

Internal Assessment Test 2 – May 2017

Sub:	Enterprise Resource Planning						Code:	13MCA455	
Date:	10-05-17	Duration:	90 mins	Max Marks:	50	Sem:	IV A	Branch:	MCA

Answer any 5 questions. All questions carry equal marks.

		OBE	
		CO	RBT
1.	a. Explain the different ERP implementation methodologies.	[10]	L2
2.	a. What are the objectives of ERP implementation?	[5]	L1
	b. Explain the hidden costs of ERP implementation.	[5]	L2
3.	a. Explain the role of vendors and consultants in ERP implementation.	[10]	L2
4.	a. Explain ERP implementation life cycle with neat diagram	[10]	L2
5.	a. Explain Project Management and monitoring.	[10]	L2
6.	a. Discuss in detail the market place dynamics of on premise ERP and on demand ERP with suitable example	[10]	L2
7.	a. Explain the characteristics of tier I ERP, tier II ERP and tier III ERP with an example.	[10]	L2
8.	a. Write short notes on ERP Vendors.	[10]	L2
	a. SAPAG		
	b. ORACLE		

Internal Assessment Test 2 – May 2017 (Answer Key)

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1. a. **Explain the different ERP implementation methodologies.**

Accelerated SAP:

Project Preparation
Business Blue-Print
Realization
Final Preparation
Go-Live and support continuous change.

Perfect Path:

Program management of vendor and internal client resources, project plan, and budget
Comprehensive business process re-engineering and workflow definition
Incorporation of lean manufacturing, six-sigma
Improvement of technical infrastructure
Alignment of ERP implementation with business requirements
Risk management and mitigation planning activities
Organization change management, communication and training activities
Integration between the core ERP system and business processes, systems and stake holders
Definition of ERP measure of success
Optimization of measurable business benefits
Functional and technical development and support
ERP Implementation method:

Fugo Consulting:

Project Planning, Gather requirements, Critical business processes, Customizing, Prototyping, Testing, Additional functionality, Go-Live, Warranty support.

Off-Shore-Onsite ERP Implementation methodology:

Define:

- Project scope
- Work content definition
- Project plan
- Business requirements
- Conversions and interfaces
- User signoff

Design:

- Gap analysis
- Configuration of the base system
- Development of customization or extension
- Design of conversions
- Interface designs
- Solution foot print design signoff

Configure:

Business process mapping to establish functional flows
Development of custom code over and above base application functionality
Solution footprint unit testing

Deploy

Migration of tested code to the target instance for production
Creation of base instance setups followed by conversions, interfaces and customization
Ready for go-live

Support

Help the client to build necessary skills
Planning of transition for handover of the system to the client team.

2. a. **What are the objectives of ERP implementation?**

The objectives include characteristics such as:

- Scope
- Speed
- Resources
- Risk
- Complexity
- Benefits

b. **Explain the hidden costs of ERP implementation.**

Training

Customization

Integration & Training

Data Conversion

Data Analysis

Consultants

Brain drain(employee turnover)

Continuing maintenance

3. a. **Explain the role of vendors and consultants in ERP implementation.**

Roles of vendors:

1. Vendor should supply the product and its documentation as soon as the contract is signed.
2. The vendor is responsible for fixing any problems in the s/w that the implementation team encounter.
3. Another role the vendor has to do is to play the role of the trainer.
4. Customize as per business need.

Roles of the Consultants:

1. Administering each of the phases of the implementation.
2. Consultants should add value to the project.
3. Consultants should also remain impartial while questioning current company process.

4. a. **Explain ERP implementation life cycle with neat diagram**

Pre-evaluation Screening:

When the company has decided to implement the ERP the search for the convenient and suitable ERP

package begins.

Package Evaluation:

The objective of this phase is to find the package that is flexible enough to meet the company's need or in other words, software that could be customized to obtain a 'good fit'.

Project Planning Phase:

This is the phase that designs the implementation process. Time schedules, deadlines, etc. for the project are arrived at. The project plan is developed in this phase.

Gap-Analysis:

This is the most crucial phase for the success of the ERP implementation.

Simply it is the process through which companies create a complete model of where they are now, and in which direction they want to head in the future.

Reengineering

The second use of the word 'reengineering' in the ERP field focus on the Business Process Reengineering (BPR)

Configuration

In this case business process has to be understood and mapped in such a way that the incoming ERP solutions match up with the overall goals of the company.

Implementation Team Training

This is the phase where the company trains its employees to implement and later, run the system.

Testing

The test cases must be designed to specifically to find the weak links in the system and these bugs should be fixed before going live.

Going Live

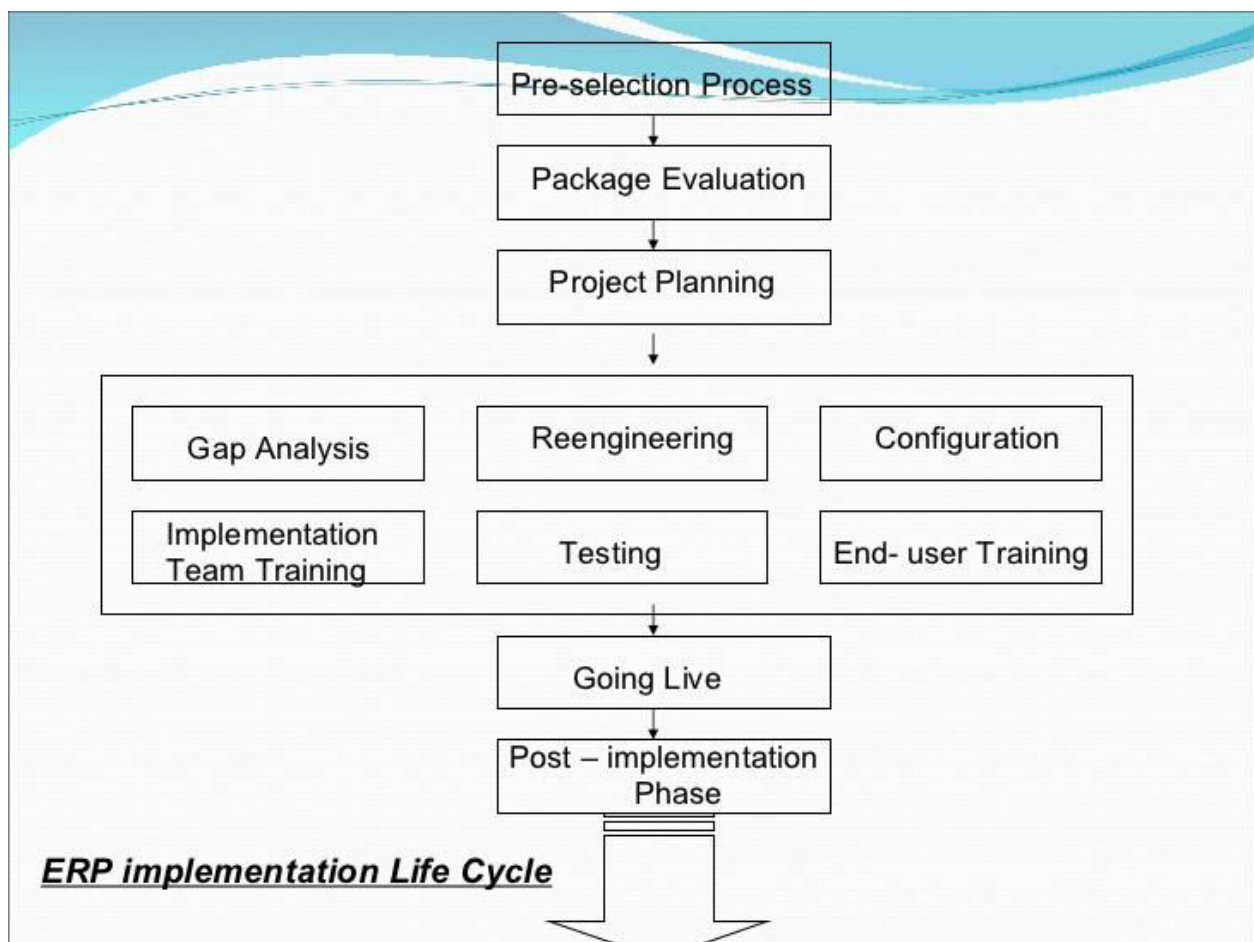
In this phase all data conversion must have been done, and databases are up and running; and the prototype is fully configured and tested.

End-user training

The employees who are going to use the new system are identified and their skills are noted.

Post – implementation

There must be enough employees who are trained to handle the problem that might occurred when the system is running.



5. a.Explain Project Management and monitoring.

ERP Project Management

1. Project Integration management
2. Project Scope management
3. Project Time management
4. Project Cost Management
5. Project Quality management
6. Project Human Resource Management
7. Project Communications Management
8. Project Risk Management
9. Project Procurement management

6. a.Discuss in detail the market place dynamics of on premise ERP and on demand ERP with suitable example

Market Dynamics: On-Premise ERP

1. ERP vendors are continuing to expand market presence by offering new applications such as supply chain management, sales force automation, customer relationship management, business analytics and business intelligence, and human resources.
2. To sustain their rapid growth, ERP vendors will look to sell more licenses into their installed base.
3. While ERP originated in the manufacturing market, ERP usage has spread nearly to every type of enterprise.

On-Demand

In 2011, the on-demand or SaaS-ERP comprised just two percent of the ERP market. SaaS-ERP accounted for 14.1% of the total SaaS market. The other solutions that are part of the SaaS market are CRM (31.4%), Content Communication and Collaboration (26.4%) and others (28.1%). According to a Forrester study [3], the SaaS ERP which is just 2% of the ERP market is expected to grow by about 21% annually through 2015 to reach 4%.

SaaS-ERP gained momentum as SMEs started opting for it because of the low initial cost. Another factor that led to the growth of the on-demand ERP market was the decision by SAP and Oracle to come out with SaaS products. IT departments are attracted to the SaaS model because it provides relief from disruptive version upgrades and manages a large number of disparate applications.

As SaaS ERP solutions eliminate the need to install hardware and ensure easier and faster implementation, executives involved in technology decision-making across businesses are increasingly turning to these solutions. However, the penetration of SaaS within ERP varies greatly between sub-segments, with Human Capital Management (HCM) having the most penetration. The availability of HR systems as SaaS-which can be paid for on a monthly subscription basis-

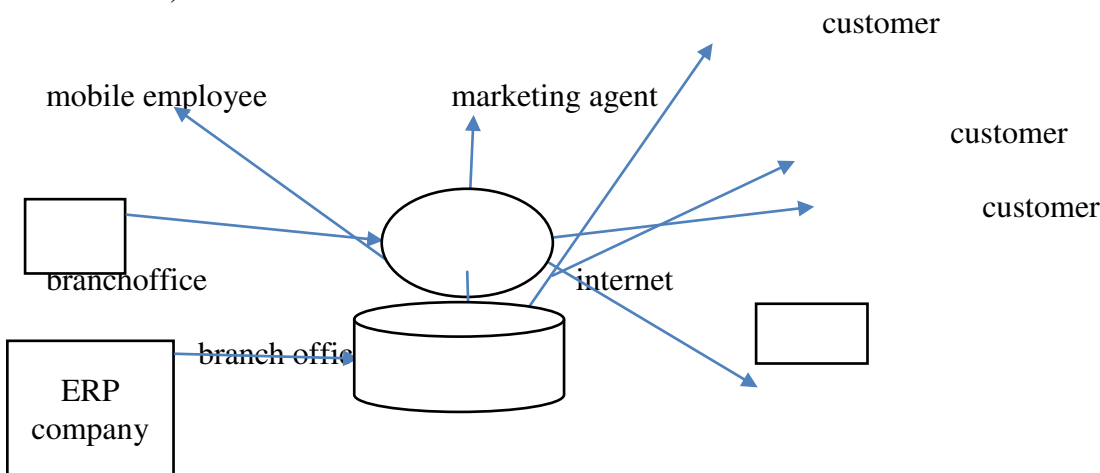
helps companies manage HR data in real time. Some of the core HR areas for SaaS that are gaining importance are labor management, HR administration, payroll and recruitment.

According to KPMG International [1], in 2011, the worldwide SaaS ERP market revenue reached \$1.7 billion, up by 13.3% from \$1.5 billion in 2010. In 2012, the worldwide SaaS market revenue is expected to reach \$2 billion. The global SaaS market is expected to reach \$3 billion by 2015, growing at a CAGR of 14.7% during 2011-2015. Companies across industries are increasing their investments, shifting their projects from on-premise to SaaS.

In 2011, North America accounted for 63.4% of the global SaaS market. In 2011, SaaS revenue in the region reached \$1.1 billion; a 20% increase over the revenue generated in 2010 and is expected to grow to \$1.8 billion by 2015. Ease and speed of deployment and lower Total Cost of Ownership (TCO) are driving the growth. In Latin America, SaaS revenue is forecast to total \$97.9 million in 2015, up from \$46.7 million last year.

In Western Europe, SaaS revenue grew 23.3%, from \$300 million in 2010 to \$400 million in 2011 and it is expected to grow to \$700 million in 2015. In the Eastern European region, it is projected to reach \$38.1 million in 2015, up from \$19.1 million last year. Apart from these regions, Northern Europe, which comprises the UK, Ireland, the Netherlands and Nordic countries, is also experiencing a robust SaaS adoption. Major factors contributing to the robust growth in the European SaaS market include culturally open outlook toward technology adoption, well-established internet infrastructure and English as the primary language.

In the Asia Pacific region, SaaS market revenue grew 21.5%, from \$84.9 million in 2010 to \$103.1 million in 2011 and is expected to grow to \$200 million by 2015. Australia, New Zealand, Hong Kong, Singapore, and South Korea are some of the key SaaS markets that offer growth opportunities for service providers. In Japan, SaaS revenue reached \$60.2 million in 2011, up 35.4% from \$44.5 million in 2010 and is expected to grow to \$88.7 million by 2015. Major factors spurring growth include established infrastructure, more stable networks and availability of vendor sales, marketing and support service structures)



7a. Explain the characteristics of tier I ERP, tier II ERP and tier III ERP with an example.

	Tier I ERP Products	Tier II ERP Products	Tier III ERP Products
1	Annual revenue more than \$250 million	Annual revenue between \$25 - \$250 million	Annual revenue less than \$25 million
2	High complexity	Medium Complexity	Limited functionality
3	Highest cost of ownership	Medium cost of ownership	Lowest cost of ownership
4	Can be used in many industry	Vertical industry focus	Vertical industry focus
5	Industry Specific solution	One product for all industry	One product for all industry
6	Largest ERP companies	Medium ERP companies	Small ERP companies
7	Internaltional Operations	International operations	
8	Multilanguage, muticurrency capabilities	Can have multilanguage, multicurrency capabilities	

8a. Write short notes on ERP Vendors.

a. SAPAG

Started in 1972.

In 2011 total revenue of \$18.54 billion in the financial year.SAP AG is world leader in Enterprise software and software related services.

1. Business Suite
2. SAP Analytics
3. SAP ERP
4. SAP Business One
5. SAP Business By Design
6. SAP Business All-in-One Solutions

b. ORACLE

ORACLE CORPORATION is founded in 1977 which is the world’s second largest software company. It’s Total revenues of \$37.1 billion in the financial year 2012.

1. ORACLE Applications
2. ORACLE E-Business Suite
3. Siebel
4. ORACLE Fusion Applications
5. ORACLE Primavera
6. ORACLE’s PeopleSoft Applications
7. ORACLE JD Edwards Enterprise One
8. ORACLE JD Edwards World

