

## ENTERPRISE COMPUTING TOOLS

## In The Name of

# Infostructure



**As user enterprises strive to stay lean and nimble, and/or turn shaky as competition grows, vendors platter new tools, technologies, jargons and hype. IT development priorities get decided by business processes; old computing orders continuously get replaced by new fix-it tools. Set apart by hypes, claims and set of lead vendors, each enterprise computing wave-be it ERP, EERP, data-warehousing, CRM, PRM or Knowledge Management-looks astonishing similar to the other at the core. Are they vendors' ploy to create new markets and confuse users? Management consultants' attempt to strengthen their leash? Or are they evolutionary technology development in search of excellence and the right computing tool?**

By [Kavita Kaur](#)

Afirm's customer service department receives a service call. Simultaneously, the client's account details flash on the screen, as determined by a data-mining program. Armed with the data, the firm representative replies back fast, addressing the customer by her first name, detailing her account nature, as if they were old friends. The client is happy, the official content. This was CRM (Customer Relationship Management) in action, and in nutshell. So far, so good!

Now, suppose this particular facility also has a technical support line, where the complete record of the "transaction" can be monitored. So, while you are holding on to seek any query, you can check on the status of other equipment you ordered. The technician opens up another window, keys in a query and voilà, you have the information you need. Vendors would sell this as ERM (Enterprise Relationship Management), since the company representative went across departments and systems to answer your question.

However, at the core, this would still be CRM because the transaction was all to serve the customer! Yet another subset in this sphere is on the partner and supplier side-PRM and SCM. Phew! Talk about acronyms, jargon and confusion.

## You Said IT

The infotech sector, for long, has created newbuzzwords to hawk its ware and then tried to convince companies that these tools will be sure-shot ways of improving their business. Says Sugata Mitra, R&D chief of NIIT Ltd, "Buzzwords are always hype. Vendors bank on them to sell their products." He quips that technology today has a bit of Bhraminism ("If you think the industry is divided into various castes and religions.") in it. According to Ganesh Ayyar, president, Hewlett-Packard India Ltd, "There is hype, but not as in whether ERP is useful or not. It's more in the case of vendor names and exponential benefits." Even management students find the waves intriguing. Says Anurag Jain, fellowship student (Information Systems Area), IIM-B, "These technologies are much hyped up." An example set forth by him: veiling the appearance of data warehousing under the glossy name of 'Business Intelligence'.

Does it make sense to merit so many categories and acronyms in such a specific space? Do firms really need to have all those tools to turnaround their bottomline? Or is it a vendor-driven market wherein firms are bowing to the vendor offerings to survive in the competitive corporate jungle?

Vendors feel otherwise. According to them, these technologies have arrived at by the demand for new business model in the changing corporate environment and are not mere nebulous business trends. Says Bimal Sachdeva, vice-president-marketing, Adroit Computer Technique Pvt. Ltd, that offers Business 2000, an ERP solution, "Vendors can no longer fool firms. Today, even small/medium companies are technology-savvy." Sandeep Pal, deputy general manager-marketing, Oracle Software India Ltd, holds similar views. Says he, "Enterprise computing vendors bring together best practices across the world and offer a single stroke BPR." He adds that packaged software are making waves as organisations don't want to be locked into technology. Meanwhile, Ganesh Ayyar of HP India poses an intriguing question: "Is IT driving business processes or are business processes driving IT?"

## New Age Tools

Dig a bit further and you know why these tools are receiving attention worldwide. The rules of the game have changed. Maybe the game itself has changed! Internet and E-commerce have made a significant impact on corporate applications. Extreme pressures are forcing firms to explore different technologies to work smarter. Says Anjan Mazumdar, executive director, PricewaterhouseCoopers (PwC), "Look at the global trend-there are mergers and acquisitions. Based on this trend, it seems in every industry

## The Net Sets Tools

Be it ERP, SCM or CRM-enterprise computing vendors are speeding to offer their products and services online. Web-enabled solutions are indeed the order of the day. According to Sugata Mitra, NIIT's R&D chief, "The 'I' component will prevail everywhere." Says Anil Bakht, CEO of ESS, "Our Makess on the Net takes advantage of the ease and accessibility of the Internet and provides a solution that enables a customer to leverage the benefits of the Net, while maintaining the strengths of client-server computing." Potential users no longer need to invest in expensive servers and ERP packages. They can now pay a small monthly rent of Rs 9,000 per month. Even multinational giants like SAP are jumping on the Web bandwagon. Besides its Web-enabled offerings on its site, SAP will soon launch a portal that will provide database servers.

IDC India believes that the use of Internet as a platform for deploying ERP applications will grow in India, fueled by an increase in the number of ISPs, lowering of telecom tariffs for business users and geographic expansion of customer operations. Further, companies seeking to invest in E-commerce applications by which they can get closer to their customers and increase revenues, extend market reach, maximise their information resources and work more productively will assist the market for Internet deployed solutions to make an impact in the long term. The verdict: the Net is omnipresent.

Says Ganesh Ayyar, president of HP India, "The next mantra would be collaborative clusters. In the coming years, organisations worldwide will only focus on core competency and bank on E-services to complete the final value chain." Similarly, Web-enabled CRM is catching on because it can help corporations better leverage the customer information in their Web sites, databases and call centres. Take the case of Hewlett-Packard's HP Front Office, a CRM solution designed to help companies develop stronger relationships with their customers, resulting in greater loyalty, revenue and profit. The new solution is the industry's first pre-integrated, Internet-based marketing, sales and support solution that ties to the call centre. Next on the anvil: handheld CRM applications.

there are going to be three or four key players. Add to that the borderless world of Internet. Can firms manage to survive without advanced corporate applications?" According to Dr S. Raghunath, professor and coordinator, corporate strategy and policy area, IIM-B, "The standards of customer care have gone up and so have customer expectations. To meet these expectations, firms are resorting to technology." Monica Diveshwar, Frost & Sullivan, says, "The core revolution derives its roots from the digitisation of data/documents in a corporate environment. The next step in evolution was sharing data between firms." Commenting on the quick succession of computing waves, Sumeet Kapoor, CEO, Global Groupware Solutions of SMILE CRM software fame, says, "After installing an application, loopholes pop up and they form the basis for the next wave of tools."

### **Wonderworld of Alphabets**

While ERP had its origin in manufacturing systems, the scope of its offerings expanded in the mid-1990s to include other back-office functions such as financial management. Soon the range of functionality expanded to include front office functions such as supply chain management and E-commerce. An all-in-one fix tool for your firm? If so, then why the different applications and acronyms? Industry observers opine that an organisation of the 1990s requires individual components--configurable software modules that collaborate via standard interfaces-that can be combined to meet changing business needs. Hence, vendors are separating their integrated application modules into smaller components. According to Ganesh Natarajan, CEO, Aptech Ltd, "There is really no fundamental difference in these approaches. Both BPR and ERP are to do with firms sustaining a strong process orientation. Once processes are made market-facing and technology is used to speed up the order fulfillment cycle, it generates competitive advantage." Says Jain of IIM-B, "As businesses have grown over time, they have found themselves confused. IT has helped them understand and manage the complexities."

### **Enter Resource Planning**

Worldwide, vendors are seeking to differentiate themselves by offering industry-specific solutions targeted towards a particular vertical market. While SAP offers 13 industry-specific units such as electronics and oil and gas, PeopleSoft has nine units including retail and higher education. J.D Edwards focusses on 11 vertical market segments such as consumer packaged goods; Oracle has partner shops with small vendors that specialise in particular industries, while BaaN offers five units including aerospace and process industries.

In India, the ERP market is segregated in two segments: one segment comprises of consulting firms such as PricewaterhouseCoopers and KPMG Peat Marwick that offer ERP consulting and implementation services, and the other segment includes software firms such as Siemens Information Systems Ltd and Tata Consultancy Services that offer ERP implementation service.

According to IDC India, the installed base of firms having/implementing ERP solutions crossed 500 mark as 188 new customers were added during the year 1998-99. And in case you think that enterprise computing is the domain of only cash-rich multinationals, think again. The SME segment witnessed the maximum activity and vendors realigned their products and business strategies to capture that pie. According to Bimal Sachdeva, vice-president-marketing, Adroit Computer Technique Pvt. Ltd, "Indian vendors hold a slight edge over the ERP giants such as SAP and BaaN because of two key factors: price and customisation." Anil Bakht, managing director, Eastern Software Systems, holds similar views, "There are about 3 million small firms in our country. Even if we cut off 90 percent of them, which have less than Rs 1 crore turnover, we still have 250,000-300,000 firms left-those are my potential customers. I am offering them the Makess ERP at a price they can afford and saying that they stand an equal chance as the cash-rich HLL."

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