Enterprise Systems for Management, 2e **(Motiwalla/Thompson)**
Chapter 9   Organizational Change and Business Process Reengineering

1) A successful ERP implementation requires organizational change.
Answer: TRUE
Diff: 1   Page Ref: 244

2) The FoxMeyer ERP implementation failed because they didn't train their employees properly on the new system.
Answer: FALSE
Diff: 2   Page Ref: 244

3) BPR identifies current processes and the change required "best practices."
Answer: TRUE
Diff: 2   Page Ref: 244

4) The OPM3 is used to provide a framework for the ERP system's infrastructure.
Answer: FALSE
Diff: 3   Page Ref: 244

5) ERP implementations can use the existing organization and reporting structure.
Answer: FALSE
Diff: 3   Page Ref: 244

6) Under normal circumstances, teamwork can take a number of years to develop, but it is especially important in an ERP project.
Answer: TRUE
Diff: 1   Page Ref: 244

7) A merger or acquisition usually entails some kind of organizational change.
Answer: TRUE
Diff: 2   Page Ref: 244

8) Adding a new employee is an example of organizational change.
Answer: FALSE
Diff: 2   Page Ref: 245

9) Organizational change refers to a fundamental and radical reorientation in the way the organization operates.
Answer: TRUE
Diff: 1   Page Ref: 245

10) ERP implementations often involve only minor changes to the organization.
Answer: FALSE
Diff: 2   Page Ref: 245

11) In most cases, an ERP system will immediately increase profits and provide a short term return on investment.
Answer: FALSE
Diff: 3   Page Ref: 245

12) A BPR study should set the stage for the actual ERP implementation.
Answer: TRUE
Diff: 2   Page Ref: 245

13) Legacy systems are built around the idea of "best practices."
Answer: FALSE
Diff: 2   Page Ref: 245

14) Senior management doesn't need to commit to the ERP project until it is near the go-live phase.
Answer: FALSE
Diff: 1   Page Ref: 245

15) A well-defined communication plan is a key component of change management.
Answer: TRUE
Diff: 2   Page Ref: 246

16) The OPM3 is used to assess an organization's experience in implementing an ERP system.
Answer: TRUE
Diff: 3   Page Ref: 246

17) Less skilled companies can raise their ERP skills by training employees or hiring external consultants.
Answer: TRUE
Diff: 2   Page Ref: 246

18) The OPM3 is a five step continuous improvement process.
Answer: FALSE
Diff: 1   Page Ref: 246

19) Assessment is the last step of the OPM3 process.
Answer: FALSE
Diff: 2   Page Ref: 247

20) Determining the appropriate best practices is part of the knowledge phase of the OPM3.
Answer: TRUE
Diff: 3   Page Ref: 247

21) BPR is often used as the main reason for moving from legacy systems to an ERP system.
Answer: TRUE
Diff: 2   Page Ref: 246

22) A business process is defined as "a set of logically related tasks performed to achieve a defined business outcome."
Answer: TRUE
Diff: 1   Page Ref: 247

23) Reengineering can be traced back to the 1700s.
Answer: FALSE
Diff: 1   Page Ref: 247

24) The first step in the BPR methodology is to define the "as is" process.
Answer: FALSE
Diff: 3   Page Ref: 248

25) Sometimes the ERP system is not purchased until after the "to be" processes are defined and communicated.
Answer: TRUE
Diff: 3   Page Ref: 248

26) BPR with an ERP implementation requires crossing organizational levels.
Answer: FALSE
Diff: 2   Page Ref: 248

27) The "to be" processes are the same as the existing processes.
Answer: FALSE
Diff: 2   Page Ref: 249

28) In the "to be" phase some processes will be redesigned and some will be eliminated.
Answer: TRUE
Diff: 2   Page Ref: 249

29) In the "as is" phase, all the new processes must have estimates of timing and who is responsible.
Answer: FALSE
Diff: 3   Page Ref: 249

30) Almost all ERP systems are slow and can be adjusted to meet organizational vision and goals.
Answer: FALSE
Diff: 2   Page Ref: 249

31) The BPR organizational structure must coincide with the project governance.
Answer: FALSE
Diff: 3   Page Ref: 252

32) ERP implementation project CEOs are created just for the project.
Answer: FALSE
Diff: 2   Page Ref: 252

33) The development of the project team is the responsibility of the CEO along with leads in each area.
Answer: FALSE
Diff: 2   Page Ref: 246

34) The only way to tell whether a project is on schedule is by using project measurements.
Answer: TRUE
Diff: 2   Page Ref: 246

35) Project leads provide input to management and coordinate team activities.
Answer: TRUE
Diff: 2   Page Ref: 246

36) A BPM process category is software-intensive processes.
Answer: FALSE
Diff: 3   Page Ref: 252

37) A BPM process category is people-intensive processes.
Answer: TRUE
Diff: 3   Page Ref: 252

38) A BPM process category is decision-intensive processes.
Answer: TRUE
Diff: 3   Page Ref: 252

39) A BPM process category is hardware-intensive processes.
Answer: FALSE
Diff: 3   Page Ref: 252

40) In the process of identifying and prioritizing reports from the old system, some of them may be eliminated altogether.
Answer: TRUE
Diff: 2   Page Ref: 246

41) The _____ manages the day-to-day aspects of the project.
A) Steering Committee
B) Super User
C) Project Manager
D) change management team
Answer: C
Diff: 1   Page Ref: 246

42) The Project Executive must oversee project activities and provide broad _____ for the project and resolve policy level issues.
A) functions
B) growth
C) technical requirements
D) oversight
Answer: D
Diff: 2   Page Ref: 246

43) The overall policy, budget, and scope of the project are determined by the:
A) PMO.
B) owners.
C) Steering Committee.
D) Project Executive.
Answer: B
Diff: 2   Page Ref: 246

44) The BPR methodology starts with _____ the first step.
A) testing
B) mapping
C) definition
D) reevaluation
E) preparation
Answer: E
Diff: 2   Page Ref: 248

45) The BPR methodology continues to the second step _____.
A) testing
B) mapping
C) definition
D) reevaluation
E) preparation
Answer: C
Diff: 2   Page Ref: 248

46) The BPR methodology continues to the third step _____.
A) testing
B) mapping
C) definition
D) reevaluation
E) preparation
Answer: B
Diff: 2   Page Ref: 248

47) The BPR methodology continues to the fourth step _____.
A) testing
B) mapping
C) definition
D) reevaluation
E) preparation
Answer: A
Diff: 2   Page Ref: 248

48) The BPR methodology continues to the fifth step _____.
A) testing
B) mapping
C) definition
D) reevaluation
E) preparation
Answer: D
Diff: 2   Page Ref: 248

49) _____ is a methodology for assessing whether an organization has the skills in place to successfully implement an ERP system.
A) BPR
B) Business blueprinting
C) CSF
D) OPM3
Answer: D
Diff: 2   Page Ref: 246

50) Within an ERP project, _____ requires crossing organizational boundaries and a more extensive change management effort because of the high anxiety towards it by the workforce.
A) BPR
B) Business blueprinting
C) CSF
D) OPM3
Answer: A
Diff: 3   Page Ref: 260

51) Resistance to change may be high but can be reduced with a significant _____ effort early and often in the project.
A) development
B) risk management
C) change management
D) functional management
Answer: C
Diff: 2   Page Ref: 260

52) Over the years, _____ has been equated with downsizing in ERP projects.
A) BPR
B) Business blueprinting
C) CSF
D) OPM3
Answer: A
Diff: 3   Page Ref: 260

53) With a new ERP system, not only do workers fear a loss or change in their jobs, but they also fear an overall change in the:
A) organization.
B) management.
C) control structure.
D) business process.
Answer: C
Diff: 3   Page Ref: 260

54) In the FoxMeyer case, at a high level, they failed to develop a(n) _____ for the change that came with their ERP implementation.
A) example
B) training
C) business case
D) presentation
Answer: C
Diff: 2   Page Ref: 244

55) The OPM3 consists of three stages or steps:_____, assessment, and improvement.
A) design
B) training
C) conversion
D) knowledge
Answer: D
Diff: 3   Page Ref: 244

56) Having a strong sense of _____ will help provide continuity and a basis for moving forward as decisions are made and business processes change.
A) participation
B) teamwork
C) commitment
D) functionality
Answer: B
Diff: 3   Page Ref: 244

57) ERP implementations require their own organizations and _____ structure.
A) marketing
B) accounting
C) reporting
D) staffing
Answer: C
Diff: 3   Page Ref: 244

58) A change in the _____ would be an example of an organizational change.
A) building security
B) departmental staff
C) mission
D) marketing literature
Answer: C
Diff: 2   Page Ref: 244

59) Half of all ERP projects fail to deliver all the anticipated benefits because they do not do a good job of:
A) blueprinting.
B) managing change.
C) training users.
D) data migration.
Answer: B
Diff: 3   Page Ref: 244

60) BPR studies not only identify process and procedural changes for the business, but also _____ that can create industry advantages.
A) high rewards
B) high ROI opportunities
C) best practices
D) case studies
Answer: C
Diff: 3   Page Ref: 245

61) Two factors that help ensure organizational commitment to the ERP project include the OPM3 process and a _____ plan.
A) training
B) go live
C) communication
D) stabilization
Answer: C
Diff: 2   Page Ref: 246

62) The objective of _____ is to minimize the risk of failure and maximize the benefits of the change.
A) ERP projects
B) change management
C) communication
D) project management
Answer: B
Diff: 2   Page Ref: 246

63) The goal of the _____ process is to measure whether the organization has the skills and experience necessary to implement an ERP system.
A) OPM3
B) PMO
C) BPR
D) staffing analysis
Answer: A
Diff: 2   Page Ref: 246

64) To fully utilize the new ERP system, the _____ results need to be incorporated into the ERP implementation scope and plan.
A) blueprinting
B) functional analysis
C) OPM3
D) BPR
Answer: D
Diff: 3   Page Ref: 247

65) In order to reengineer a business process, it must be first dismantled into individual _____ and then put back together into a new set of business flows.
A) functions
B) activities
C) transactions
D) data flows
Answer: B
Diff: 2   Page Ref: 247

66) BPR is often equated with _____.
A) leadership
B) status quo
C) downsizing
D) stealing
E) none of the above
Answer: C
Diff: 2   Page Ref: 248

67) BPR teams will be composed of functional users and _____ along with facilitators.
A) managers
B) attorneys
C) consultants
D) IT Staff
E) none of the above
Answer: A
Diff: 3   Page Ref: 248

68) Working through the as is phase of the BPR process is often tedious and stressful, so it is good to counter this with _____ and events.
A) conferences
B) team building exercises
C) meetings
D) vacation
E) none of the above
Answer: B
Diff: 3   Page Ref: 249

69) The "to be" phase is _____ difficult than the "as is" phase.
A) more
B) less
C) equally as
D) none of the above
Answer: A
Diff: 2   Page Ref: 249

70) Some team members will be _____ by the idea of changing a process.
A) fired
B) prompted
C) threatened
D) dumb founded
E) none of the above
Answer: C
Diff: 1   Page Ref: 249

71) Some BPR tools are _____ while others address certain market niches.
A) expensive
B) cheap
C) comprehensive
D) stylish
E) none of the above
Answer: C
Diff: 1   Page Ref: 250

72) Functional and technical staff on the ERP implementation project should report to _____ rather than their home departments.
A) attorneys
B) consultants
C) executives
D) project leads
E) none of the above
Answer: D
Diff: 3   Page Ref: 252

73) Sample BPM vendors include:
A) Adobe.
B) EMC.
C) IBM.
D) Oracle.
E) all of the above
Answer: E
Diff: 3   Page Ref: 253

74) Benefits of implementing BPM include:
A) employees work longer hours.
B) smooth business operations.
C) low efficiency reduces costs.
D) employees don't feel worse off.
E) none of the above
Answer: B
Diff: 2   Page Ref: 257

75) The benefits of BPM are driven by the Four R's of Process:
A) Roles, Relationships, Revenue, Routing.
B) Rules, Relationships, Revenue, Routing.
C) Roles, Rules, Revenue, Routing.
D) Roles, Relationships, Rules, Routing.
E) none of the above
Answer: D
Diff: 2   Page Ref: 258

76) Why is change management so import for ERP projects?
Answer: As illustrated by the FoxMeyer case, ERP is not simply about automating existing business processes, but it is about reengineering processes with technology in mind. This often requires organizational change to take advantage of the new integrated systems. Change management is needed to get the company ready for the coming changes and to take advantage of them.
Diff: 2   Page Ref: 244

77) What is the OPM3 framework? How is it used in ERP projects?
Answer: OPM3 stands for Organizational Project Management Maturity Model. This long name says it all, as this is a tool that organizations can use to measure how much expertise they have in implementing ERP systems. This assessment would form the basis for doing a gap analysis to see how much external staffing they will need in order to be successful.
Diff: 2   Page Ref: 245

78) Why is BPR often equated with downsizing?
Answer: BPR or Business Process Reengineering has gotten the reputation over the years as simply a vehicle for eliminating jobs. Employees fear that many of their jobs will be changed and possibly eliminated. While it is true that job descriptions and tasks may change, oftentimes the most tedious tasks are automated and employees are actually freed up to do more interesting jobs with more decision-making input. To avoid some of these fears, it is most important that employees get training early on and that the implementation process be communicated well.
Diff: 2   Page Ref: 248

79) What is organizational change? Give some examples.
Answer: Organizational change is sometimes equated with organizational transformation. In other words, this term is referring to some kind of fundamental or radical reorientation in the way the organization operates. Some examples could be restructuring the organization, changing the mission, merging with another organization, and reengineering core processes.
Diff: 1   Page Ref: 244

80) What does a BPR study do?
Answer: A BPR study helps supply the rationale for implementing an ERP system. It identifies the process and procedural changes needed to streamline the business. It may also identify some best practices that can be used as a basis for gaining a competitive advantage in that industry. In this sense, it helps set the stage for the whole ERP project.
Diff: 3   Page Ref: 247

81) What are the steps in the OPM3 process?
Answer: As specified by the Project Management Institute (PMI), the three steps of the OPM3 process include knowledge, assessment, and improvement. In the knowledge step, the team learns about the available best practices and gains an understanding of how they fit in the implementation. Then an assessment is performed to see what the current state of the organizational project management skills is as compared with the best practices identified in the first step. Once the skills have been assessed, then a plan has to be made to improve any areas where gaps in skills have been identified. This model can be repeated as needed.
Diff: 3   Page Ref: 246

82) What are the steps in the BPR process?
Answer: BPR can be broken down into five basic steps. The first involves getting prepared for BPR by outlining the scope and goals for the BPR process. Then the as is processes are identified and defined and any cross-organizational issues they may present. Once this is done the to be processes are mapped out possibly using the best practices as a guide. The new processes are then tested and measured to see how well they meet the goals. Finally, the processes are reevaluated with an eye to possible improvements.
Diff: 3   Page Ref: 248

83) What tools are available for supporting BPR?
Answer: There is a growing list of tools on the market today that are designed to make BPR easier and more efficient. These software packages help the team to analyze the dynamics of existing processes and can provide greater insight into how well the redesigned processes meet the project goals. Some packages are more comprehensive than others and have support for all phases of the BPR process.
Diff: 3   Page Ref: 220

84) What are the main areas of the ERP project organizational structure?
Answer: The main group or area would certainly be the Project Management Office or PMO. This group will consist of the project executive, project managers, project schedulers, and administrative staff. The next main area would be the leads of the various project teams. This would include the functional teams, the change management team, the development team, the conversion team, reporting team, testing team, and the infrastructure team. Lastly there are the actual members of each of these different teams.
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