The ERP Revolution: Reshaping Supply Chains

Date: October 16, 1998

Morning Presentation Synopsis:

The ERP Revolution: Reshaping Supply Chains

Jeanne Ross, Principal Research Scientist, MIT's Center for Information Systems Research (MIT CISR)

The synergistic combination of intense global competition, Year 2000 compliance concerns, and powerful information technologies has led to a rush toward enterprise resource planning systems and intensified efforts to re-engineer organizational processes. Although most ERPs are justified on the basis that they can solve Year 2000 issues, integrate disparate organizational systems, or standardize organizational processes on best practice, most companies are finding that in the early stages following an ERP implementation, the risks and costs are significantly more apparent than any intended benefits. But at least some firms have been able to fundamentally transform their supply chain processes as a result of ERP implementations. To generate that kind of value from an ERP, firms must overcome some fairly daunting challenges. This talk will first identify the unique challenges associated with implementing and benefiting from an ERP and the strategies that firms are deploying to address those challenges. It will then describe how some firms are leveraging their ERP environments to fundamentally redefine how they do business.

Afternoon Presentation Synopsis:

The Extended Enterprise and the Integrated Supply Chain

David Demers, The Avicon Group; Greg Olsen, Extricity Software; and Craig Simon, Andersen Consulting

Manufacturing companies are continuously searching for new ways to operate more efficiently. Today, instead of handling end-to-end manufacturing processes, they are increasingly relying on business partners to perform important activities, from design to supply to delivery and repair. This collection of interrelated activities as performed by various separate companies is the extended enterprise. This discussion will explore the emerging relevance of the extended enterprise business model and how leading companies are applying the concept to achieve breakthrough performance. Underlying this model is the need for "cross-enterprise" software. Together, these advances enable the virtual corporation by tightly integrating disparate enterprise systems that must continue to operate autonomously while still sharing information and business processes, resulting in significant productivity increases and decreases in cycle times. Looking beyond ERP, the next frontier will require a new vision, shared business process design, and technology to truly leverage our trading partner network potential.