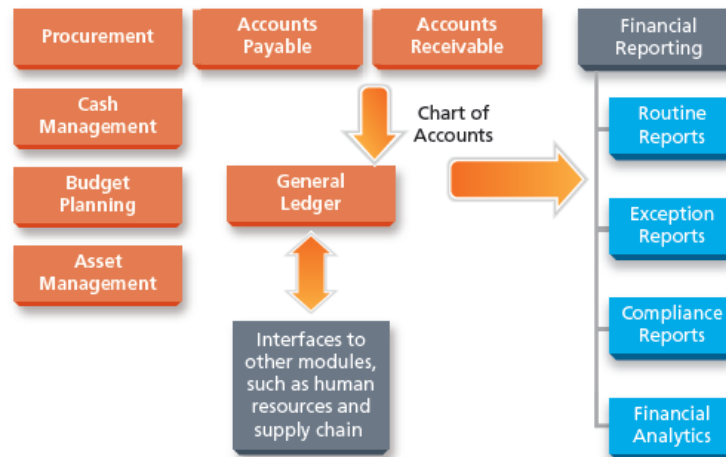# Chapter 5:
Information Systems for the Enterprise

Learning objectives

1. Information systems in organizations
2. Human capital management (HCM)
3. Supply chain management (SCM)
4. Customer relationship management (CRM)
5. Enterprise resource planning (ERP)

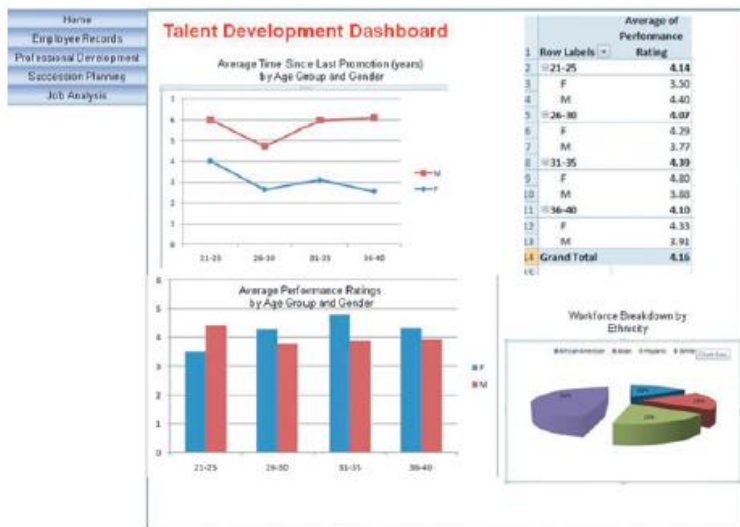# Finance management

- Components
- Integration
- Workflow

FIGURE 5-2
Sample components for a finance management system.

Reporting and compliance

- Exception reporting

- Compliance reporting

- eXtensible Business Reporting Language (XBRL)

Human capital management

Source: Copyright © Microsoft Corporation

FIGURE 5-5
Talent management applications include visualization and charting tools to display key metrics for human resource professionals.

- Human resources management
- Workforce management
- Talent management

Human capital metrics

- Do we have the talent we need?

- Can we afford to lose star employees?

- How productive are our employees?

Human Capital Metric	Description
Turnover	The percentage of workers who left and were replaced during a time period
Turnover costs	The total of termination costs, hiring costs, training costs, and other costs related to replacing a worker
Cost per hire	Average advertising costs + agency fees + recruiter's salary and benefits + relocation expenses for new employees
Human capital return on investment	The return on investment produced by the organization's expenditures on salaries, benefits, bonuses, and other costs for human talent
Employee satisfaction	Measures of job satisfaction, usually assessed through employee surveys or exit interviews

FIGURE 5-6
Metrics drawn from the human capital management system can reveal important information about how well the organization is managing human capital.
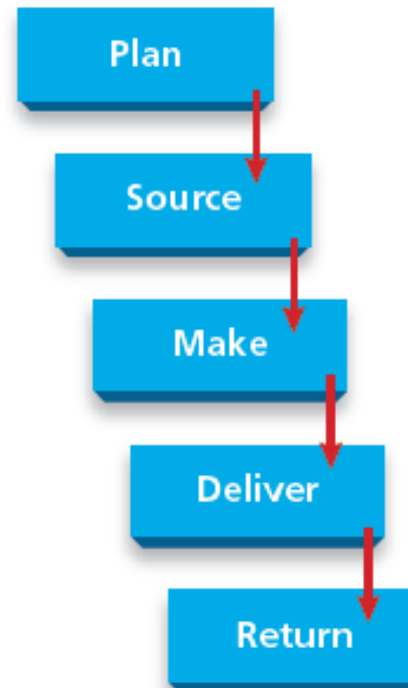
Supply chain management

- Optimize flow of products from source to customer

- Align supply with demand

Supply Chain Operations Reference

1. Plan
2. Source
3. Make
4. Deliver
5. Return

FIGURE 5-7
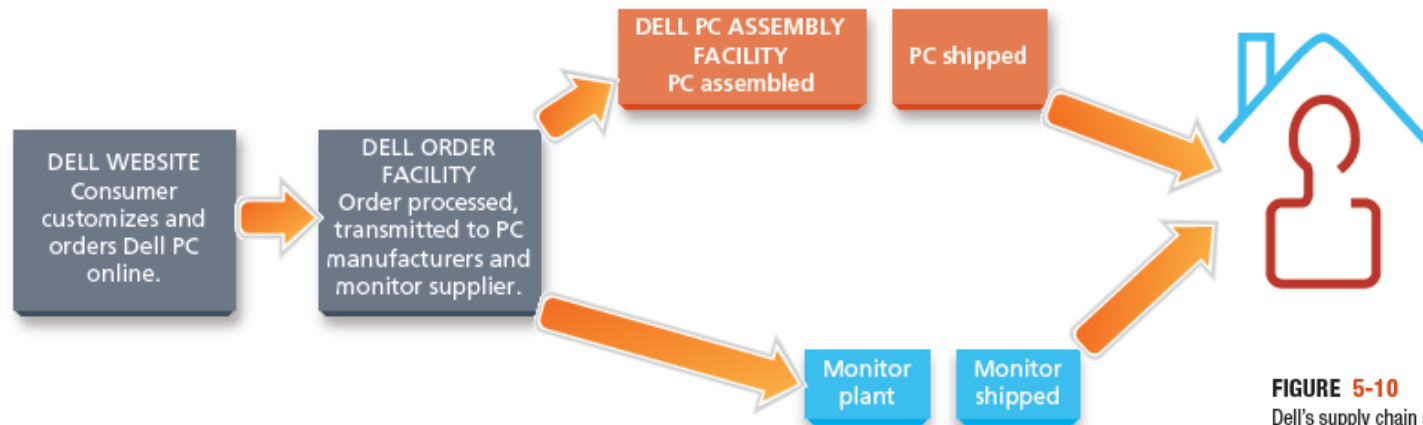
Steps in supply chain management.

Measuring performance

- Visibility

- Demand forecast accuracy

- Walmart and Dell

FIGURE 5-10
Dell's supply chain synchronizes delivery of the monitor with the PC, so they both arrive at the same time.

IS for supply chain

- Supply chain planning
- Warehouse management
- Transportation management
- Manufacturing execution
- Global trade management

Collaboration and sensing

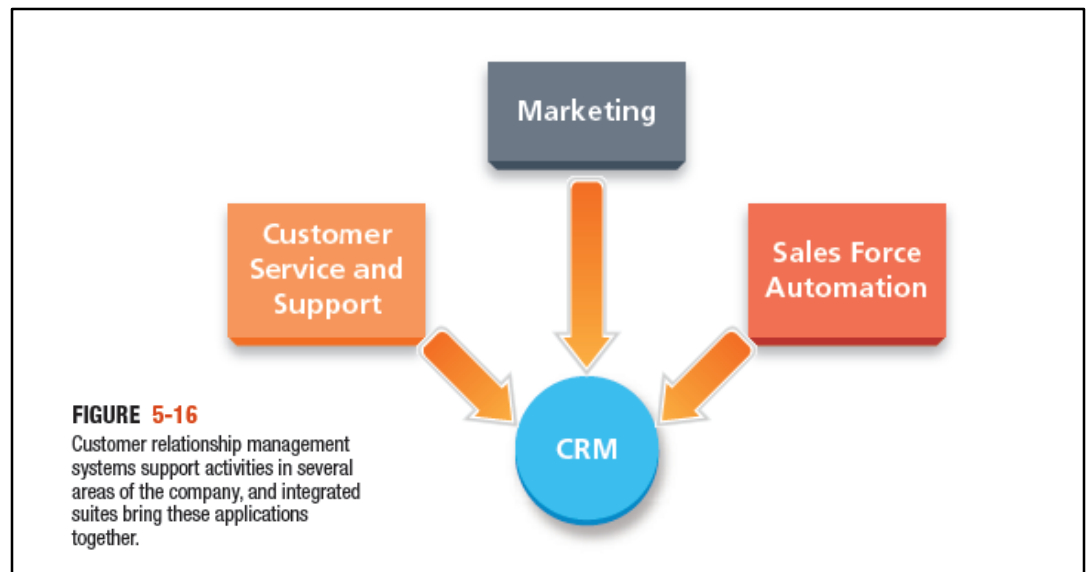| Collaboration	Sensing
• Internal and external • Electronic data interchange (EDI) • Electronic markets	• Radio frequency identification (RFID) • Global positioning systems (GPS)

Customer relationship management

- Customer retention

- Profitability

- Revenue

- Listening to customers

CRM technologies
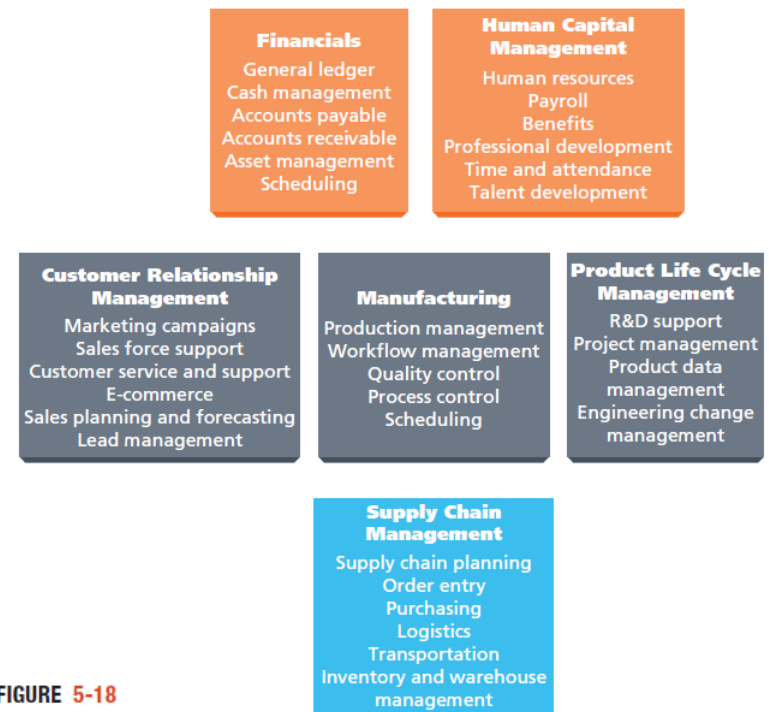
- E-mail marketing

- Sales force automation

- Customer service and support

FIGURE 5-16
Customer relationship management systems support activities in several areas of the company, and integrated suites bring these applications together.

Enterprise resource planning

- Support back office business processes
- Modules and applications

Financials
General ledger
Cash management
Accounts payable
Accounts receivable
Asset management
Scheduling

Human Capital Management
Human resources
Payroll
Benefits
Professional development
Time and attendance
Talent development

Customer Relationship Management
Marketing campaigns
Sales force support
Customer service and support
E-commerce
Sales planning and forecasting
Lead management

Manufacturing
Production management
Workflow management
Quality control
Process control
Scheduling

Product Life Cycle Management
R&D support
Project management
Product data management
Engineering change management

Supply Chain Management
Supply chain planning
Order entry
Purchasing
Logistics
Transportation
Inventory and warehouse management

FIGURE 5-18
Enterprise resource planning (ERP) systems typically include financials and human resources and often also support many other business processes.

Integration strategies

- Suite

- Best of breed

- Middleware

Implementation issues

- Complexity

- Process change

- Location differences

Software-as-a-service

- Subscription-based
- ERP advantages and disadvantages

Summary

1. Information systems in organizations
2. Human capital management (HCM)
3. Supply chain management (SCM)
4. Customer relationship management (CRM)
5. Enterprise resource planning (ERP)

Human Services case

- Washington, DC Human Services
- Different agencies, separate information systems
- Information gaps, lack of follow-up
- CRM software
- Funding and privacy challenges

Mandarin Oriental case

- 40 properties in 25 countries
- Unique properties, consistent performance standards
- Global approach to talent, 10,000 colleagues on four continents
- Talent management system
- Assess performance, determine career path and training