

Case 3-Team:
Cisco Systems: Implementing ERP



Instructions

Team number: 1

Names of students who actively worked on this assignment (think of it as a mini peer review):

- Sindhu Koppiseti
- Ashok Thiruvengadam
- Rahul Rudra
- Tianyu Chang

To set the “Cisco” stage, first read the wiki article and familiarize yourself with the company:
<https://en.wikipedia.org/wiki/Cisco>

To set the “ERP” stage, read the *ERP Technology Note*. Next, read the case. Next, discuss both as a team. Next, write the answers to the assignment questions below, using a Template below. List questions above your answers. Be as detailed as practical.

3-page max for the entire assignment (not including Instructions page). Formatting: TNR 12, single space, 1 inch margins. 10% penalty if over page max and/or not following the formatting.

Template

1. What are the experiences with ERP implementations among of companies who tried to do it?

Surveys conducted show that the executives do not perceive this as it will not support the businesses, they cannot change when needed to extract benefits from new system, and it might also damage their business.

One of the reasons behind this is that it is more costly and its implementation fail rate is high. Some have suggested that the rate is greater than 50 percent. It is not generally encouraged because of its high risk, cost and complexity. These surveys revealed that the experiences from the well known companies cite that acceptance of process change ,budget and schedule overruns, availability of skills, and technical failure are key risks to ERP implementations.

2. What are the main business issues to consider when planning for ERP?

1. ERP implementation leaves with a question on how much standardization in business process is good for a company.
2. When software code gets changed, company again faces issue with maintaining the ability to upgrade to future releases of the ERP package.
3. The decision whether to adopt a single vendor's offering to cover the whole footprint or to adopt to the best one. Approximately 60% opt for the best in breed strategy.
4. Staffing model to be used for the project is another issue as the project needs the most knowledgeable employees for participation. The second staffing issue arises at the end of the implementation.
5. Skilled employees may be poached by other firms which are engaged in implementation of their own.

3. At the start of the case, Cisco's info systems are failing, yet no one steps forward to lead the effort to replace them. Why? Why no managers were eager to lead the project?

- The reason is that each functional area needed to be altered to replace the Cisco's old antiquated systems which needs lot of time to invest and lot of monetary hence no one volunteered.
- Cisco's information systems were falling off due to their exponential development. The IT systems which were present were not able to deliver the dependability and maintenance required. These types of companies base their decision on the quo status and assumptions are made that the previous work would continue to function.

4. Cisco was very successful with the ERP effort. Why? What were the most important things that Cisco did correctly? Did they make any mistakes? If so, what?

1. Support from the committee which was to relieve them of the need to intervene directly in the management, the goal is to ensure visibility, high-level sponsorship for the project and to motivate the team.
2. Selecting Oracle is also one of the most beneficial thing done as they are better manufacturing capability than the other vendor and they also had long term development of functionality in the package.
3. It takes so little time to define custom configurations during the CRP0 phase to get a system that is 80% functional.

4. The team was able to discover the problems thanks to the ongoing testing and make the necessary adjustments.

Mistakes:

1. Setting up budget is not planned properly, they had put the whole thing together without really digging down deep, instead of formal business to show they decided to focus on issues that has sparked.
2. They really kept quite few days on the implementation for simulation data instead of running it parallelly.

5. Cisco went live with ERP in a big bang fashion, which is very risky. How did they mitigate this risk?

They always were aware that they are in need to improve their system by improving hardware and putting less time they kept experiencing as they are now focused on the capability and quality instead of number of products or quantity. One of the intelligent thing is that. They involved the steering committee, Oracle, KPMG almost at all the stages as they found solutions to their issues and had discovered incredible ways to implement it efficiently.

6. Was Cisco smart or lucky with its successful ERP implementation? Could they do it again if they had to?

Cisco was smart as they have learned from their mistakes and acted intelligently the next time.

- The main things they were perfect are at staffing employees. This time they hired a team where they worked together to produce quality results.
- Time management is also the reason as they were setting up the budget and project projected took 75 days.
- The IT teams they took help from are incredible in solving the issues in little amount of time and products. They are keen in bringing up the companies status and worked accordingly.
- They are enough lucky as they did not face issues or any problems with materials and software throughout their implementation within their budget.

7. Three most important things you learned from this case? Instructions: each team member to come up with three things, list them below.

Sindhu:

- Time management when required for both software and hardware works
- Thorough understanding on ERP approach and its system as previously it has seen many failures.
- Cisco decided to take this approach though they have seen this at high risk. This shows their positive attitude to take challenges.

Ashok:

- Goal setting with perfect strategies
- Taking help from other at perfect time which helped them to cross different and difficult phases.
- Identifying issues and problems at correct time and step and solving it without changing other plans.

Rahul:

- Planning the ERP project with skilled staff with least time is a thing to be learned.
- The amount of time they took compared to other failure firms is vast.
- Leadership is the most important thing to be appreciated.

Tianyu:

- Building up a case for the project when you want to submit is a thing to be learned.
- Reducing the budget compared to other teams by good understanding of ERP is hard and they did it with incredible people and with plan.
- Choosing correct people at different phases is part of intelligent planning.