focus primarily on operations, but it has maintained backup of prior-year operations activities. Examination of prior-year financial reports has shown that the company, while profitable, is not growing, and return on investment is decreasing. The owners are not satisfied with this situation.

4. SELECTING A CONSULTANT

You are the chief information officer for a midsized organization that has decided to implement an ERP system. The CEO has met with a consulting ERP firm based on a recommendation from a personal friend at his club. At the interview, the president of the consulting firm introduced the chief consultant, who was charming, was personable, and seemed very knowledgeable. The CEO's first instinct was to sign a contract with the consultant, but he decided to hold off until he had received your input.

Required

Write a memo to the CEO presenting the issues and the risks associated with consultants. Also, outline a set of procedures that could be used as a guide in selecting a consultant.

5. AUDITING ERP DATABASES

You are an independent auditor attending an engagement interview with the client. The client's organization has recently implemented a data warehouse. Management is concerned that the audit tests that you perform will disrupt operations and suggests that instead of running tests against the live operational database, you draw the data for your analytical reviews and substantive tests of details from the data warehouse. Management points out that operational data are copied weekly into the warehouse and everything you need is contained there. This will enable you to perform your tests without disrupting routine operations. You agree to give this some thought and get back to the client with your answer.

Required

Draft a memo to the client outlining your response to the client's proposal. Mention any concerns you might have.

6. BIG BANG VERSUS PHASED-IN APPROACH

The Nevada Department of Motor Vehicles (DMV) is the agency responsible for licensing both drivers and vehicles in the state of Nevada. Until recently, legacy systems were used for both licensing needs. The legacy system for drivers' licenses maintained the following information about each licensed driver: name, age, address, violation, license classification, organ donation, and restrictions. The vehicle licensing system maintained information about each vehicle, including cost, taxes, vehicle identification number (VIN), weight, insurance, and ownership. In the summer of 1999, over a three-day weekend, information from the two legacy systems was transferred to a new ERP. The ERP and all new hardware were installed in every DMV across the state, and when employees returned from their long weekend, an entirely new system was in place.

The DMV employees were not well trained on the new system, and the system itself presented a few bugs. As a result of these obstacles, customers at the DMV faced excessively long lines and extended waiting times, and several of the employees simply quit their jobs because of frustrations with the system and difficulty dealing with irate customers. Knowing that the waiting times were so long, many drivers simply refused to renew licenses or obtain new licenses.

Assume that the ERP the DMV management selected was correctly configured and was capable of meeting all requirements of the DMV; consider data warehousing implications, business culture implications, and disruption to operations; and discuss the advantages and disadvantages associated with the decision to implement the new system using the big bang approach versus the phased-in approach.

7. ERP FAILURE

When an ERP implementation fails, who is to blame? Is it the software manufacturer, the client firm, or the implementation strategy?

Required

Research this issue and write a brief paper outlining the key issues.

8. ERP MARKET GROWTH

Because many large corporations implemented ERP systems prior to 2000, what direction will growth of the ERP market take?

Required

Research this issue and write a brief paper outlining the key issues.