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Chapter X

Case Solutions

The production planning system described earlier carried specific features of production planning at EA Cakes Ltd. Standard software, on the other hand, by definition, comprises programmes developed for an anonymous market. The question is: Can a standard software system like SAP give adequate computer support to an individually designed business management system?

A team from IT specialists and production planning personnel was formed for designing computer support for the new production planning system business processes.

Thinking in terms of business processes helps managers to look at their organisation from the customer's perspective. Usually a business process involves several functional areas and functions within those areas. Thus, a business process is cross-functional. Definitely, this is the case of the production planning at EA Cakes Ltd.

The aggregate capacity planning uses sales budget, stock feedback, and available capacity (manpower and machinery). The master scheduling involves forecasting and feedback on stocks. The shop floor scheduling and control absorbs a huge variety of activities from other functional areas such as material control, human resource management, inventory management, and so on.

Quite to the contrary, standard software was initially developed only for certain functions that could easily be standardised. Modern standard software, such as SAP, is said to be object oriented or process oriented (see Kirchmer, 2002). However, it is still mostly functional, and the necessary orientation can only be achieved by adjusting the appropriate parameters. Even after the adjustments, the functionality of SAP may not be completely relevant to the business processes of a particular company. Then the implementation team has at least two options (Sawy, 2001):

- 1 To substitute the business processes of the company for the business processes implemented in SAP, and
- 2 To create additional special software for providing computer support to production planning.

There was no consensus in the design group. IT specialists were sure that existing SAP software could provide adequate computer support. When the production planning staff got acquainted with the business processes suggested for production planning by SAP, they had doubts that these modules were relevant to their business processes. They were the authors of the new production planning system, and they had a rather firm position that their planning processes were the most efficient for EA Cakes Ltd. No changes would be accepted.

So, the management of EA Cakes Ltd. was presented with the following dilemma:

- 1 Believing the IT specialists and continuing to implement the existing SAP modules on comparatively low cost, but facing all risks of losses due to planning inefficiency; or
- 2 Believing the planning staff and ordering high cost computer support in addition to the existing SAP system.

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