



**INDIAN INSTITUTE OF MATERIALS MANAGEMENT**  
**Post Graduate Diploma in Materials Management– 2years**  
**Paper 22(Enrollment code: CPM)**

**June 2023**

**Business Process Re-Engineering & ERP**

**Date:** 23.06.2023  
**Time:** 2.00 p.m. to 5.00 p.m

**Max. Marks 70**  
**Duration 3 hours**

**Instructions**

1. Part A is compulsory. Each sub question carries one mark.
2. In Part B answer any 3 questions .Each question carries 10 marks
3. Part C is a case study with sub questions and it is compulsory.

**Total marks-20**  
**Total marks-30**  
**Total marks-20**

**PART A**

(20 marks)

**Q. 1. Fill in the blanks.**

**[ 5 marks]**

- a) Reengineering is not a quick \_\_\_\_\_.
- b) BPR is a \_\_\_\_\_.
- c) Hammer&\_\_\_\_\_ define BPR as a radical design.
- d) \_\_\_\_\_ information systems have reduced complexity.
- e) \_\_\_\_\_ is a comprehensive quality system.

**Q. 2. State True or False**

**[ 5 marks]**

- a) 'Radical' suggests thate need to accept what is existing,
- b) Business Processes are components of ERP.
- c) Manufacturing and logistics five major components.
- d) A three-tier architecture has plication server.
- e) Database resides in data-tier.

**Q. 3. Match the following:**

**[ 5 marks]**

	Column A		Column B
A	A conceptual tool that contains a set of elements	1	Presentation Logic Tier
B	A general systems concept	2	Business Model
C	A collection of activities	3	Private Market Place
D	A trading exchange with membership by invitation	4	Modularity
E	Interface for the end user into the application.	5	Value Chain

**Q.4. Expand the following:**

**[ 5 marks]**

- a) SOA                      b)EC    c)BE                      d)GVCM                      e)QFD

**PART B**

**(30 marks)**

**(Answer any three. Each question carries 10 marks)**

**Q.5.a)What are the elements of BPR?**

**[5 marks]**

b)Describe the life cycle of BPR.

**[5 marks]**

**Q.6.a)What are the key roles of effective process management?**

**[5 marks]**

b) Describe the process classification framework.

**[5 marks]**

**Q.7.a) What is strategic reengineering?**

**[5 marks]**

b) What is strategic analysis?

**[5 marks]**

**Q.8.a)** Describe ERP technologies.

**[5 marks]**

b) Explain advantages and disadvantages of ERP.

**[ 5 marks]**

**Q.9. Write Short Notes any two**

**[2 x 5 =10 marks]**

A) Traditional Information Systems

B) Business Process

C) Selection process of ERP

D) ERP Implementation Approaches

## PART C

(20 marks)

**Q.10 Case Study (compulsory)**

In 1983, Taco Bell limited resolved themselves to the goal of becoming a value leader in the quick-service restaurant industry rather than the value leader for all foods for all occasions. The process of reengineering at Taco Bell involved several steps, including:

- Complete reorganization of human resources
- Dramatic redesign of operational systems
- Doing away with entire levels of management
- Creation of jobs
- Replacing area supervisors with market managers and reducing their numbers
- Eliminating district managers and promoting restaurant managers
- Reduction in the costs of everything about the business except the cost of the food and its packaging.

In short, Taco Bell followed only one rule during the entire process of reengineering:

Enhance those things that bring value to the customer and change or eliminate those that don't.

They also changed their restaurant structure by:

- Limiting kitchen area from 70% to 30%
- Increasing the customer area from 30% to 70%
- Doubling the seating capacity in the area available

Additionally, reengineering led Taco Bell to introduce two new methodologies, namely K-Minus and TACO (Total Automation of Company Operations).

K-Minus means 'kitchen less restaurant', based on the nature of the company. All of their food was cooked outside the restaurant in central locations. This stemmed from the concept that food should be retailed instead of manufactured. TACO provides:

- Each restaurant with a Marketing Information System (MIS) and empowered the employees with computer know-how.
- It eliminated paper-work and allowed more time to be spent on customers. It helped keep track of sales minute by minute.

While the environment was not a factor in Taco Bell's reengineering, it had benefitted through the reengineering process. The TACO program provides sophisticated MIS technology for all employees, saving thousands of hours of paperwork — and thus paper — as well as promoting self-sufficiency and reducing time spent on administration. The K-Minus program established a

system where the large majority of food preparation occurs at central commissaries rather than in the restaurant, pushing 15 hours of work a day out of the restaurant, improving quality control and employee morale, reducing employee accidents and injuries, and resulting in substantial savings on utilities. The K-Minus program saves Taco Bell about \$7 million a year.

### **Advantages of Business Process Reengineering in Taco Bell**

- Taco Bell after implementing BPR increased their sales from \$500 million in 1982 to \$3 billion in a span of 10 years.
- TACO (Total Automation of Company Operations) program of the company provided Marketing Intelligence Systems for all its employees by which there was a reduction in administration time and paper savings as the work became digital.
- The Kitchen less program was a huge success providing customers with quality control, high employee morale as well as doing large savings on utilities.
- Savings of around \$7 million a year was a result of the K-Minus program.
- Taco Bell now focused more on customer business processes and can spend a huge amount of time on customer look after.
- New job profiles for market managers were introduced.
- The customer seating area was approximately doubled and the kitchen area was reduced.

### **Disadvantages of Business Process Reengineering in Taco Bell**

- The process of BPR was time consuming process.
- There was a resistance to change as complete environment was set in other way.
- Workers' demands increased as a result they have to change the workforce.
- Many previous jobs were shuttered like the area supervisors and new were introduced which resulted in unemployment.

### **Questions:**

- 1, Whyis the role of business process reengineering relevant in the organization?**
- 2. Discuss about the advantages introduction of new technologies for the organization.**

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