



CII Institute of Logistics

PGDSCM & Certificate Programs
Semester-end Examination – December 2008

LOGISTICS TECHNOLOGY & E-BUSINESS

Time : Three Hours

Marks : 100

Part A

Answer all questions (20 x 1 = 20 Marks)

1. Choose the department which is not involved in the supply chain management within a company.
a) Finance and Accounts b) Manufacturing
c) Administration d) Marketing
2. Which of the following is **not** IT enabled mode of communication which facilitates effective supply chain management?
a) Telephone b) Email
c) EDI d) None of the above
3. Which of the following is correct? The primary goal of IT in supply chain is
a) to reduce inventory b) to increase customer base
c) to reduce production time d) to link the point of production seamlessly with the point of delivery or purchase
4. Which of the following will have priority in supply chain management for FMCG Company?
a) Production planning b) Distribution management
c) CRM d) ERP
5. _____ strategy will be very powerful when the market is competitive with companies selling standardized identical products and services
a) Low cost strategy b) Broad differentiation strategy
c) Best cost provider strategy d) Focus strategy
6. Choose the missing phrase in the definition information systems. Information systems can be any organized combination of people, software, _____ and data resources that collect, _____, and disseminate information in an organization.
a) Infrastructure, Plan b) Communication networks, Analyze

- c) Efficient Management, Analyze d) Investment plans, collaborate
7. Which of the following is **not** included in the composition of information systems?
a) Hardware b) Software c) People
d) Data e) Network f) All of the above
8. Accounting package like Tally is treated as _____
a) System software b) Utility software
c) Application software d) Enterprise software
9. Which is the correct formula for Return on Investment (ROI) of IT infrastructure?

Tangible Benefits	(Tangible benefits – Cost)
a) -----	b) -----
Cost of using Technology	Tangible Benefits
(Cost – Tangible Benefits)	(Tangible Benefits – Cost)
c) -----	d) -----
Cost	Cost
10. Which of the following is **not** a factor to measure the ROI from technology investments?
a) Reduced application development time
b) Increased reusability of applications
c) Increased operational efficiency by streamlining and automating business processes
d) None of the above
e) All of the above
11. State which of the following statements are true.
Statement 1: Application development and maintenance, a vital part in creating enterprise information systems, are not outsourced
Statement 2: Mobile computing infrastructure is gaining popularity
a) Only statement 1 is true b) Only statement 2 is true
c) Both statements are true d) None of the statements is true
12. Organizing enterprise systems on this principle would provide comprehensive look of the enterprise with integrated modules that enable transactions across organization’s functional departments. The “principle” referred to in the above statement is :
a) Standard Accounting equation (A = L + OE)
b) Single entity system
c) Michael Porter’s concept of “value chain”
d) None of the above

Part B

Answer any four (4 x 10 = 40 marks)

1. Discuss any two major decision areas supply chain management
2. Discuss Click and Brick and e-Portal patterns
3. Discuss various categories of ERP implementation
4. Discuss in brief the various operations generally automated by eSNE
5. Discuss the applications included in the integrated selling chain infrastructure
6. Write short notes on Data warehousing highlighting the process benefits and challenges

Part C

Case Study : eCommerce implementation by 3MMDI

3M medical sales division in St. Paul, Minnesota, has 800 medical sales people worldwide selling its products and services to medical professionals including doctors, nurses, patients, and physicians offices. 3M sales people place phone orders with telemarketing reps for samples of wound care management products. They provide these samples to doctors and nurses for an evaluation period. A successful evaluation of 3M products is the key to receiving subsequent orders.

3M was looking to automate this order management cycle and get business intelligent reporting. They chose market leader MDI, founded in 1964, who provides plastic manufacturing, fulfillment and packaging, and assembly services. The company targets mid-large customers operating in private and government sectors and is ISO 9001:2000 accredited. MDI has operations in St. Paul, Grand Rapids and Hibbing, MN. .

Microsoft Dynamics Great Plains is the back bone of MDI's operations for all its customers. It manages all information from the moment an order is placed to when the bill is paid extending throughout the entire sales cycle. 3M was outgrowing their phone ordering system to take orders, and needed to migrate to a real time online eCommerce solution that would offer 3M sales force flexibility, accessibility, and more control over the order management cycle. MDI 's top priority in selecting an eCommerce solution was to empower 3M sales people with an online store and provide bi-directional integration with their existing Microsoft Dynamics Great Plains system, without disrupting their accounting and business management functions.

In July 2006, MDI chose Ignify, Microsoft Gold Certified Partner, to create a B2B site that would provide a self-serve ordering portal for 3M's global sales force. The integrated solution they implemented combined Microsoft Dynamics Great Plains with Ignify proprietary eCommerce software. The Ignify eCommerce system integrated with Microsoft Dynamics Great Plains provided 3M salespeople with real-time access to quality information and eliminated their reliance on a telemarketing team to place and check their orders. Together the two products automated, simplified, and created a zero touch order processing through a robust, automated B2B store.

With true bidirectional integration with Microsoft Dynamics Great Plains, management now had access to a variety of key performance indicators and could pull intelligent reports. "MDI is always looking to provide a better customer experience, and with this new system, we will be doing just that. Ignify and its eCommerce system provided us with the perfect blend of ease of use, integration with our existing accounting and ERP system, and first class technical support," said Jennifer Wilcox, Director of IS for MDI "We considered developing the system ourselves, but upon further review, it became obvious that partnering with Ignify offered the long-term benefits that focused on our customers' success, thus leading to aggressive business growth for MDI." Says Wilcox.

When integrated with eCommerce, Microsoft Dynamics Great Plains acts as the system's database, communicating with the third-party solution and supplying real-time pricing and inventory data for display online as well as managing order details throughout the sales cycle. End-to-End Integration "Microsoft Dynamics Great Plains' strength lies in the richness of its functionality—and its integration capabilities," explains Sandeep Walia, President of Ignify.

Using Microsoft Dynamics Great Plains eConnect Enterprise Application Integration, Ignify was able to easily connect the two systems. These integration tools supported the creation of a B2B storefront for 3M, using Microsoft Great Plains for back-end transactional access. The two systems exchange information about 3M sales orders and its product catalog seamlessly. Any changes made in Microsoft Dynamics Great Plains are automatically reflected in Ignify eCommerce, and vice versa.

In choosing the right eCommerce solution MDI had several criteria, to be cost effective, improve 3M's order fulfillment process, provide intelligent reporting, and have a proven track record of integrating with Microsoft Dynamics Great Plains ERP system. Ignify won on all fronts. Reduces Overhead Costs Ignify eCommerce self serve ordering site, eliminated the need for 3M to have a dedicated telemarketing

team. By eliminating the telemarketing team, 3M also eliminated the high training, hiring, and utility costs associated with it.

Another cost savings realized by 3M is implementing Ignify's built-in fraud management system. In the past, 3M management had no controls for salespeople who exceeded their credit limits, creating problems in inventory management and exceeding their budget for samples. Now, for example, if a salesperson placed an order for samples exceeding \$500, Ignify eCommerce automatically put the order on hold. Orders also go on hold for high priced samples that require management approval prior to shipment.

This internal checks and balances system has helped keep 3M salespeople within their credit limits and kept 3M on target with their budget requirements. "We continue to see interest from a broad array of companies which shows that ecommerce platforms are beneficial not only for business to consumer (b2c) businesses but also for business to business (b2b) companies especially when it comes to improving supply chain management." Said Sandeep Walia, CEO of Ignify. Increases Information Accessibility

The availability of real-time data from Microsoft Dynamics Great Plains on the ordering portal allows sales people to view real time inventory levels for samples, get online shipping quotes, and track order history, rather than contacting a telemarketer. The availability of this information at the sales reps fingertips reduced inbound calls by over 50% and allowed 3M to eliminate a dedicated telemarketing team. Provides Intelligent Reporting 3M management now has visibility of key performance indicators and can pull a variety of reports from eCommerce or GP. For example, Ignify eCommerce pulls average order size, orders by sample type, total shipment costs, total sales by sales person from the business management system, generating more than 10 automated reports.

This increased knowledge helped 3M management to ensure proper inventory levels for samples in high demand, gave a snapshot view of each sales representatives activity level, design appropriate sales incentives to boost productivity and spot important sales trends. Improves Supply Chain Combined with MDI's expertise in fulfillment services, and the ability for salespeople to place orders directly on the website, MDI is able to process and ship an order within 24-48 hours. This is more than a 50% improvement in order fulfillment and shipment from the previous phone order process. Improving this supply chain, helped salespeople to deliver their samples to doctors and nurses on a timely basis, this in turn shortened the evaluation cycle and the entire sales cycle. Boosts Sales Productivity Empowering the sales people with an online ordering system, accessibility to information, improving the supply chain, and delivering samples on timely basis has boost the salespeople overall productivity and morale.

Answer any four (4 x 10 = 40 marks)

1. What is the situation in 3M MDI, which lead top management to prefer eCommerce solution?
2. What was expected of the eCommerce solution?
3. Describe the solution implemented as part of the eCommerce initiative.
4. Describe the benefits achieved by the eCommerce solution
5. How was the availability real-time data from Microsoft Dynamics Great Plains on ordering portal beneficial to Sales people
