

UNIVERSITY OF COLOMBO, SRI LANKA
FACULTY OF MANAGEMENT AND FINANCE

Bachelor of Business Administration in Finance (Level II - Semester VI) Examination

December, 2017

FIN 2218- Management Information Systems

Two (02) Hours

Answer all Four (04) questions.

01. Tanco Foodies International is a giant food company that operates virtually in South Asian region. Headquartered in Colombo, the company had 2016 revenues of Rs. 160 Billion and has more than 6,000 employees at 15 facilities in 7 countries. Best known for its coffee and dairy products, Tanco Foodies sells thousands of other items, most of which are adapted to fit local markets and cultures. Traditionally this huge firm has allowed each local organization to conduct business, taking into account the local conditions and business cultures. To support this decentralized strategy, it has had 12 different information technology units and 10 different production plants.

Despite its growing success, recently the company's senior management has found that allowing the local differences created inefficiencies and extra costs that could prevent the company from competing effectively in the global market. The lack of standard business processes prevented the company from leveraging its worldwide buying power to obtain lower prices for its raw materials. Even though each factory uses the same global suppliers, each negotiated its own deals and prices.

Tanco Foodies relied heavily on information systems to support most of its business processes but its systems were outdated and could not communicate with each other. Employees were making frequent errors resulting in duplicated work, partly because company business processes were too complex and had too many steps. In addition, the company had become fragmented. For example, it had 6 separate databases, each with its own file servers and transaction software and these platforms could not communicate with each other. Customers found differing prices and discounts depending upon where

they placed their order. Each plant used different product identification numbers for the same item.

Moreover, Tanco Foodies had no way to determine its total business with a specific customer. For example, while the purchasing departments used the appropriate systems and data names, their systems were not integrated with the financial, planning, and sales software. As a result, when a salesperson gives a valued customer a special discount rate, it was entered in the system, but the accounts receivable department would not know about it and would think the customer did not fully pay its bill.

Having identified the loopholes of the prevailing information system of the Tanco Foodies, the board of directors appointed a committee to redesign the information system of the company.

i. Assuming that you have been appointed as the head of the committee, what would be your information system solution for Tanco Foodies International? Explain how your solution would help the company to overcome the prevailing situation. (18 marks)

ii. Assuming that the committee decided to develop a new information system based on the traditional system development life cycle approach, briefly explain the process the committee should follow. (12 marks)

iii. The more realistic behavioral definition of an organization suggests that building a new information system is much more than just a technical rearrangement of computer hardware and software. Briefly explain three organizational factors that can prevent the company from fully realizing the benefits of the new information system, and provide examples for each. (10 marks)

(Total 40 marks)

02. i. Blogs, wikis and social networking sites were originally considered as 'consumer web technologies' designed for individuals to communicate with each other. For what purposes do the current businesses use these techniques? Give specific examples.

(10 marks)

ii. The last couple of years have unleashed forces which are fundamentally shifting the nature of the ERP field. Briefly discuss three (3) new trends in ERP field and their key benefits to the organizations.

(12 marks)

(Total 22 marks)

03. i. You are planning to start a small bicycle messenger company. Given your type of services (hand-delivering packages within a small geographical area), do you think your company would be a digital firm? Explain your reasons.

(05 marks)

ii. "There is a growing interdependence between a firm's usage of information technology and its ability to achieve corporate goals. In many businesses, survival and the ability to achieve strategic business goals are difficult without extensive use of information technology." Discuss this statement using examples.

(15 marks)

(Total 20 marks)

04. A large international furniture manufacturer has an in-house IT department, comprising 15 full time technical development and operations support staff. This department develops and supports key business applications across a large network of servers and client workstations. The company wants to implement a Customer Relationship Management (CRM) system, and cannot decide among followings:

- In-house development of CRM system, using internal resources.
- Outsourcing the development of CRM system to a company that specializes in tailored CRM solutions.
- Using an off-the-shelf CRM software that is made available through cloud computing.

Prepare a briefing paper for the senior management, evaluating merits and demerits of each of the aforementioned three options.

(18 marks)

(Total 18 marks)
