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## Individual Assignment for Presentation - MIS 185N

It is Fall of 1994. The chief Information Officer CIO at Networks Inc (NI) is preparing to get in front of the Board to present the budget for an Enterprise Resource Planning (ERP) project. He has been working with the ERP vendors and a Consulting Firm to choose the product that best met NI's needs. He plans to request the Board for an approval for the budget and all the resources they need for the project.

CIO is relatively new to NI, and has been there for less than 6 months. Already during this time they have had a couple of days of unplanned company shut down because NI could not ship products to customers as committed. Such problems usually occurred during quarter ends, sometime during month ends but not in such a catastrophic manner. The situation that drove them to shut down occurred during their fiscal year end in February 1994. The Board had mandated that this should not be repeated.

NI is a multi-billion global organization with most of their functions (departments) having a good level of Information Technology (IT) investment including computer applications / software systems. Currently each function has its own set of software that worked well for them. They have their own IT teams to manage these. The challenge was in having them communicate the necessary data to the systems of other departments in a timely, accurate and consistent manner. An additional wrinkle was also the different time zones in which the departments operated globally. ERP promised to address these over a period of time.

NI's core business is assembling network product components, selling the product with some installation services and for some large customers providing outsourced network center operations support. The components were in turn made by others called Contract Manufacturers or CMs who supplied them to NI. NI had 4 CMs as of 1994, operating in the US and Asia regions. Based on when NI started working with them, CMs vary in size and contribute from 10% - 30% of NI's requirements. Managing the CMs operations and financial contracts were both complex and demanding.

NI differentiated itself from their competition by meeting their customers' most complex requirements. Not only that, they also prided on allowing the customers to change their order parameters until very close to the committed delivery date. An entire department called Sales Order Processing worked on these.

In the Fall of 1994, the US and several countries had woken up to the so-called Y2K risk. Every business / organization in the world had to change the 2-digit year code to 4-digits in their systems by 12/31/99. Otherwise the software will get to 1/1/00 which led to a series of 'division by zero' issues. While this drove a lot of demand for NI's products it also made the next few years challenging to get enough software professionals. Also NI was aggressively expanding operations to new locations in Africa and South America. Global trade constraints mandated that the shipments to and from some of these locations need to be made from outside the US. NI had set up operations and accounting for this in Europe.