

# ERP Configuration Lecture: Case Study

## *Aurora Systems*

### Goals

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The goal of this ERP class is to teach how to configure an ERP for a small company or for a non profit organization, hereby call the “**implementation field**”.

In this Case Study you learn how the interview and the configuration was done for “Aurora Systems”, a small German software company which sells and develops a school library management software called “Kallimachos”.

The configuration process is based on a questionnaire and a spreadsheet. It is desirable for this configuration to be as simple and concise as possible. The notation of the exam will depend on your ability to precisely define the nature of the implementation field, to identify the goals of the implementation field w.r.t. ERP implementation and to define taxonomies, a.k.a. “categories”, which are suitable to reach such goals.

Your work will therefore consist of:

1. fill in the online Questionnaire. This document is presents the most important questions in form of a Case Study.
2. fill the spreadsheet P-OSOE-Configuration.Sample with categories which are suitable for the implementation field.

Whenever yoru answers are precise, concise and show that you are capable of understanding the ERP related management stakes and issues which are relevant for the implementation field, you will get the maximum number of points. Whenever your answers are long, confusing or do not show any understanding of management issues in relation with ERP implementation, you will receive no points. Answers must always be formulated as a sentence with subject, verb and complement.

NB: any answer of the form “there is no need of an ERP” is not acceptable in this case. If your experimentation field does not need an ERP, find another implementation field.

### Duration

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An experienced consultant can complete this test (questionnaire and spreadsheet) in less than one hour. We expect that a beginner will be capable of finishing this exam in less than 4 hours.

## Identity of the implementation field

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Nature (ex. corporation, non profit organisation, agency): Corporation

Name: Aurora Systems

Country: Germany

Number of employee or of permanent staff: 2 (+1 occasionally for marketing material design)

Number of sites: 2

## Activity of the implementation field (5 points)

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### **What does the implementation field sell, offer or produce? (10 line max.)**

Aurora Systems sells Kallimachos, a library management software. The program is highly specialized for use in school libraries, so the target marked is quite narrow. The software is sold as school wide licenses and update licenses. The price depends on the extend of needed functionality. Accompanying Kallimachos, hardware (barcode scanners), expandable items (barcode labels, protective film) and services (support, custom function programing) are sold.

Aurora Systems offers a second product line, called meine-schulbibliothek.de Under this brand Kallimachos hosting services are rented on a yearly basis, also accompanied by above mentioned products and services.

### **What does the implementation field purchase, recycle, receives or uses? (10 line max.)**

Aurora systems purchases hardware in form of barcode scanners and adapters, which are configured and sold for use with the Kallimachos software. Further, expendable items like labels, transparent film, CDs and office material are purchased regularly. The company uses computers, office printers and a special barcode printer.

### **Who are the contacts of the implementation field? (10 line max.)**

Aurora System's clients are all kind of non-academic schools. The contacts are professors, secretaries (education → agent) and school directors (education → manager). Sometimes regional public administrations or towns can be clients too, if they by licenses for many of their schools together. On the supplier side, contacts are sales agents.

The most important contacts are public Länder administration organisations, like the Bavarian state

institute for education research or the Bavarian state library which advise schools and highly influence their decision on which library management software to buy. These organisations usually have many satellite offices distributed above Bavarian cities. The agents in these offices are important “multipliers” because their opinion about library software largely influences the schools in their region.

**What are the typical skills and initial training of the staff? (10 line max.)**

The most important skills are IT skills, management skills and “sales and distribution skills”. IT skills are needed in the areas of programming (application- web, and system programming, languages), system and web administration. Management skills are most important in the areas of marketing and especially communication which requires deep knowledge about our software and what the different stakeholder demand. Sales and distribution skills are rather specific to our sales and distribution process. It's required to know enough about our products to advise a client and demands the ability to configure our software and a barcode scanner and to use the label printer. The “user support” skill is product specific and requires only little IT knowledge (system administration support is apart from general user support) Soft skills are also required for marketing and communication, English language skills for software development.

## **Management of the implementation field (5 points)**

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**Please provide an example of management area or of business process which the implementation field is handling in a way which it considers itself as being good or successful. Explain what reasons make this business process or business area successful. (10 line max.)**

A successful business process of Aurora Systems is the sale order and distribution process, which is quite streamlined and quick and at the same time highly flexible. It's based on the distinction between standardized and flexible workflow components. Standardized parts in the sales process are conducted by the sale agent at Höchberg site. It consists in barcode scanner configuration, label printing, and product packaging. Some sale orders are purely standardized like a barcode label sale order and are only treated by Höchberg site. The client-advising and software configuration part is conducted by Dresden site and very flexible. There is a highly detailed order form and clients are supported in their decision of what functionality to buy, so the software can be afforded by very small primary school libraries (200 books) as well as serve the need of big high school libraries (20.000 books) Custom function programming and foreign data integration can be included in the software configuration. The configured software is then packaged and sent by Höchberg site.

**Please provide an example of management area or of business process which the**

**implementation field is handling in a way which it considers itself as being poor or wrong, and which could be improved according to him or her. Explain from what point of view the management area or business process is currently not well implemented. (10 line max.)**

The CRM and pre sale process is still very poor. There is no management of leads and prospects. Prospects are either not contacted again, if the initial contact doesn't lead to a sell or they're only contacted on an irregular basis. Customers are not informed about product updates regularly and not asked, if the product is used successfully. The market is well defined, and its possible to get contact information about all our leads, but marketing instruments are not used methodically. Communication with “multipliers” which influence the opinion of our leads is not managed and far to irregular.

**Explain what the implementation field expects from an ERP as 1<sup>st</sup> priority to improve its own management?**

Most important for Aurora Systems is the standardization communication with clients, prospects, leads and multipliers to improve our poor CRM and pre sale communication processes. Already managing all our Contacts as Persons and Organisation in an ERP and defining client, leads, prospects and multipliers and registering each contact and campaign will help a lot in this area.

**Explain what the implementation field expects from an ERP as 2<sup>nd</sup> priority to improve its own management?**

Using an ERP, it would be possible to fully automate the sale order process of our new meine-schulbibliothek.de hosting service. The client would only fill in a subscription form and the Kallimachos software instance for the client would be created automatically. After the test period is over, if the client accepts, an invoice would be generated automatically every year.

**Explain what the implementation field expects from an ERP as 3<sup>rd</sup> priority to improve its own management?**

The standardization of sale and purchase orders in a common database as wall as stock management of our sold hardware and expandable items would further improve our sale order and distribution process of our physical and license-based products.

In the next file P-OSOE-Configuration.CaseStudy you can see the Category Configuration which was done for Aurora Systems based on the answers to the questionnaire. The Category Configuration is a taxonomy, which defines the structure of the Organisation and its view of the world.

## Hints

**NB: make sure all columns, \*, ID and description are defined (1 point par category).**

Example of correct input (Path, ID, Title, Description)