Chapter IV

Transition from Manual to IT-Based Documents Transacting Business Process:
Performance Measurements System as the Key

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Abstract

A medium manufacturing firm had since beginning organized itself around quality-driven transactions in information documents. This learning in documents transaction helped it in scoring large gains in productivity, in cost-cutting, and in evolving a sound performance measurement system. This set the norms of work. However globalization opened up opportunities and threats. The old system had sufficient information technology (IT) backing but it failed in motivating employees adopting a global information challenge. In order to compete internationally through differentiated products with high quality, this firm then reengineered its manufacturing.
Market information substituted quality as driver of information transactions. The goal of the project was to Web-enable the firm. The IT project had to define business transactions as the unit, which would define transactions in information in object language first and subsequently as transactions in documents. Changes were then brought at three levels: the first, essential level was based on business transactions among employees supporting the information system, which in turn generated business documents. Essential-level business transactions formed as a second level cared for the nuclei of business processes and could also constitute a new performance measurement system. Browser-enabled communication proved acceptable to employees who had previous learning in information transactions. The firm gained immensely through this novel mode of IT application.

Background

Liberalization and globalization have sent a message to entrepreneurs that opportunities for creating new business have opened up. There have been contrasting views saying that threats to business increased along with globalization. However for creating new business particularly in the form of a small venture, globalization offered distinct new dimensions in countries such as India. Threats exist for the old and established business. In consumer products new business such as in zip fasteners, which we will discuss now, opportunities came along by way of first opening the vision to a global competitive market and, second, by exposing an entrepreneur not so much as to resources but to business and technological opportunities. This is a story about three entrepreneurs who floated together, in the early years of globalization of Indian economy, a new small venture to manufacture zip fasteners. This narration testifies how with technological learning and adoption of information technology as well as contemporary management a newly created enterprise could be made a globally competitive entity. The hero, Mr. V, of this narration is one of the three entrepreneurs.

Mr. V understood that “learning before doing” was an effective and attractive mode compared to the “learning by doing.” In the transformation of the small organization from a domestic-centered orientation to a globally looking IT-based medium-sized knowledge organization with globally distributed manufacturing facility in about a decade, information-learning proved to be a boon. Previous learning in information handling during the initial years when the enterprise was new and small was not IT-based. However knowledge on using information proved to be context-independent, and this knowledge helped the transition. This
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