are done properly. It is important that key personal working with ERP, have a good first impression, so they don't become resistant, so high score on consulting support, training and user friendliness will be crucial. Bigger companies have become bankrupt before because of resistant personal (FoxMeyer).
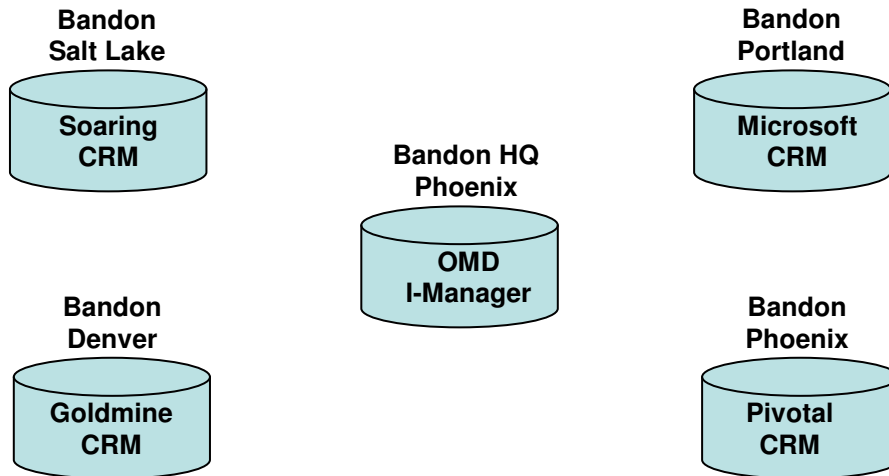
Report 3 – TROND MAHLE

STEP 2: EXECUTIVE MANAGEMENT INTERVIEWS

→ **Develop list of major problems and opportunities defined by management.**

CURRENT SYSTEMS CHALLENGES

- No relational database
- Too many files (inconsistent, redundant)
- Information spread over too many systems
- OMD (legacy package) has accounting information
- Sales prospect data is in different systems
- Do not have a foundation for eBusiness
- They have a unique process (meter click billing process)

**Bandon
Salt Lake**

Soaring
CRM

**Bandon HQ
Phoenix**

OMD
I-Manager

**Bandon
Portland**

Microsoft
CRM

**Bandon
Denver**

Goldmine
CRM

**Bandon
Phoenix**

Pivotal
CRM

- Shared legacy systems:
    - OMD
    - I-Manager (web-based interface for customer entry of meter readings)

- CRM systems for sales prospecting:
    - **Salt Lake: Soaring**
      Plus: It's a relational database integrated with OMD
      Cons: Not integrated with any ERP solution
    - **Denver: Goldmine** (PC-based)
      Plus: Relational database (local)
      Cons: Not integrated with OMD
    - **Phoenix: Pivotal**
      Plus: Relational database
      Cons: Not integrated with OMD
    - **Portland: Microsoft CRM**
      Plus: Integrated with MS Office, could be integrated with MS Great Plains
      Cons: Not integrated with OMD

SUMMARY

- One common system (OMD)
- Many decentralized systems (CRM)
- Not addressing IT on a company wide basis
- Cannot go to the future with this solution (change needed)

OPPORTUNITIES

- Competitors are implementing ERP
- Competitors are implementing eBusiness
- Grow systems consulting

➔ *Write a summary of common or shared critical success factors, measures, IT needs.*

CSFS

All managers want revenue and market growth, better cost control and cost reduction. Further some of the managers want to focus on the customers. They want to listen to their demands and wishes, and offer them better service to make them more loyal. Effective contact management, information sharing and accurate/timely billing are other common CSFs.

MEASURES

- Better sales forecasting
- Growth of knowledge and market shares
- Better response time
- New accounts, net adds and replacements
- Better information about non-customers and whom to target for prospecting
- Customer feedback
- Better cost control and cost saving
- Reduction of service calls per customer

IT NEEDS

1. eBusiness (webstore to sell supplies, provide on-line meter reading, enter service calls)
   ▫ *Possible by I-Manager (add-on to legacy system), but this is not a future solution.*

2. Sales and marketing analysis reporting
   ▫ *Because no relational database and SQL environment today*

3. Service management reports
   a. Service call reporting
   b. Suspect activity reports (e.g. machines doing excess volume)
   c. Service history broken down by customer
   ▫ *Cannot customize reports today because no relational database capabilities*

4. Invoicing
   a. Invoices are too complicated (many customers don't understand them)
   b. Electronic bill presentment
   ▫ *Cannot be done in current environment*

5. Financial system for new IT consulting business ventures (all except Salt Lake)
   ▫ *OMD does not support financial activity for consulting venture*

IT needs	Bandon Portland	Bandon Salt Lake City	Bandon Group Corporate	Bandon Denver	Bandon Phoenix
Sales					
Ad hoc query ability	●	●	●	●	●
Relational database	●	●	●	●	●
Lease documents in Adobe format	●			●	
Lease invoices in Adobe format				●	
Electronic meter-reading capture		●		●	
Desktop application software			●		
Import D&B data				●	●
Customer web access (I-Manager)	●	●	●	●	●
Remote access	●	●	●	●	●
User-defined fields					
Sales prospect tools	●	●	●	●	●
Service					
Remote access via laptop	●	●			
Technical updates via CD				●	
Electronic purchase order interface				●	
GPS tracking for service technicians					●
Suspect service activity reporting			●		●
Management reporting for service (e.g. excess volume)	●	●	●		
Administration					
Customize invoice format	●	●		●	●
Electronic invoicing capabilities			●	●	●
Billing for technology services			●	●	●
Central licensing of desktop software			●		

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➔ *Should Bandon Group pursue an ERP solution?*
➔ *Or should they keep their legacy system (OMD) and add a CRM (for sales prospecting)?*
➔ *Or should they go for an ASP solution?*

OPTIONS

Option 1: ERP (incl. CRM)	
Advantages	**Disadvantages**

– New business processes based on "best practices"
 – Shared costs of systems (software, support, training, maintenance, upgrades)
 – Better reporting (relational database) for sales and service analysis
 – Integration between ERP and CRM, and ERP and eBusiness
 – New business possibilities
 – More information for tactical and strategic management
	– ERP does not support their unique business process (e.g. meter click billing)
	 – Additional costs required to write a customized ERP module for the meter click billing
	 – Cost of implementing ERP from a legacy environment
	  – License cost
	  – Training of technical people and end-users
	  – Migration of data from the old systems
	  – Configuration

Option 2: OMD + CRM	
Advantages	**Disadvantages**
– OMD works today – Knowledge of OMD (10 years) – Inexpensive – No training needed – Short implementation time – Avoid the cost of a major ERP implementation	– Training costs for CRM – Data migration costs for CRM – Lack of reporting capability – No migration to eBusiness – No system to support their new IT consulting business – Short-term "fix" – Does not fit any vendor strategy (must help / rely on themselves)

Option 3: ASP	
Advantages	**Disadvantages**

– Reduced implementation costs. ASP will handle:
  – Hardware
  – Software
  – Technical support
  – Licensing
 – Access to reporting tools
 – Access to configuration specialists (support)
	– How to customize the "unique" process (meter click billing)?
	 – Vendor reliability
	 – Information security
	 – Loose some control over your own data
	 – Dependent upon the ASP
	 – Dependent upon the ISP

Bandon Group should choose **option 1** above. That means to replace the old legacy system (OMD) and all decentralized CRM systems with **one common standard ERP solution** (incl. CRM add-on from the same vendor). By following this recommendation Bandon Group will gain the biggest advantages and at the same time minimize the disadvantages. This solution will establish an IT foundation for the next 10-20 years for the company.

Option 1 will help Bandon Group to get rid of the following major problems (among others):
- No relational database in OMD
    - Difficult ad-hoc query and reporting
    - Only periodic management reports
    - Proprietary OMD report generator
    - Export problems to MS Access etc.

- Many CRM applications in the four divisions
    - Bandon Phoenix:
        - Pivotal package
        - No integration with OMD (customer data)
        - To extensive and complex for the other divisions
    - Bandon Portland:
        - Microsoft CRM (pilot)
        - No integration with OMD
    - Bandon Salt Lake:
        - Soaring package
        - Integrated with OMD, but impossible with ERP
    - Bandon Denver:
        - Local sales prospecting SW (Goldmine etc.)
        - Waiting for the others to find the most cost-effective solution

- Small IT Department
    - Limited resources
    - Too many applications to support and train
    - Time consuming export from OMD to CRMs (except Soaring)
    - Decentralized organization of IT
        - Each division may choose SW
        - Expensive

- Competitors beginning to implement ERP solutions
    - Relational database technology
    - Cross-functional integration
    - Support for front-end applications (CRM, Webstore etc)
    - eBusiness solutions

- The foundation ERP system not in place at Bandon Group, Inc.
    - Not able to achieve all benefits the competitors gain by implementing a modern ERP system

The standard system must be customized with basic functionality unique for this industry:

- Meter-based billing software (supported by OMD today)

Option 1 will give these opportunities:
- More information for tactical and strategic management
- Standardized business processes ("best practices")
- More targeted marketing
- Spell out directions for central and decentralized IT
- Each division to achieve its strategic marketing objectives

<div align="center">IMPLEMENTATION ORDER</div>

➔ *In what order should they plan to acquire ERP? CRM?*

If Bandon Group follow my recommendation above and pursue the ERP and CRM system from the <u>same</u> vendor, they should perform a big-bang vanilla implementation of both systems. The CRM module will then by default be integrated with the selected ERP-system, and that will minimize the risk.

If they choose ERP and CRM from different vendors, they should divide the implementation into 2 phases:

o Phase 1: ERP
o Phase 2: CRM

Report 4 – MOHAMMAD JAFARI

INTRODUCTION

Enterprise Resource Planning (ERP) systems help companies to integrate data used throughout the organization in different key areas. This distinguishes them from normal information systems, since they integrate information and information based processes within and across functional areas in an organization. Like other software systems, ERP systems have different focuses and therefore different areas of use and utility value for different companies. The link between ERP systems is that they are integrated and more flexible than regular information systems because of their integrated component based software and their evolving architecture and expanding functionality giving cross functional integration of all information flowing through a company in real time. By a right implementation it can help to maximize profit in the supply chain as a whole (Mary Sumner's lecture notes, 2006).

This paper, will evaluate the feasibility for implementing an ERP system for Bandon Group, Inc. It will answer Steps (2, 3, 7, 8 & 9) from the case study on page 151. It will start by solving Step 2

which looks at developing a list of major problems and opportunities defined by management. It will then look at critical success factors for measure sing IT needs in order to solve Step 3. Moreover, it will list of IT priorities for Bandon Group, Inc. which will be the answer for Step 7. Then it will develop a recommendation for Bandon Group on where the company should pursue an ERP system or keep their legacy system (OMD) (Step 8). Finally, recommend a supplier for the ERP system after evaluating alternative vendors.
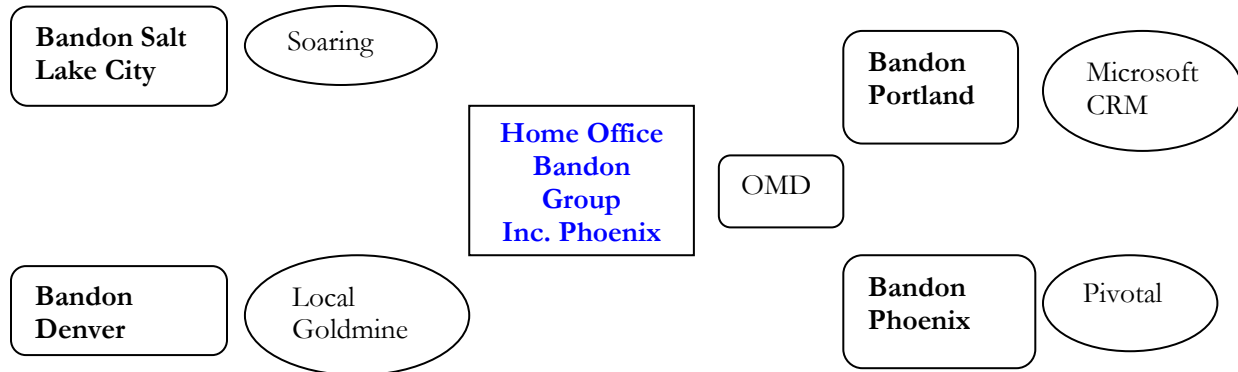

STEP 2: CURRENT SYSTEM CHALLENGES AND OPPORTUNITIES

Challenges:

- The current system has no related database.

- There are too many files – which leads to inconsistency and redundancy.

- The information is spread over too many systems.

- The OMD (packages) has the accounting information.

- The sales prospect data are in different systems.

- The Bandon Group have no foundation for e-business

- The Bandon Group have a unique business process (The so called meter click billing – they also bought an OMD for its module).

Shared legacy system: Current OMD

Bandon Salt Lake City	Soaring		**Bandon Portland**	Microsoft CRM
		Home Office Bandon Group Inc. Phoenix — OMD		
Bandon Denver	Local Goldmine		**Bandon Phoenix**	Pivotal

Sales prospecting in the 4 divisions, which are placed in:

Salt Lake City

Port Land

Denver,

Phoenix

Opportunities:

- Competitors are implementing an ERP system
- Competitors are implementing e-business
- Grow systems consulting
- All of there divisions are decentralized.

The current different systems used in four divisions:

Soaring:

+ Package with relational database

+ Integrated with legacy system

- Not integrated with any ERP-solution

Microsoft CRM:

+ Integration with daily used Microsoft programs, such as for instance MS-Office.

+ Could be integrated with MS Great Planes

- Not integrated with OMD

Local Goldmine:

\+ Relational database is load

\- Not integrated with OMD

Pivotal:

\+ Relational database

\- Not integrated with OMD

STEP 3: SHARED INFORMATION TECHNOLOGY (IT) NEEDS

In order for Bandon Group to succeed; it is crucial to implement the following:

- Have an e-business system solution. In order to have a web-store that sells supplies online, provide online meter-reading, and enter service calls. (Currently, the IT manager has to add on the old legacy system).

- Develop sales and marketing analysis report. (Currently, there is no relational database capability or Querial tool "SQL" environment).

- They need service management reports. In this case they should have:
  - Service call reporting,
  - Suspect activity reports (such as, machines doing excess volume), and
  - Service history broken down by customers. (Currently, they do not have relational database capability).

- Upgrade there invoicing system to electronic bill presents. As there current system is too complicated, and can not drive in the current environment.

- They have to build a new financial business system, in order to be able to adapt to the new go IT-consulting ventures. (All divisions need it, apart from SaltLake City). (the current OMD system, does not support financial activity for consulting ventures).

STEP 7: LIST OF IT PRIORITY

IT NEED	Bandon Portland, Oregon	Bandon Salt Lake City, Utah	Bandon Denver, Colorado	Bandon Phoenix, Arizona
SALES				
Ad hoc query ability	X	X	X	X
Relational database	X	X	X	X
Lease documents in Adobe format	X		X	
Lease invoices in Adobe format				X
Electronic meter-reading capture	X			
Desktop application software	X			
Import D & B data			X	
Customer web access (I-Manager)	X		X	
Remote access				X
User-defined fields		X		
Sales prospecting tools	X			X
SERVICE				
Remote access via laptop	X			
Technical updated via CD			X	
Electronic purchase order			X	
GPS tracking for service technicians				X
Suspect service activity reporting				X
Management reporting for service (e.g excess vol.)	X			X
ADMINISTRATION				
Customize invoice format	X	X		X
Electronic invoicing capabilities	X			
Billing for technology services				X
Central licensing of desktop software		X		

STEP 8: RECOMMENDATION WHERE TO IMPLEMENT AN ERP

ERP	
Advantages	Disadvantages
1. New business processes (re-engineered on best practices) 2. Shared cost for a unified system containing: systems, support, maintenance, training, upgrades, software) 3. Better reporting (relational database) 4. Integration between ERP and CRM, ERP and e-business New business possibilities	1. ERP-does not support their unique business process (meter-click-billing) 2. Additional costs required to write a customized ERP-module for meter-click-billing 3. Cost of implementing ERP (from legacy), • Training (technical people and end users) • Migration • Configuration • License

OMD + CRM	
ADVANTAGES	DISADVANTAGES
1. It works, as they have (10 years) knowledge of OMD 2. Inexpensive, no training needed, 3. Short implementation time, 4. Avoid cost of major ERP implementation.	1. Lack of reporting capability 2. No systems to support their new IT-consulting business. 3. No migration to e-business 4. Short term fix: Does not fit any vendor strategy 5. Training costs for CRM 6. Data migration costs for CRM

ASP "APPLICATION SERVICE PROVIDER"	
ADVANTAGES	DISADVANTAGES
1. No implementation costs, ASP will handle: Hardware, software, technical support, licensing 2. Access to reporting tools 3. Access to configuration specialists	1. How to customize the "unique" process 2. Vendor reliability 3. Information security 4. Loose some control over your own data 5. Dependent on the ASP

STEP 9: RECOMMENDATION FOR AN ERP PROVIDER

ERP systems can help firms to integrate data used within the organization in many key areas. This means that for small companies and corporations with few products an ERP system is inappropriate to give value for money. Both the indirect and direct costs are too high, due to the specialization the system undergoes for each customer and the change the organization has to experience to create a basis for the system to work.

On the other hand, large companies can increase there profits by implementing an ERP system through reducing administration costs, reduce mistakes, and working more efficient. Organization implementing ERP system with such goals has to accomplish an organizational change in terms of organizational structure and business culture. The different ERP systems have obvious different influences on the organization and therefore drive the need for change. Consequently it is important for organizations to involve the distributor of the ERP system in early stages to reduce risk of an ERP failure. Therefore before buying an ERP system companies should use time to test the system and see if it will work on there current business culture. It is found that companies experienced problems at all levels during the implementation of an ERP system life cycle. Consequently, caution must be exercised when assessing ERP success, especially during the project phase, since serious problems might be concealed underneath the surface of the seeming success. Successful implementation of ERP is intricately tied to top management setting the strategic direction of the implementation process. This is accomplished by continuous support and monitoring of the implementation process (Mary Sumner's lecture notes, 2006).

The table below summarises the differences between three vendors:

Great Plains	Small companies	It is an American company, which was acquired by Microsoft in 2000 and now it has its separate division within Microsoft's small business organization, currently, it is the leader in small business market. It performs applications that cover accounting and finance management, reporting and analysis, human resources, distribution, manufacturing, customer and supplier relationship management and e-commerce. www.greatplains.com
Oracle	Large companies	This American company is the world's second-largest software provider, because of its leadership in enterprise database management software. Over the years, Oracle developed ERP applications for manufactures, human resources, financials, project management, supply chain management, business intelligence, customer relationship management, sales force automation, and many others. The services business of the company consists of three operating segments: consulting, education and advanced product services. http://www.oracle.com/corporate/about.html
SAP	Large	This is a German software company, and is the leader in packaged ERP. SAP

	companies	provides a broad selection of applications including manufacturing, human resources, financials, project management and planning, business intelligence, customer relationship management, supply chain management, e-markets, portals, product lifecycle management and others. http://www.sap.com/company/index.epx

Considering the above table, I would recommend that Bandon Group, Inc will be better-off going for Great Plains/Microsoft as Bandon Group, Inc is not a very large company. In addition, Microsoft Dynamics GP can support and integrate with the current systems Bandon Group use, supports web-based order processing and order tracking capability by allowing customers to view their purchasing status online, save time, reduce overhead costs, and increase customer satisfaction. Moreover, Microsoft Dynamics GP Financial Management which is needed for the success of the company can:

- "Provides an automation of General Ledger tasks
- Allows users to build MS Excel-based reports and budgets through wizards.
- Creates comprehensive vendor information, payment scheduling, and tracking
- Allows users to view cash inflows and outflows through a calendar-based interface.
- Helps track invoices, process receipts, and analyze customers activities
- Analyze sales performance with receivable tracking with each salesperson or sales territory". (*)

The reporting program Microsoft Dynamics GP offers can transforms data into meaningful, valuable information by providing a range of flexible, customizable analytics, reporting and budgeting options to meet company's needs. The reporting program has the following characteristics:

- "Collect and report from almost any financial data source and integrate with Great Plains applications
- Streamline group reporting and data consolidation
- Export reports to Excel and HTML formats and easily schedule for mass distribution
- Analyze enterprise-level financial scenarios without impacting live data
- Archive reports for easy distribution and storage
- Enter data and generate reports using only a web browser
- Import data from multiple sources into Enterprise Reporting Database
- Integrates with Excel and other Products
- Integrates with SQL Server Reporting Services

- Now offers Collection of 8 pre-defined reports
- Integrates with Crystal Reporting
- Many third party tools for reporting" (*)

Microsoft Dynamics GP has an excellent consulting support as it:
- "Uses Business Solutions certified partners to implement Great Plains
- Offers packaged consulting that contain pre-implemented programs that ensure all parties have a solid understanding of both the technical and business paths to a successful implementation.
- Offers full-service implementation with resources who can assist and augment your implementation
- Offers other additional consulting services that can assist in the implementation of solutions" (*)

Finally, Microsoft has a number of different training activities that increase user's knowledge and productivity such as classroom and e-learning and training for Microsoft Dynamics Great Plains.
The price of a complete business software solution can range from $5,000 to $500,000 USD. This is much less from buying SAP or Oracle as they can cost between 100 000 to 1.5 Million USD.

* **(This section in "Step 9" has been heavily adopted from the PowerPoint presentation "Microsoft Dynamics GP Strategy, Capabilities, Support Systems" provided by Mary Summer, 2006).**