UPES
End Semester Examination, May 2025

Course: Business Process Disruption
Program: MBA(LSCM)
Course Code: LSCM7016P

Semester: II
Time: 03 hrs.
Max. Marks: 100

Instructions:

SECTION A
(10Qx2M=20Marks)

S. No.		Marks	CO
Q1	Select the correct answer(s).		CO1
1.1	What is a business process? a. A company's financial statement b. A series of interrelated activities that achieve a specific outcome. c. The organizational hierarchy d. Marketing strategy	2	CO1
1.2	Which term refers to the sequence of activities that transforms inputs into outputs? a. Business model b. Supply chain c. Business process d. Organizational structure	2	CO1
1.3	Which key principle is fundamental to Business Process Reengineering (BPR)? a) Continuous improvement b) Minimal disruption c) Radical redesign d) Status quo		CO1
1.4	What does "as-is" and "to-be" process mapping involve in BPR? a) Ignoring current processes b) Identifying current and future-state processes c) Focusing only on the future-state processes d) Relying on industry standards without analysis	2	CO1
1.5	What is a potential challenge in implementing Business Process Reengineering? a) Strong employee support b) Resistance to change. c) Clear communication	2	CO1

	d) Embracing innovation		
1.6	In Business Process Reengineering, what is the importance of customer feedback? a) It is irrelevant to the redesign process. b) It helps in maintaining the status quo. c) It guides the redesign efforts to meet customer needs. d) It complicates the redesign process.	2	CO1
1.7	Which factor is crucial for effective change management during BPR? a) Avoiding communication with employees b) Maintaining a rigid hierarchy c) Creating a culture of openness and collaboration d) Implementing changes without notice	2	CO1
1.8	What is the purpose of a pilot program in BPR implementation? a) Full-scale implementation from the beginning b) Testing changes on a smaller scale before full deployment c) Post-implementation evaluation only d) Excluding employees from the process	2	CO1
1.9	What is the importance of performance measurement in BPR? a) It is irrelevant in BPR b) Assessing the success of implemented changes c) Ignoring performance metrics d) Relying solely on employee feedback	2	CO1
1.10	What role does technology play in Business Process Reengineering? a) It's ignored in BPR b) It's used for incremental changes c) It's central to radical redesign d) d. It's not relevant in BPR	2	CO1
SECTION B **(4Qx5M= 20 Marks)**			
Q2			CO3
2.1	List the enablers of the BPR.	5	CO3
2.2	List the risks/barriers associated with the BPR project.	5	CO3
2.3	List some business process reengineering (BPR) success factors.	5	CO3
2.4	Explain the SIPOC method of flowcharting/explaining the business process.	5	CO3
SECTION-C **(3Qx10M=30 Marks)**			
Q3	**Short Case Study:** One of the most referenced examples of business process reengineering is the case of Ford, an automobile manufacturing company. In the 1980s, the American automobile industry was		

experiencing a downturn, and to cut costs, Ford decided to scrutinize some of its departments to identify inefficient processes.

One of their findings was that the accounts payable department was not as efficient as it could be: their accounts payable division consisted of 500 people, as opposed to Mazda's (their partner) 5 people. While Mazda was a smaller company, Ford estimated that their department was still 5 times bigger than it should have been.

Accordingly, Ford's management set a quantifiable goal: to reduce the number of clerks working in accounts payable by a couple of hundred employees. Then, they launched a business process reengineering initiative to understand why the department was so overstaffed.

They analyzed the current system and found it as shown in Figure 1.

So, as with BPR, Ford completely recreated the process digitally. The new process is shown in Figure 2.
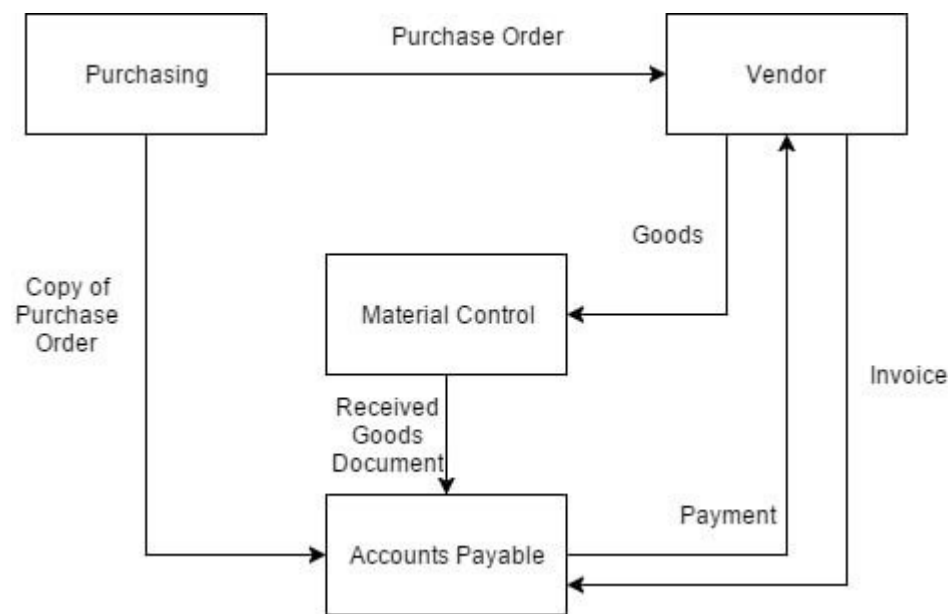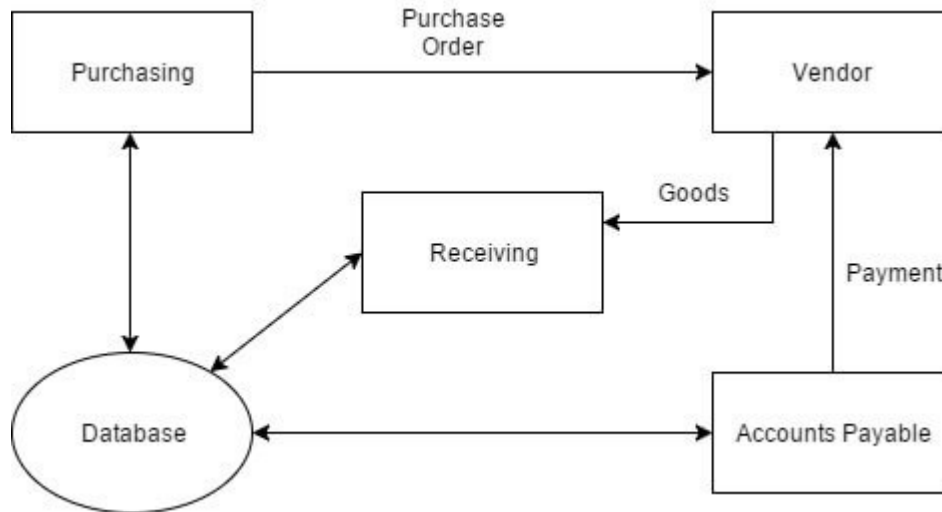

Figure 1: See Above

Figure 2: See Above

Answer the questions below with an explanation.

3.1	Explain the old process (Figure 1) in your own words. Use assumptions if required.	10	CO2
3.2	Explain the new process (Figure 2) in your own words. Use assumptions if required.	10	CO2
3.3	Explain the step-by-step integrated BPR implementation methodology?	10	CO2

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SECTION-D
(2Qx15M= 30 Marks)

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Q4	**Long Case Study:**

One of the hazards of a growing small business is a software upgrade. If you pick the wrong horse, you may find yourself riding in the wrong direction.

Correcting your course may mean not only writing off your first upgrade selection but also going through the agonizing process of finding a better software solution for your company. That's what happened to Wolf Peak International of Layton, Utah, which designs and manufactures eyewear for the safety, sporting, driving, and fashion industries.

Founded in 1998, the privately held small to midsize enterprise (SME) also specializes in overseas production, sourcing, importing, and promotional distribution services. In Wolf Peak's early days, founder-owner Kurt Daems was happy using QuickBooks to handle accounting chores. The package was user-friendly and allowed him to drill down to view transaction details or combine data in a variety of ways to create desired reports. As the company prospered, however, it quickly outgrew QuickBooks's capabilities.

"As Wolf Peak got bigger, the owner felt the need to get into a more sophisticated accounting system," says Ron Schwab, CFO at Wolf Peak International. "There were no financial people in-house at the time the decision was made to purchase a replacement for QuickBooks, and the decision was made without a finance person in place to review it."

Wolf Peak selected one of several accounting software packages promoted to growing SMEs. By the time Schwab joined the company, the package had been installed for six months, following an implementation period that lasted a full year. "The biggest difficulty for QuickBooks users is to go from a very friendly user interface and the ability to find information easily to a more sophisticated, secure, batch-oriented accounting system that became an absolute nightmare to get data out of," notes Schwab. "So the company paid a lot of money to have this new accounting system, but nobody knew how to go in and extract financial or operational data used to make critical business decisions."

There were other problems. Developing reusable reports was difficult, time-consuming, and expensive. The company paid IT consultants to develop reports for specific needs, some of which still had not been delivered, months after they were commissioned. Ad hoc reporting was similarly intractable. Furthermore, the company's prior-year history in QuickBooks could not be converted into the new accounting package. A situation like this creates serious problems.

Accustomed to keeping close tabs on the company's operations, Daems found that he simply could not get the information he wanted. He began to lose track of his business. "He got so fed up he finally came to me and said he was ready to look at a SAP software alternative he'd heard about," Schwab recalls. "He wasn't ready to buy it, though, because he'd just sunk a lot of money into the new accounting package."

One year after Wolf Peak switched to the new accounting software, Schwab called the offices of JourneyTEAM, a local SAP services partner, and asked their software consultants to demonstrate the SAP Business One software suite.

SAP Business One is an integrated business management software package designed specifically for SMEs like Wolf Peak. The application automates critical operations, including sales, finance, purchasing, inventory, and manufacturing, and delivers an accurate, up-to-the-minute view of the business. Its relative affordability promises a rapid return on investment, and its simplicity means users have a consistent, intuitive environment that they can learn quickly and use effectively.

"We had a wish list from various company employees asking for various capabilities," recalls Schwab. "The JourneyTEAM people came in and demonstrated all those functionalities and more. They even generated four or five reports that we had spent several thousand dollars and several months trying to get from our other software consultants and had not yet received. Based on our data that they had input into Business One, JourneyTEAM put those reports together in an afternoon."

Daems still had a few reservations: He needed the buyin of his VP of sales and was concerned about cost. He still wasn't ready to write off the recently installed accounting software. JourneyTEAM came in and gave another presentation for the Wolf Peak sales team and, following that, came back with an acceptable quote. With some pain, but also considerable relief, Daems wrote off the existing

accounting package. "We felt the benefits of SAP Business One far outweighed the costs and time already invested in that software system," Daems says.

Implementation of Business One took just seven weeks from the day of the initial sales presentation. "We implemented SAP Business One during our busiest period of the year with no disruptions," notes Schwab. "It went better than I expected, in particular the cutover and conversion to Business One. JourneyTEAM did an amazing job of getting all our old records converted with no real problems at all.

We met our June 30 deadline and cutover during the succeeding long weekend without incident." Schwab's enthusiasm for SAP Business One is high. "This is the best accounting program I've ever worked with," he says. "I can drill down to anything I want. And with the XL Reporter tool, I can build reports on the fly."

Business One includes a seamlessly integrated reporting and financial analysis tool called XL Reporter that works with Microsoft Excel to provide instant access to financial and operational data. It reports on live data drawn from a variety of sources including general ledger, receivables, payables, sales, purchasing, and inventory software. "Now we're building the reports we want," says Schwab. "To have a program like XL Reporter that lets us build custom reports, preset regular updates, and then work within Microsoft Excel—that's hugely valuable to us. Nobody else offers the ability to do ad hoc queries so easily. Even people who aren't serious programmers can go in and create the documents they need within the limits of their authorizations. So I highly recommend it."

For years, Daems had been running an open receivables report that presents, for example, all the invoices that are 15 days past due and greater than $450. Unfortunately, he simply could not run a report like that with the software package he bought to replace his old QuickBooks program.
That situation has now changed. "With SAP Business One, we can go in there and ask for those parameters and then sort it by oldest, biggest amount, or customer," says Schwab. "And it's paperless. The accounts receivable person doesn't have to print anything out and then write a bunch of notes on it and type them into the system for someone else to find. It's all right there."

Wolf Peak also requires a very complicated commissions report, which generates the checks that go out to the company's commissioned sales representatives, who receive individualized reports as well. The previous consultants were unable to deliver this set of reports. JourneyTEAM was able to develop it on Business One in an afternoon.

Wolf Peak is already expanding its use of SAP Business One into other areas. The company has applied the software to warehouse management, where it enables Wolf Peak to manage inventory, receiving, warehouse delivery, shipping, and all the other aspects of the warehousing task. Inventory is one of the company's biggest assets, and it has to be managed well. "We have an audit report that lists all of the inventory, the current on-hand quantity, and the demands on it through sales orders or outstanding purchase orders," Schwab says.

This report then lists the value of that inventory and allows Schwab to examine the activity against any inventory item during any period. It also enables him to drill down to the actual invoices that affect

that inventory item. "We want to minimize what we have on hand," he says, "but we always have to be sure we have enough to meet our customers' needs. Business One lets us do that."

Wolf Peak's management has also begun using the customer relationship management (CRM) functionality within Business One to assist with its collection of receivables. The company's plan is to extend its use of the software to develop and track sales opportunities as well. Three months following its installation, Wolf Peak is quite happy with its decision to go with SAP's Business One software. "Reports that used to take months to create—if we could get them at all—can now be created in minutes," says Schwab.

A less tangible but no less important benefit is the renewed confidence Business One brings to management. "A company's greatest untapped asset is its own financial information," says Schwab. "SAP Business One creates an environment where the decision makers get the information they want on a timely basis; in a format they can use. It's amazing what happens when management begins to see what is really happening inside the enterprise. Business One delivers useful information to help make good business decisions—and that's really the bottom line. This is a business management tool".

Answer the questions below with a detailed explanation.

4.1	What problems occurred when Wolf Peak upgraded from QuickBooks to a new accounting software package? How could these problems have been avoided?	15	CO4
4.2	Should most SMEs use an integrated business software suite like SAP Business One instead of specialized accounting and other business software packages? Why or why not?	15	CO4