A FRAMEWORK FOR ALIGNING ERP WITH CORPORATE STRATEGIES

A CASE STUDY IN HIGH-TECH COMPONENT MANUFACTURING INDUSTRY

MASTER OF BUSINESS ADMINISTRATION

IN

INFORMATION TECHNOLOGY

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By

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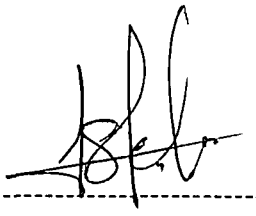
DECLARATION

"I certify that this thesis does not incorporate, without acknowledgement, any material previously submitted for a degree or diploma in any university. To the best of my knowledge and belief, it does not contain any material previously published, written or orally communicated by any other person or me, except where due reference is made in the text. I also hereby give consent for my dissertation, if accepted, to be made available for photocopying and for interlibrary loans, and for the title and summary to be made available to outside organizations"



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ABSTRACT

It is empirically proved that the IS alignment with business strategies leads to peak organizational performance. This strategic alignment of information systems is an area that has been the subject of numerous research activities. The focus of the majority of these studies has been the relationship of business performances and the IS alignment and measuring the alignment of information systems. The present research introduces a comprehensive framework that can be used to align ERP, which is the ultimate existence of the current IS, with corporate level business strategies of an organization.

The methodology for the present research is based on case study methodology and a leading high-tech component manufacturer is selected for qualitative analysis. A conceptual framework was developed on the basis of literature on previous studies and then the selected business case was profoundly studied to best match the framework for the selected industry. The case selected for the study was used to maintain the validity of the framework for the entire industry by obtaining the findings from multiple sources and aligning to industry standard practices. Then the framework is tested for the same business case proving the applicability and the validity of interpretations.

The ultimate finding of the research is the framework that can be used for aligning ERP with corporate level business strategies in the high-tech component manufacturing industry. The researcher derives the most suitable ***competitive strategy dimensions*** (Corporate level) parallel to Potter's competitive forces, for the high-tech component manufacturing industry and models, each strategy that comes under each dimension and, the expected IS supportability for each strategy. Ultimately, the model calculates the alignments and visualizes the ways of improving the alignment while figuring out the business intensity of the investment.

The present research contributes to the empirical literature by carrying the strategic alignment of information system phenomenon, a step forward. It derives a model and shows that alignment measuring can be used for more productive IS investment decisions.

This study effectively contributes to the industry as the framework allows aligning the ERP with business strategies coping with peak performances. It drives the managers towards more effective decisions on investment, actualizing the intensity of the results. The model would be further used to fine-tune the ERP implementation processes making sure that the optimum business value could be achieved from the ERP rather than providing solutions for some current operational issues.

Keywords: Strategic alignment, ERP, High-tech component manufacturing industry, Information system, Business strategies.

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LIST OF ABBREVIATIONS

ERP - Enterprise resource planning

BPM - Business process management

SCM - Supply chain management

CRM - Customer relationship management

SRM - Supplier relationship management

PLM - Product lifecycle management

ELM - Employee lifecycle management

CPM - Corporate performance management

B2C - Portal collaborative business-to-consumer

B2B - Business-to-business

B2E - Business-to-employee

EAI - Enterprise application integration

BOI - Board of investment

BOM - Bill of materials

NCR - non-conformity report

BI – Business intelligence

ROI – Return on investment