Chapter 9

Achieving Operational Excellence and Customer Intimacy: Enterprise Applications

True-False Questions

1. Manufacturing companies typically think about their supply chains as a process ultimately focused on serving the customer.

   Answer: False   **Difficulty: Medium**   **Reference: p. 355**

2. Enterprise software allows data to be used by multiple functions and business processes for precise organizational coordination and control.

   Answer: True   **Difficulty: Easy**   **Reference: p. 359**

3. Companies can use configuration tables provided by the enterprise software to tailor a particular aspect of the system to the way it does business.

   Answer: True   **Difficulty: Hard**   **Reference: p. 359**

4. The upstream portion of the supply chain consists of the organizations and processes for distributing and delivering products to the final customers.

   Answer: False   **Difficulty: Medium**   **Reference: p. 361**

5. Supply chain inefficiencies can waste as much as 25 percent of a company's operating costs.

   Answer: True   **Difficulty: Medium**   **Reference: p. 361**

6. Low inventory acts a buffer for the lack of flexibility in the supply chain.

   Answer: False   **Difficulty: Medium**   **Reference: p. 362**

7. The bullwhip effect is the distortion of information about the demand for a product as it passes from one entity to the next across the supply chain.

   Answer: True   **Difficulty: Medium**   **Reference: p. 362**

8. Supply chain execution systems enable the firm to generate demand forecasts for a product and to develop sourcing and manufacturing plans for that product.

Answer: False   Difficulty: Hard   Reference: p. 364

9. In the pre-Internet environment, supply chain coordination was hampered by the difficulties of making information flow smoothly among different internal supply chain processes.

Answer: True   Difficulty: Easy   Reference: p. 365

10. Intranets can be used to integrate information from isolated business processes within the firm to help them manage their internal supply chains.

Answer: True   Difficulty: Easy   Reference: p. 365

11. The Internet provides a standard set of tools that can be used by companies all over the world to coordinate overseas sourcing, transportation, communications, financing, and compliance with customs regulations.

Answer: True   Difficulty: Easy   Reference: p. 365

12. In a push-based model, actual customer orders or purchases trigger events in the supply chain.

Answer: False   Difficulty: Medium   Reference: p. 366

13. In a pull-based model, production master schedules are based on forecasts of demand for products.

Answer: False   Difficulty: Medium   Reference: p. 366

14. Dell Computer's build-to-order system is an example of a pull-based model.

Answer: True   Difficulty: Medium   Reference: p. 366

15. Total supply chain costs represent the majority of operating expenses for many businesses and in some industries approach 75 percent of the total operating budget.

Answer: True   Difficulty: Hard   Reference: p. 368

16. Customer relationship management can help organizations identify customers who cost a lot to attract and to keep.

Answer: True   Difficulty: Hard   Reference: p. 368

17. Cross-selling is the marketing of complementary products to customers.

Answer: True   Difficulty: Easy   Reference: p. 372

18. Analytical CRM uses a customer data warehouse and tools to analyze customer data collected from the firm's customer touch points and from other sources.

    Answer: True   **Difficulty: Medium**   **Reference: p. 374**

19. When building an enterprise system, the benefits are easily quantified at the beginning of the project.

    Answer: False   **Difficulty: Medium**   **Reference: p. 376**

20. Enterprise systems require fundamental changes in the way the business operates.

    Answer: True   **Difficulty: Medium**   **Reference: p. 376**

Multiple-Choice Questions

21. What problem in its supply chain system did Whirlpool face by 2000?

    a. High inventory of finished goods but low availability
    b. Low amounts of finished goods
    c. High availability of goods but poor forecasting
    d. High demand but low inventories of finished goods

    Answer: a   **Difficulty: Medium**   **Reference: p. 355**

22. What unique approach did Whirlpool employ in defining a solution?

    a. Seeing the supply chain as originating with suppliers
    b. Seeing the supply chain as a way to focus on customers
    c. Seeing the supply chain as an extension of its sales practices
    d. Seeing the supply chain as a tool secondary to knowledge management

    Answer: b   **Difficulty: Medium**   **Reference: p. 355**

23. *(Synthesis)*

    Which type of system, from a constituency perspective, did Whirlpool need to improve?

    a. MIS
    b. DSS
    c. TPS
    d. ESS

    Answer: c   **Difficulty: Hard**   **Reference: pp. 355–356**

    (Synthesis in terms of arrange, model)

24. *(Analysis)*

   Why is overstocking warehouses not an effective solution for a problem of low availability?

   a. It slows product time to market.
   b. It is an inefficient use of raw materials.
   c. It increases sales costs.
   d. It increases inventory costs.

   Answer: d   **Difficulty: Hard**   **Reference: p. 362**

   (Analysis in terms of compare, appraise)

25. *(Analysis)*

   Which of the following business values of supply chain management systems did Whirlpool's solution illustrate most effectively?

   a. Using assets more effectively
   b. Speeding product time to market
   c. Matching supply to demand
   d. Reducing costs

   Answer: c   **Difficulty: Hard**   **Reference: p. 355**

   (Analysis in terms of compare, appraise)

26. A suite of integrated software modules for finance and accounting, human resources, manufacturing and production, and sales and marketing that allows data to be used by multiple functions and business processes best describes**:**

   a. process management software.
   b. ERP systems.
   c. groupware.
   d. application software.

   Answer: b   **Difficulty: Easy**   **Reference: p. 358**

27. This type of software enables data to be used by multiple functions and business processes for organization coordination and control:

   a. groupware.
   b. application software.
   c. collaboration software.
   d. enterprise software.

   Answer: d   **Difficulty: Easy**   **Reference: p. 359**

28. This software is built around thousands of predefined business processes**:**

    a. process management software.
    b. collaboration software.
    c. enterprise software.
    d. groupware.

Answer: c   **Difficulty: Medium**   **Reference: p. 359**

29. The most successful solutions for consistently and effectively achieving a business objective are referred to as:

    a. enterprise solutions.
    b. best practices.
    c. operational excellence.
    d. business processes.

Answer: b   **Difficulty: Medium**   **Reference: p. 359**

30. *Synthesis*

You have been asked to implement enterprise software for a manufacturer of kitchen appliances. What is the first step you should take?

    a. Select the functions of the system you wish to use.
    b. Map the company's business processes to the software's business processes.
    c. Map the software's business processes to the company's business processes.
    d. Select the business processes you wish to automate.

Answer: a   **Difficulty: Hard**   **Reference: p. 359**

Synthesize in the sense of arrange, assemble, organize

31. In order to achieve maximum benefit from an enterprise software package, a business:

    a. customizes the software to match all of its business processes.
    b. uses only the processes in the software that match its own processes.
    c. changes the way it works to match the software's business processes.
    d. selects only the software that best matches its existing business processes.

Answer: c   **Difficulty: Medium**   **Reference: p. 359**

32. When tailoring a particular aspect of a system to the way a company does business, enterprise software can provide the company with:

   a. configuration tables.
   b. project workbooks.
   c. data dictionaries.
   d. state transition diagrams.

   Answer: a　　　　　**Difficulty: Medium**　　　　　**Reference: p. 359**

33. Supply chain complexity and scale:

   a. affect both very small companies and large, global corporations.
   b. were difficult to address before the Internet.
   c. result when firms produce complex products and services.
   d. result when firms implement full-scale supply-chain management systems.

   Answer: c　　　　　**Difficulty: Medium**　　　　　**Reference: p. 360**

34. A network of organizations and business processes for procuring raw materials, transforming these materials into intermediate and finished products, and distributing the finished products to customers is called a:

   a. distribution channel.
   b. supply chain.
   c. value chain.
   d. marketing chain.

   Answer: b　　　　　**Difficulty: Medium**　　　　　**Reference: p. 360**

35. IHOP purchased a middleware software package to integrate its data because:

   a. middleware packages are built for adaptability.
   b. packaged software is less expensive.
   c. they were able to customize their business processes to this software.
   d. this packaged software addressed their unique needs.

   Answer: b　　　　　**Difficulty: Medium**　　　　　**Reference: p. 370**

36. Components or parts of finished products are referred to as:

   a. upstream materials.
   b. raw materials.
   c. secondary products.
   d. intermediate products.

   Answer: d　　　　　**Difficulty: Easy**　　　　　**Reference: p. 361**

37. A company's suppliers, supplier's suppliers, and the processes for managing relationships with them is:

   a. the supplier's internal supply chain.
   b. the external supply chain.
   c. the upstream portion of the supply chain.
   d. the downstream portion of the supply chain.

   Answer: c　　　　**Difficulty: Easy**　　　　**Reference: p. 361**

38. A company's organizations and processes for distributing and delivering products to the final customers is:

   a. the supplier's internal supply chain.
   b. the external supply chain.
   c. the upstream portion of the supply chain.
   d. the downstream portion of the supply chain.

   Answer: d　　　　**Difficulty: Easy**　　　　**Reference: p. 361**

39. Inefficiencies arise in a supply chain because of:

   a. inaccurate or untimely information.
   b. poor integration between systems of suppliers, manufacturers, and distributors.
   c. inefficient or inaccurate MIS.
   d. unforeseeable events.

   Answer: a　　　　**Difficulty: Medium**　　　　**Reference: p. 361**

40. Which of the following traditional solutions enables manufacturers to deal with uncertainties in the supply chain?

   a. Safety stock
   b. Overstocking
   c. Just-in-time strategies
   d. Demand planning

   Answer: a　　　　**Difficulty: Medium**　　　　**Reference: p. 362**

41. A scheduling system for minimizing inventory by having components arrive exactly at the moment they are needed and finished goods shipped as soon as they leave the assembly line best describes which strategy:

   a. just-in-time strategy.
   b. stockless inventory.
   c. ASAP inventory.
   d. replenishment-only inventory.

   Answer: a　　　　**Difficulty: Medium**　　　　**Reference: p. 362**

42. A distortion of information about the demand for a product as it passes from one entity to the next across the supply chain is called:

    a. bullwhip effect.
    b. ripple effect.
    c. replenishment effect.
    d. exponential effect.

    Answer: a   **Difficulty: Medium**   **Reference: p. 362**

43. Supply chain software can be classified as either:

    a. supply chain source systems or supply chain recovery systems.
    b. supply chain build systems or supply chain delivery systems.
    c. supply chain planning systems or supply chain build systems.
    d. supply chain planning systems or supply chain execution systems.

    Answer: d   **Difficulty: Medium**   **Reference: p. 364**

44. Systems that enable a firm to generate demand forecasts for a product and to develop sourcing and manufacturing plans for that product best describes:

    a. supply chain demand systems.
    b. supply chain delivery systems.
    c. supply chain planning systems.
    d. supply chain execution systems.

    Answer: c   **Difficulty: Medium**   **Reference: p. 364**

45. Supply chain planning systems:

    a. track the physical status of goods.
    b. identify the transportation mode to use for product delivery.
    c. track the financial information involving all parties.
    d. track the status of orders.

    Answer: b   **Difficulty: Hard**   **Reference: p. 364**

46. Which supply chain planning function determines how much product is needed to satisfy all customer demands?

    a. Distribution management
    b. Replenishment planning
    c. Demand planning
    d. Order planning

    Answer: c   **Difficulty: Medium**   **Reference: p. 365**

47. Systems to manage the flow of products through distribution centers and warehouses to ensure that products are delivered to the right locations in the most efficient manner best describes supply chain _____ systems.

   a. demand
   b. delivery
   c. planning
   d. execution

   Answer: d   **Difficulty: Medium**   **Reference: p. 364**

48. Supply chain execution systems:

   a. schedule product subassemblies.
   b. help the company determine how much of a specific product to manufacture in a given time period.
   c. enable the firm to generate demand forecasts for a product.
   d. develop sourcing and manufacturing plans to determine how much of a specific product to manufacture in a given time period.

   Answer: a   **Difficulty: Medium**   **Reference: pp. 364–365**

49. Capabilities of supply chain planning systems would not include:

   a. replenishment.
   b. advanced scheduling and manufacturing planning.
   c. demand planning.
   d. order planning.

   Answer: a   **Difficulty: Medium**   **Reference: p. 365**

50. One capability of a supply chain execution system is:

   a. distribution planning.
   b. transportation planning.
   c. manufacturing planning.
   d. reverse distribution.

   Answer: d   **Difficulty: Medium**   **Reference: p. 365**

51. Some supply chain integration can be developed inexpensively by:

   a. adapting to the business processes embedded in SCM packages.
   b. using Internet technology
   c. adapting PRM modules
   d. customizing ERP software

   Answer: b   **Difficulty: Medium**   **Reference: p. 365**

52. A supply chain driven by actual customer orders or purchases follows a:

    a. pull-based model
    b. build-to-stock model
    c. push-based model
    d. replenishment-driven model

    Answer: a   **Difficulty: Medium**   **Reference: p. 366**

53. A build-to-order supply-chain model is also called a:

    a. supply-driven model
    b. demand-driven model
    c. replenishment-driven model
    d. push-based model

    Answer: b   **Difficulty: Medium**   **Reference: p. 366**

54. Concurrent supply chains are made possible by which technology?

    a. Internet technology
    b. Pull-based technology
    c. Supply chain management systems
    d. Just-in-time supply-chain technologies

    Answer: a   **Difficulty: Medium**   **Reference: pp. 366–367**

55. Companies with effective supply chain management systems can expect:

    a. improved customer service and responsiveness.
    b. cost reduction.
    c. reduced inventory levels.
    d. all of the above.

    Answer: d   **Difficulty: Easy**   **Reference: p. 368**

56. A method of firm interaction with a customer, such as telephone, e-mail, customer service desk, conventional mail, or point of purchase best describes:

    a. point of presence.
    b. touch point.
    c. market entry.
    d. purchase point.

    Answer: b   **Difficulty: Medium**   **Reference: p. 369**

57. Which of the following enterprise software deals with employee issues such as setting objectives, employee performance management, performance-based compensation, and employee training?

    a. Enterprise systems software
    b. Employee relationship management software
    c. Supply chain management software
    d. Customer relationship management software

    Answer: b   **Difficulty: Easy**   **Reference: p. 371**

58. *(Analysis)*

    Based on your reading of the International House of Pancakes case study, which strategy for combating competitive forces was a chief focus of IHOP's updated information systems?

    a. Low-cost leadership
    b. Product differentiation
    c. Focus on market niche
    d. Strengthen customer and supplier intimacy

    Answer: d   **Difficulty: Hard**   **Reference: pp. 370–371**

59. What are the three general business functions that CRM software serves?

    a. ERM, PRM, and CRM
    b. Sales, customer service, and marketing
    c. Sales and marketing, human resources, and finance and accounting
    d. Sales and marketing, customer service, and human resources

    Answer: b   **Difficulty: Medium**   **Reference: p. 371**

60. Which of the following is an important capability for service-category business processes that is found in most major CRM software products?

    a. Returns management
    b. Order management
    c. Account management
    d. All of the above

    Answer: a   **Difficulty: Hard**   **Reference: p. 373**

61. Which capability would be classified as an operational CRM application?

    a. SFA modules
    b. Call center automation modules
    c. Web-based customer self-service modules
    d. All of the above

    Answer: d   **Difficulty: Medium**   **Reference: p. 374**

62. Customer relationship management applications dealing with the analysis of customer data to provide information for improving business performance best describes:

   a. operational customer relationship management applications.
   b. analytical customer relationship management applications.
   c. supply chain management applications.
   d. generic customer relationship management applications.

   Answer: b   **Difficulty: Medium**   **Reference: p. 374**

63. Which type of enterprise software would allow you to analyze CLTV?

   a. PRM
   b. Operational CRM
   c. Analytical CRM
   d. ERM

   Answer: c   **Difficulty: Medium**   **Reference: p. 375**

64. This metric is based on the relationship between the revenue produced by a specific customer, the expenses incurred in acquiring and servicing that customer, and the expected life of the relationship between the customer and the company.

   a. Churn rate
   b. CLTV
   c. Cost per lead
   d. Cost per sale

   Answer: b   **Difficulty: Easy**   **Reference: p. 375**

65. The measurement of the number of customers who stop using or purchasing products or services from a company is called:

   a. switching costs.
   b. churn rate.
   c. CLTV.
   d. switching rate.

   Answer: b   **Difficulty: Medium**   **Reference: p. 375**

66. *Synthesis*

Which type of enterprise application or technique would help you best identify hidden buying patterns of your customers?

a. OLAP using a SCM system
b. Data mining using a CRM system
c. Predictive analysis using a PRM system
d. None of the above

Answer: b   **Difficulty: Hard**   **Reference: pp. 374–375**

Synthesis in terms of assemble

67. How does the implementation of enterprise applications introduce switching costs?

a. New processes may cause customers to stop using your products.
b. Price transparency becomes more pronounced.
c. Cost transparency becomes more pronounced.
d. It is costlier to switch vendors.

Answer: d   **Difficulty: Medium**   **Reference: p. 377**

68. From your reading of the Invacare case study, what might have prevented the high levels of lost sales that resulted from the use of new order-to-cash modules in its information systems?

a. More complete testing
b. Integrating its business processes with the new system
c. Management support of the new systems
d. All of the above

Answer: a   **Difficulty: Medium**   **Reference: pp. 378–379**

69. *Evaluation*

Why is an order-to-cash service considered a complex process to implement as an enterprise application?

a. It is a modern, Internet-based concept that legacy systems typically do not provide.
b. It needs information from many different functions of the enterprise.
c. It requires the use of XML and Web services.
d. All of the above

Answer: b   **Difficulty: Medium**   **Reference: p. 379**

70. From your reading of the Limited Brands case study, what was the cause of 400 merchandise trailers showing up at the parking lot of a distribution center that was designed to hold only 150 trailers?

    a. Legacy applications used for SCM
    b. Use of a complex, little-understood supply-chain execution system
    c. Hundreds of SCM applications on different platforms being used
    d. Lack of real-time reporting capabilities

    Answer: c   **Difficulty: Medium**   **Reference: pp. 385–386**

Fill in the Blanks

71. _**Best practices**_ are the most successful solutions or problem-solving methods for consistently and effectively achieving a business objective.

    Difficulty: Easy   **Reference: p. 359**

72. The _**downstream**_ portion of the supply chain consists of the organizations and processes for distributing and delivering products to the final customers.

    Difficulty: Medium   **Reference: p. 361**

73. _**Demand planning**_ is used to determine how much product a business needs to make to satisfy all of its customers' demands.

    Difficulty: Medium   **Reference: p. 364**

74. Firms can use _**extranets**_ to coordinate supply chain processes shared with their business partners.

    Difficulty: Medium   **Reference: p. 365**

75. In a _**push-based model**_ of supply chain management systems, production master schedules are based on forecasts or best guesses of demand for products, and products are "pushed" to customers.

    Difficulty: Medium   **Reference: p. 366**

76. A(n) _**touch point**_ is a method of interaction with the customer, such as telephone, e-mail, customer service desk, conventional mail, Web site, or retail store.

    Difficulty: Medium   **Reference: p. 369**

77. **_Partner relationship management (PRM)_** uses many of the same data, tools, and systems as customer relationship management to enhance collaboration between a company and its selling partners.

Difficulty: Easy   **Reference: p. 371**

78. **_Sales force automation/SFA_** modules in CRM systems help sales staff increase their productivity by focusing sales efforts on the most profitable customers, those who are good candidates for sales and services.

Difficulty: Medium   **Reference: p. 372**

79. Enterprise applications can be used to create **_service platforms_**, which provide a greater degree of cross-functional integration

Difficulty: Easy   **Reference: p. 377**

80. **_Portal_** software can integrate information from enterprise applications and disparate in-house legacy systems, presenting it to users through a Web interface.

Difficulty: Easy   **Reference: p. 379**

Essay Questions

81. **Identify and briefly describe three major enterprise applications.**

Enterprise systems, customer relationship management, and supply chain management are three enterprise applications. Enterprise systems are based on a suite of integrated software modules and a common central database. Enterprise systems utilize enterprise software to support financial and accounting, human resources, manufacturing and production, and sales and marketing processes. Enterprise systems provide many benefits including an enterprise-enabled organization, improved management reporting and decision making, a unified information systems technology platform, and more efficient operations and customer-driven business processes.

Supply chain management systems help an organization better manage its supply chain, including planning, sourcing, and making, delivering, and returning items. Supply chain management software can be categorized as a supply chain planning system or as a supply chain execution system. A supply chain planning system enables a firm to generate demand forecasts for a product and to develop sourcing and manufacturing plans for that product.

A supply chain execution system manages the flow of products through distribution centers and warehouses to ensure that products are delivered to the right locations in the most efficient manner. Supply chain management benefits include improved customer service and responsiveness, cost reduction, and cash utilization.

Customer relationship management systems help firms maximize the benefits of their customer assets. These systems capture and consolidate data from all over the organization and then distribute the results to various systems and customer touch points across the enterprise. Customer relationship management systems can be classified as operational or as analytical. Operational CRM refers to customer-facing applications, such as sales force automation, call center and customer service support, and marketing automation. Analytical CRM refers to customer relationship management applications dealing with the analysis of customer data to provide information for improving business performance. Benefits include increased customer satisfaction, reduced direct marketing costs, more effective marketing, and lower costs for customer acquisition and retention.

Difficulty: Medium   **Reference: pp. 357–375**

82. **What is an enterprise system? What is enterprise software?**

Enterprise systems focus on integrating the key internal business processes of the firm. Enterprise software is used by enterprise systems and is a set of integrated software modules for finance and accounting, human resources, manufacturing and production, and sales and marketing that allows data to be used by multiple functions and business processes.

Difficulty: Medium   **Reference: pp. 358–359**

83. *Evaluation*

What are the benefits of enterprise systems? What are the challenges of enterprise systems?

Benefits include creating an enterprise-enabled organization, providing firmwide knowledge-based management processes, providing a unified information system technology platform and environment, and enabling more efficient operations and customer-driven business processes. Challenges include a daunting implementation process, surviving a cost-benefit analysis, inflexibility, and realizing strategic value.

Difficulty: Medium   **Reference: pp. 357–379**

Evaluation in terms of assess, judge

84. **Identify two categories of supply chain software. For each category, identify five capabilities.**

Supply chain planning systems and supply chain execution systems are two classifications for supply chain software. Supply chain planning systems enable a firm to generate demand forecasts for a product and develop sourcing and manufacturing plans for that product. Capabilities include order planning, advanced scheduling and manufacturing planning, demand planning, distribution planning, and transportation planning. Supply chain execution systems manage the flow of products through distribution centers and warehouses to ensure that products are delivered to the right locations. Capabilities include order commitments, final production, replenishment, distribution management, and reverse distribution.

Difficulty: Medium   **Reference: pp. 364–365**

85. **Identify two supply chain models. Which is better?**

Push-based and pull-based models were discussed in the textbook. Push-based refers to a supply chain driven by production master schedules based on forecasts or best guesses of demand for products. Pull-based refers to a supply chain driven by actual customer orders or purchases so that members of the supply chain produce and deliver only what customers have ordered. Pull-based models are better.

Difficulty: Medium   **Reference: p. 366**

86. **Identify two aspects of customer relationships management.**

The two aspects of customer relationships management are: operational CRM and analytical CRM. Operational CRM refers to customer-facing applications, such as sales force automation, call center and customer service support, and marketing automation. Analytical CRM refers to customer relationship management applications dealing with the analysis of customer data to provide information for improving business performance.

Difficulty: Medium   **Reference: p. 374**

87. **Identify five benefits of customer relationship management systems.**

Benefits include: better customer service, making call centers more efficient, cross-sell products more effectively, help sales staff close deals faster, simplify marketing and sales processes, acquire new profitable customers, sell additional products and services, provide customer information for developing new products, increase product utilization, reduce sales and marketing costs, identify and retain profitable customers, optimize service delivery costs, retain high-lifetime value customers, improve customer loyalty, improve response rates to direct mail, increase product profitability, and respond quickly to market opportunities.

Difficulty: Medium   **Reference: pp. 368–375**

88. *Synthesis*

You have been hired by Santori, Inc., a small company that imports and distributes an Italian sparkling water. The company is interested in what benefits an enterprise system would bring. Would an enterprise system be appropriate for this company? What steps would you take in determining this?

Student answers will vary; an example answer is: An enterprise system may be too expensive, although there are enterprise software packages that are available to smaller companies. A hosted enterprise application might be the most economical way to implement an enterprise system. To determine whether this would be beneficial to Santori, I would first look at their existing business processes. It would be ideal to determine if their efficiency meets benchmarks in their industry and allows them to be competitive with other businesses in their niche. Then I would review existing hosted applications to see how the applications business processes matched up with Santori's. It would be important to compare the costs of instituting new business processes with the benefits and cost-savings.

Difficulty: Hard   **Reference: pp. 357–380**

Synthesis in terms of propose, plan

89. *Evaluation*

Plant Away is an Oregon-based retailer and distributor of trees and shrubs. They have hundreds of smaller nurseries based around the country that grow the plant stock. The majority of their business is conducted online: Consumers purchase typically small quantities of products online and Plant Away coordinates the shipping from the most appropriate nursery. What unique problems might you anticipate they have in their supply chain? What might remedy these problems?

Typical problems in supply chains arise from unforeseeable events. In a plant nursery, variations in the weather, growing season, plant diseases, crop output would be uncertainties. Other problems might be interstate regulations governing plants allowed in different states, and making sure plants survive and are healthy during transportation. It would be very important to have up-to-date forecasting of the weather or growing seasons that could anticipate possible problems, and analyze and determine the best transportation routes.

Difficulty: Hard **Reference: pp. 360–368**

Evaluation in terms of appraise, assess

90. *(Evaluation)*

You have been hired by Croydon Visiting Nurse Services, whose business processes are all manual, paper-based processes. How might a CRM system benefit them?

A CRM system that includes patients' health records would allow any nurse to take over if another needed replacement. Assuming that the nurses had access via laptops or PDAs to the system, a new nurse would have instant access to the patients' needs. The CRM might also be able to record which types of treatments or products customers were most interested in or gave the greatest benefit to customers, and help anticipate needs. Additionally, with CRM capabilities, products needed by the nursing service would be more easily anticipated, ordered, and delivered. Since the employees work in the field, or away from a central office, Internet-based communications might provide tools for reviewing employee performance.

(Evaluation in terms of appraise, assess)

Difficulty: Medium **Reference: pp. 368–376**