



GL BAJAJ

Institute of Management & Research

Approved by A.I.C.T.E., Ministry of HRD, Govt. of India

Roll No.....

Plot No. 2, Knowledge Park-III, Greater Noida (U.P.)–201306

POST GRADUATE DIPLOMA IN MANAGEMENT (2019 -21)

MID TERM EXAMINATIONS (TERM -V)

Academic Session- 2020-21

Subject Name	Enterprise Resource Planning	Time: 01.30 hrs
Sub. Code	PGIT-02	Max Marks: 20

Note:

- 1. Writing anything except Roll Number on question paper will be deemed as an act of indulging in unfair means and action shall be taken as per rules.**
- 2. All questions are compulsory in Section A, B & C. Section A carries 1 Case Study of 8 marks. Section B carries 3 questions of 2 marks each and Section C carries 2 questions of 3 marks each.**

SECTION – A

04+04 = 08 Marks

Q. 1: Case Study:

Hershey's ERP Implementation Failure

When it cut over to its \$112-million IT systems, Hershey's worst-case scenarios became reality. Business process and systems issues caused operational paralysis, leading to a 19 percent drop in quarterly profits and an 8 percent decline in stock price.

In 1996, Hershey's set out to upgrade its patchwork of legacy IT systems into an integrated ERP environment. It chose SAP's R/3 ERP software, Manugistics' supply chain management (SCM) software and Seibel's customer relationship management (CRM) software. Despite a recommended implementation time of 48 months, Hershey's demanded a 30-month turnaround so that it could roll out the systems before Y2K.

Based on these scheduling demands, the cutover was planned for July of 1999. This go-live scheduling coincided with Hershey's busiest periods – the time during which it would receive the bulk of its Halloween and Christmas orders. To meet the aggressive scheduling demands, Hershey's implementation team had to cut corners on critical systems testing phases. When the systems went live in July of 1999, unforeseen issues prevented orders from flowing through the systems. As a result, Hershey's was incapable of processing \$100 million worth of Kiss and Jolly Rancher orders, even though it had most of the inventory in stock.

This is not one of those “hindsight is 20-20” cases. A reasonably prudent implementer in Hershey's position would never have permitted cutover under those circumstances. The risks of failure and exposure to damages were simply too great. Unfortunately, too few companies have learned from Hershey's mistakes. For our firm, it feels like Groundhog Day every time we are retained to rescue a failed or failing ERP project. To help companies implement ERP correctly – the first time – I have decided to rehash this old Hershey's case. The two key lessons I describe below relate to systems testing and project scheduling.

Hershey's implementation team made the cardinal mistake of sacrificing systems testing for the sake of expediency. As a result, critical data, process, and systems integration issues may have remained undetected until it was too late. With respect to the Hershey's case, many authors have criticized the company's decision to roll out all three systems concurrently, using a “big bang” implementation approach. In my view, Hershey's implementation would have failed regardless of the approach. Failure was rooted in shortcuts relating to systems testing, data migration and/or

training, and not in the implementation approach. Had Hershey’s put the systems through appropriate testing, it could have mitigated significant failure risks.

Hershey’s made another textbook implementation mistake – this time in relation to project timing. It first tried to squeeze a complex ERP implementation project into an unreasonably short timeline. Sacrificing due diligence for the sake of expediency is a sure-fire way to get caught.

Hershey’s made another critical scheduling mistake – it timed its cutover during its busy season. It was unreasonable for Hershey’s to expect that it would be able to meet peak demand when its employees had not yet been fully trained on the new systems and workflows. Even in best-case implementation scenarios, companies should still expect performance declines because of the steep learning curves.

- (A) What are the key takeaways from the Hershey’s ERP Implementation case discussed above?
- (B) How an organization can ensure best scheduling for ERP planning to Go-Live? On the basis of above case, identify key strategies for Go-Live phase.

SECTION – B

02×03 = 06 Marks

Q. 2: What kind of challenges any organization may face with the ERP implementation. Discuss with suitable example.

Q. 3: Discuss the ways with which organisations reduce the need for ERP configuration?

Q. 4: Explain the applicability of MoSCoW paradigm in ERP implementation life cycle.

SECTION – C

03×02 = 06 Marks

Q.5. Discuss the major stages in the evolution of ERP Solutions. How these stages took the journey forward to modern ERP software.

Q. 6. Explain the major stakeholders in ERP Solution implementation. Discuss the importance of consulting with the various stakeholders in Requirement Analysis Phase.

Mapping of Questions with Course Learning Outcome

COs	Question Number(s)	Total Marks Allocated to the CO
CO1	3, 5	5
CO2	1(B)	4
CO3	4, 6	5
CO4	1(A)	4
CO5	2	2



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