Chapter I

Introduction

Learning Outcomes

- Identify why Enterprise Resource Systems (ERP) have emerged as a critical success factor for companies
- Understand that the market for ERP systems is growing rapidly
- Know that skills to effectively implement ERP systems are valued by industry
- Understand the rationale supporting the selection of case methodology for this book
- Know how to use individual preparation, small group discussion, and large group discussion to analyze the case study
- Understand the organization of the book

Key Challenges Facing IT Professionals

Information Technology (IT) is one of the key factors driving progress in the 21st century — it is transforming the way we live, learn, work, and play. Advances in computing and communications technology have created a new infrastructure...
for business, scientific research, and social interaction. This expanding infrastructure provides us with new tools for communicating worldwide and for gaining knowledge and insight from this rapid flow of information. Information technology helps us understand how we affect the natural environment and how best to protect it. It provides a vehicle for economic growth. Information technology is making the workplace more rewarding, improving the quality of health care, and making government more responsive and accessible to the needs of our citizens. The world risks losing the scientific, economic, and human resource advantages it now enjoys without an IT workforce that is large enough to meet both the public and private sectors’ growing demand, and is adept at using and producing information technologies.

Although information systems create many exciting opportunities for businesses, they are also a source of new problems, issues, and challenges for managers. Large software and hardware systems continue to fail despite rapid advances in information technology. For more than a decade, businesses and industries have complained that the skills of information systems (IS) personnel entering the workforce are not sufficient to meet the challenges of a high-performance workplace.

It is critical that information technology (IT) professionals and students are able to understand how IT can be used effectively in global organizations. The challenges companies face as they use information systems to make their operations much more responsive and effective are (Laudon & Laudon, 2004):

1. **The Strategic Business Challenge**: Despite their substantial investments in information technology, many organizations are not realizing significant business value from their systems, nor are they becoming digitally enabled. To fully benefit from information technology, realize genuine productivity gains, and take advantage of a company’s full capabilities, many organizations may need to be redesigned, requiring changes in business models and organizational structures.

2. **The Globalization Challenge**: The rapid growth in international trade, partnerships among countries such as NAFTA, the European Union and ASEAN, and the emergence of a global economy highlights the need for information systems that can support production, marketing, and sales of goods in many different countries. There is an increasing need for transnational business processes and supporting information systems that can produce profit and loss and balance sheets for a multinational corporation on a daily basis, provide effective global logistics operations, and continue to perform effectively when companies within the corporation merge with new companies or are divested.
E-Business Adoption in SMEs: Some Preliminary Findings from Electronic Components Industry
www.igi-global.com/chapter/business-adoption-smes/28645?cameid=4v1a