

BIT 582: Enterprise Systems Strategy

Course Information and Syllabus

Contact Information

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Course Materials

Required Course Packet. Available for purchase through CTools. Additional readings and work-in-progress materials will be distributed in class.

Class Meeting:

Section 001/451: Tue 7 p.m. to 10 p.m. W2760. We will also meet for two additional Saturdays: March 8th, and April 5th, both days from 8:30am to 1pm.

Office Hours

I would be happy to meet with you by appointment. Please send me an e-mail or contact my admin Susan Slavin (contact info above) for my available time slots. If the available time slots do not fit your schedule, we can also work out a mutually convenient time to meet. If you would like to meet during normal working hours, I prefer Monday, Tuesday, or Wednesday. Office hour meetings will usually be held in my office.

Prerequisites

The course is aimed at all business students who are interested to understand the managerial implications of enterprise information systems for business competitiveness, efficiency and innovation. There are no prerequisites for this class.

Course Organization

The course is organized into the following five modules:

Module 1 Emerging Competitive Landscape and the role of Enterprise Systems

We will start by analyzing how competitive landscape is changing across industries and traditional views of value creation are being challenged. Creating one product for all customers or linear value chains do not apply anymore. We will then define the emerging competitive landscape and discuss the new competencies required to succeed. In the context of these requirements, we will introduce the dominant enterprise systems in use today: Enterprise Resource Planning (ERP), Supply Chain Management (SCM) and Customer Relationship Management (CRM) systems. We will *critically analyze* the role these systems currently play in determining competitive advantage of firms and how these roles are likely to change

Module 2 Challenges with Current Enterprise Systems and What Emerging Technologies Offer?

Traditional Enterprise Systems are proving insufficient to handle complexities and requirements of many business contexts. We will discuss a Ross School of Business case (ITC) with the objective to critically evaluate challenges with Enterprise Systems. We will then proceed to discuss latest technological approaches that address the shortcomings in traditional Enterprise Systems, namely Service Oriented Architecture and Component Based Architecture. We will focus on improving business process efficiency using IT and focus on improving process flexibility (i.e. capability to change the business processes easily), increasing business agility (how quickly can we respond to changing business environment?) and reducing process complexity.

Module 3 Role of Enterprise Systems in Global Resource Leverage: Business Process Management, Outsourcing and Analytics

We will extend our discussion of improving process efficiencies using IT to include process disaggregation and the resulting global sourcing of business services. We will begin with an overview of IT outsourcing, including recent trends in the globalization of this service. We will discuss how globalization is extending to the outsourcing of other business processes. We will discuss a Ross School of Business case (Evalueserve) on outsourcing of knowledge services, and address the relevant enterprise architecture considerations for sourcing. There will be a presentation by a guest speaker from a leading offshore vendor, who will provide the view from the trenches of the global services outsourcing industry.

Module 4 Security, Governance and Compliance

Recent developments in regulations and security environment has raised the importance of IT governance and compliance with regulatory requirements like Sarbanes-Oxley. We will start with a presentation by the guest speaker from Ernst & Young on challenges in business security, governance and compliance. We will then link these to the role of information systems within large organizations. We will then discuss the role of general managers in ensuring IT governance and compliance. We will also discuss aspects of Sarbanes-Oxley regulation and how they can be leveraged to improve performance.

Module 5 Connecting IT Capabilities and Business Innovation – Course Wrap up

We will wrap the course by recapping all the key concepts of the course. We will emphasize importance of innovative leveraging of Enterprise Systems in today's business environments by discussing a Ross School of Business case (ICICI). The CEO of this firm thinks like a CIO and identifies their ICT and digital capabilities as one of key factors in their winning business strategy.

Course Grades

MBA courses are subject to the following grading scale:

Excellent:	Performance of superior quality
Good:	Performance exceeds all standard requirements of the course
Pass:	Performance meets all standard requirements of the course
Low Pass:	Performance minimally meets standard requirements of the course
Fail:	Performance does not satisfy minimal requirements of the course and is deficient on significant dimensions

(Note that a letter scale of A+, A etc. is not used)

The following states the official grading policy for all MBA classes:

1. Approximately 25% of students will receive an Excellent

2. The ratio of Goods to Passes should be about 1 to 1, with approximately 35% of the class being in each category
3. Approximately 5% of the class will receive a Low Pass. This expectation does not mean that an instructor must force a certain percentage of low pass, but it certainly is not expected that a course would have no Low Passes

This grading system also applies to students from other degree programs enrolled in MBA courses. The University Registrar will automatically convert Business School grades to letter grades according to the policy of the student's program. *Interested students from outside the Business School should find out the conversion scale from their department.*

While this is not a core course, I plan to generally match the policy stated above. Grades for this course will be determined based on your performance on the following assignments:

Group final project report	25%
Final project presentation	20%
Group class presentation	15%
Individual case/article writeup	15%
Class participation	25%

Each of these assignments is described in more detail below.

Group final project and presentation (40% of grade)

The group final project will provide an opportunity for you to conduct in-depth analysis of a specific business or technology issue that interests you. Appropriate topics may include (but are not limited to) those below. We expect that the paper will focus on a specific issue, rather than a general overview.

- Impact of enterprise applications on an industry
- Emerging enterprise application architectures and technologies
- Issues related to sustaining competitive advantage in the application infrastructure industry
- Case study of an application that added business value to a firm
- New business models and the role of enterprise systems
- The role of business processes in implementing strategy
- Globalization of services and the role of enterprise architecture
- Implementation experiences and lessons learned

Each group will consist of four or five members, and will be selected by the students (not assigned by the professor). Each group will submit a **one page proposal by March 8, 2008**. This proposal should list the team members, and include a brief description of the project (150 - 200 words) and a list of resources you plan to use (such as library search, business databases, company projects, organizational interviews, etc.). Please let me know upfront if you require some special resource, and I will try to assist. I will conduct **one project status meeting with each group** during the course, to review progress, discuss any key issues, and provide constructive feedback. The project status meeting is **mandatory** and will be held during the weeks of March 11, 2008 and March 24, 2008. Please bring an outline of the final project report and a proposed series of milestones that you plan to accomplish. In addition to this meeting, you may schedule appointments with me to discuss your project anytime during the semester.

The final project presentation will be in class on April 8th 2008, and the group final report will be due via e-mail by 11:59pm on April 8th. The project report should be 4,000 – 5,000 words in length. Along with the project report, all groups are also required to submit an executive summary, maximum of two pages, of their project report. Hand in two copies of the report and executive summary. The final report will be worth 25% of the course grade, and the final presentation will be worth 15%. The final report and presentation grades will be based on both content and form, as Michigan MBA students are expected to exhibit both strong critical thinking skills and professional written and verbal presentation

skills. For the final presentation, the rest of the class will submit a peer evaluation report. The professor will consider the peer evaluation reports to determine the final presentation grade.

Group presentation (20% of grade)

During the term, each group will also make one in class presentation on current issues related to the discussion theme for that week. The enterprise software and applications industry involves frequent changes in regulatory policies, rapid innovations in technology and products, and new opportunities for business applications. Globalization of business services is also a hot topic and the role of business process infrastructure to enable firms to leverage global resources in new ways is an evolving concept. Each group may choose any presentation topic that relates to the discussion theme for that week. Based on feedback from previous students, the following ground rules will apply for group presentations:

- Each presentation will be strictly limited to 10 minutes (maximum 5 slides, excluding the cover slide)
- All graphics and tables must be original work of the group (no cutting and pasting graphics from Gartner, Forrester, etc.)
- If a group would like to have its draft slides reviewed upfront, the group must e-mail the slides to the professor and TA by 24 hours before the class.

It is expected that these presentations will contribute to the collective learning in the class.

Individual case/article writeup (15% of grade)

Each student will submit a two page writeup for one of several articles that will be discussed in the course. Case/article assignments and questions will be posted on CTools by March 6th. All case/article writeups are due at the start of the class. Case/article writeups will not be accepted after we discuss the case in the class. **Note that all students are required to read and prepare all cases and articles for class discussion.**

Individual class participation (25% of grade)

As students from a top Business School, your employers expect you to be leaders. A key way to lead and contribute is to share your knowledge and express your perspective. Reading assigned materials before class, and coming to class prepared to discuss those materials will give you the opportunity to develop those leadership skills now, and will be a key component of the course grade.

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Table of Contents

Module 1 Emerging Competitive Landscape and the role of Enterprise Systems

March 4th

1. "The Dynamic Synchronization of Strategy and Information Technology," C.K. Prahalad and M.S. Krishnan, *Sloan Management Review*, Summer 2002.
2. "What is the Right Supply Chain for Your Product?" M.L. Fisher, *Harvard Business Review*, March-April 1997.

March 8th

3. "Flexible IT, Better Strategy," John Seely Brown and John Hagel III, *McKinsey Quarterly*, 2003 Issue 4
4. "Enterprise 2.0: The Dawn of Emergent Collaboration," *Sloan Management Review*, Andrew McAfee, Spring 2006

Module 2 Challenges with Current Enterprise Systems and What Emerging Technologies Offer?

March 11th

5. "Avoid the Four Perils of CRM," Darrell K. Rigby, Frederick F. Reichheld, and Phil Schefter, *Harvard Business Review*, February 2002
6. "Realizing Business Benefits Through CRM: Hitting the Right Target in the Right Way," Dale L. Goodhue, Barbara H. Wixom, and Hugh J. Watson, *MIS Quarterly Executive*, June 2002.
7. "Consumer Centricity," C.K. Prahalad, V. Ramaswamy and M.S. Krishnan, *InformationWeek*, April 2000.

**Module 3: Role of Enterprise Systems in Global Resource Leverage:
Business Process Management, Outsourcing and Analytics**

March 18th

8. "Your Next IT Strategy," J. Hagel III and J.S. Brown, *Harvard Business Review*, October 2001.
9. "The Shape of Things to Come," C.K. Prahalad and M.S. Krishnan, *Optimize*, February 2002
10. "ITC Case" M.S. Krishnan, *University of Michigan Ross School of Business Case*
11. Service Oriented Architecture, Component Based Architecture: Study Note, to be distributed in class

**Module 3: Role of Enterprise Systems in Global Resource Leverage:
Business Process Management, Outsourcing and Analytics**

March 25th

12. "The Building Blocks of Global Competitiveness," C.K. Prahalad and M.S. Krishnan, *Optimize*, September 2004.
13. "EvaluateServe," M.S. Krishnan and C.K. Prahalad, *University of Michigan Ross School of Business Case*, (to be distributed in class).
14. "How Process Management Enhances Business," *CIO*, May 15, 2006.
15. Business Process Outsourcing: Study Note, to be distributed in class

**Module 3: Role of Enterprise Systems in Global Resource Leverage:
Business Process Management, Outsourcing and Analytics**

April 1st

16. "Marketics Case", M.S. Krishnan, *University of Michigan Ross School of Business Case*
17. "A CEO who thinks like a CIO", *McKinsey Quarterly*, January 2007.

18. "ICICI Case" M.S. Krishnan, *University of Michigan Ross School of Business Case*, 2007.
19. "Moving Beyond Alignment: IT Grabs The Baton", M.S. Krishnan, N. Dayasindhu and J. Shivhankar, *Optimize*, April 2007.

Module 4 Security, Customer Privacy and Compliance

April 5th

20. Guest presentation by an offshore vendor
21. "The Profits in Customer Privacy", *CIO*, March 15, 2006
22. Corporate Governance: Divide Conquer and Win, Ranjit Tinaikar et al., Mckinsey BT Group Report, *Optimize*, January 2007.
23. "Information Technology and the Board of Directors," Richard Nolan, and F. Warren McFarlan, *Harvard Business Review*, October 2005.

Module 5 Final Project Presentations

April 8th