

1. Executive Summary

Reliable Pharmaceutical Services is developing a revolutionary information system to boost its competitiveness in today's tough business environment. The new system named extranet will enhance customer satisfaction through full scale integration with clients and suppliers. The goal of the system is to create an efficient outsourced pharmaceutical service that seamlessly integrate with the client health-care facilities. The development of extranet project will also review the internal operating procedures at Reliable company and eliminate inefficiency through automation and process modification. This report outlined the system vision of the project, identified three significant business benefits for developing the project, a rich picture showing the interconnection between stakeholder and a stakeholder analysis showing the benefits, changes, resistance and anticipated level of commitment from each stakeholders.

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2. Vision Statement

The extranet project is an innovative ERP system designed to target the shortcomings in the current business processes at Reliable Pharmaceutical. The new system improves the internal operating efficiency through high level of integration and automation. There are several immediate benefits including an increment in production output, reduction in human labour, reduction in error rate and more comprehensive operational status statistics. In the long term future, extranet project will strength the level of integration between Reliable and its Clients and at the same time equip Reliable with distinct competitive advantage through wide ranges of value added services. The extranet project will not only bring incredible financial profits to Reliable Pharmaceutical Services, but also tremendous potentials for future growth and developments.

3. Business Benefits

3.1. Fast, Effective and Accurate Processes and Enhanced Customer Satisfaction

The present day business operation processes at Reliable pharmaceutical services are complex combinations of computerised and manual subsystems. The current information system has insufficient coverage and has been out of date for years due to the closure of system vendor. Reliable employees relied on various workarounds to complete their daily operational processes. The system is extremely inefficient and prone to error due to low level of integration and the excessive use of manual inputs.

The proposed extranet project will eradicate the complex manual processes and integrate all subsystems in an efficient and easily manageable ERP system. Furthermore, the success of the project will inspire the creation of faith and trust on the organisation. The significant increase in the quality of the services will further contribute and encourage the retention the existing customers and the attraction to new customers. Additionally, customer satisfaction will boost the morale of the organisation. Many progressive companies are maintaining a high level of customer satisfaction in the world marketplace by producing high quality of new projects leading to fast and effective services (Liker et al., 1995).

Implementation of web-based system and extranet will increase the efficiency of operation and can be quantitatively measured by daily productions capacity. The reduction in human errors can be measured with the ratio of incorrect orders to total order before and after the implementation of extranet. Furthermore, the customer loyalty, customers growth rate and customer satisfaction are quantitatively measured by analysing sales record and customer feedback forms.

3.2. Competitive Advantage and Market Capture

Reliable Pharmaceutical is facing a tough business environment, the company is losing market share and the revenue is decreasing at an alarming rate of over 8 % p.a. The proposed project will give Reliable several competitive advantages against its competitor and reverse the declining trend in sales figure and revenue. The project will enhance the reliability and accountability of the organisation through deeper integration with clients and additional value added services. The increase in market share can be measured by analysing sales data or obtained through independent market research firms.

Technology is evolving very rapidly nowadays and this creates opportunities to take advantage of new innovations in the design the new products. Reliable pharmaceutical will take advantage of the evolving technology and develop a robust system to manage its daily operation. Production process expert Magrab (1997) described that the area of product improvement and product innovation is very important to gain competitive advantage. The proposed project will include distinctive features to attract the customers (Kamath and Liker, 1994). The proposed project will significantly increase business competitiveness of Reliable Pharmaceutical due to the much improved effectiveness and robustness in the production process and services.

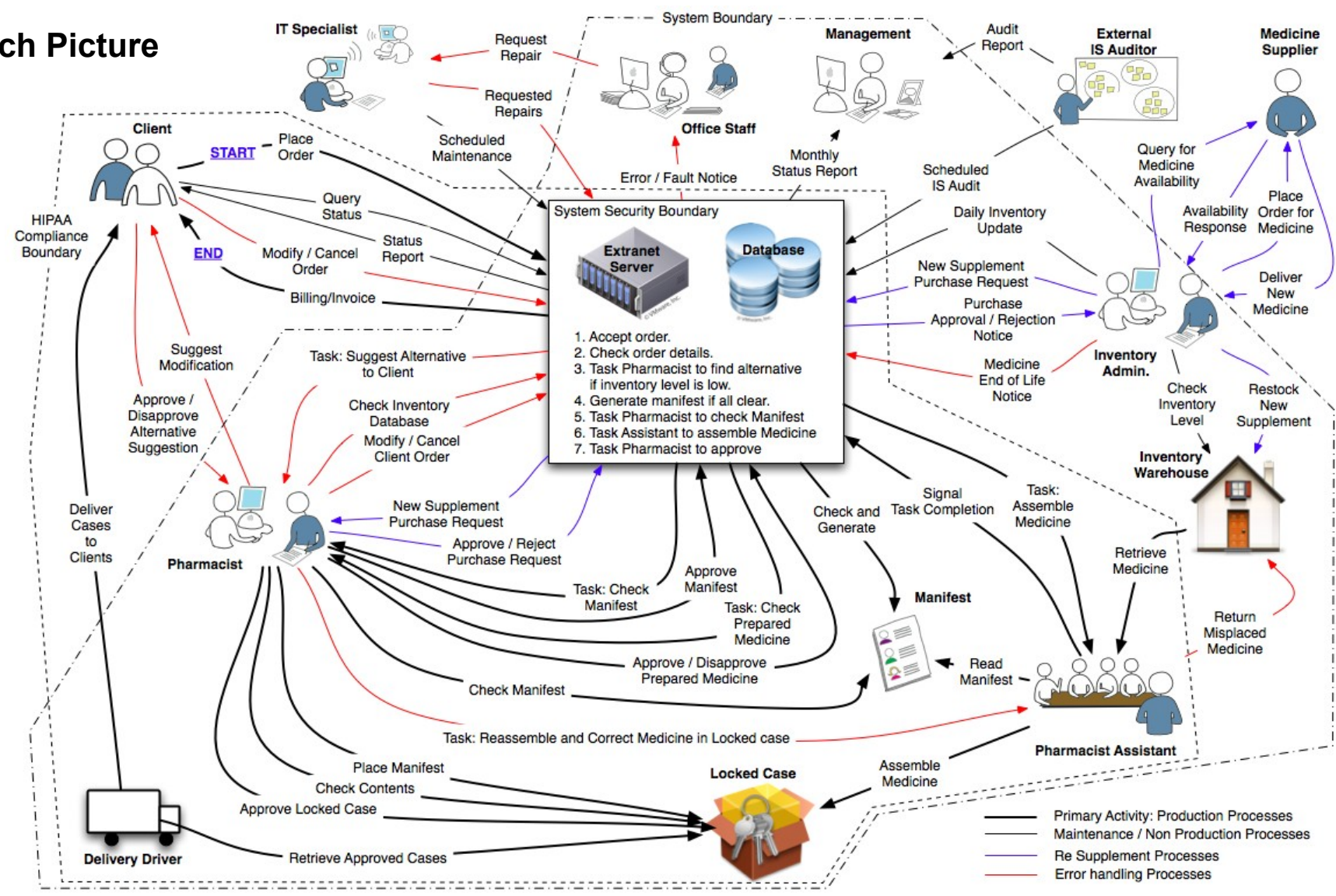
3.3. Increased Earning Ratio and High Return on Investment (ROI)

One of the primary objectives of the proposed extranet project is the significant improvement in the operating efficiency at Reliable Pharmaceutical. A subsequent result of improved efficiency is the reduction in labour intensive processes, thus excessive staffs can be better utilised to increase production output or be made redundant. In either case, the benefit can be measured in the earning ratio of the company. It will either show up as a reduction in cost due to a reduction in salary paid or an increase in revenue due to increased output. Consequently leads to increased profit and high return on investment.

The term ROI describes the return on investment on the losses or gain generated on the invested money (Hammer (1990)). We can expect a high ROI from the Extranet project. The Extranet system is fast, accurate and effective, it is capable of completing the tasks in less time and with greater quality of services. The possibility of error is also minimised due to the accurate nature of the system, thus saving the time and money of possible reworks.

The reduction in cost, increase in revenue and the return on investment can all be measured from the balance sheets in the financial report.

4. Rich Picture



5. Stakeholder Analysis

Stakeholder Groups	Perceived Benefits (Dis benefits)	Changes Needed	Perceived Resistance	Commitment [R:Required, C: Current]				
				Anti	None	Allow to Happen	Help to Happen	Make it Happen
Reliable Management	- Precise and accurate management information - Improved production efficiency - Reduced operation cost	Great commitment to successfully implement to project	- Cost of implementation - Fear of project failure					C-R
Pharmacists	- Simplified workloads - Standard processes - Automated overdose check	- Comply with new procedures - Computerised operation	- Needs to change routined operations - Needs to learn to operate the new system	C			R	
Pharmacist Assistants	Reduced workloads	- Comply with new procedures - No longer required to answer ordering phone calls	- Needs to change routined operations - Needs to learn to operate the new system		C		R	
Office Staff (Shift Supervisor)	- Reduced workloads - Workarounds no longer required	- Automated billing process - Computerised inventory management system - Administrate the new extranet system	- Potential loss of employment due to redundancy - Need to learn to operate the new system	C			R	

Stakeholder Groups	Perceived Benefits (Dis benefits)	Changes Needed	Perceived Resistance	Commitment [R:Required, C: Current]				
				Anti	None	Allow to Happen	Help to Happen	Make it Happen
Delivery Drivers	None	None	None		C-R			
Clients – Nursing Houses	- Shorter lead time - More accurate drug supply - More transparent information from Reliable - Value Added Services (Patient database)	- Order by website - Bills will be received via email	Need to comply to the new system			C-R		
Clients – Hospitals	Same as above							
Clients – Rehabilitation s Facilities	Same as above							
Clients – Patients	- Reduced error - Possible privacy information leakage	Bills will be received via email	Refuse to provide privacy data for the database		C	R		
Medicare and Medicaid	None	Bills will be received via email	None		C	R		
Private Insurance Company	None	Bills will be received via email	None		C	R		
Medicine Suppliers	None	None	None		C-R			

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				Anti	None	Allow to Happen	Help to Happen	Make it Happen
Software Development Company	- Business opportunities - Profitability - Increased brand image if project is successful	Work with Reliable to determine the detailed system requirements	None					C-R
System Maintenance Contractors	Business opportunities	- Maintain extranet system - Additional security check to ensure HIPAA compliance	None					C-R
Server and Database vendor	Business opportunities	- Plan for the installation of Server and Database - Perform scheduled backup operation on the Database - Repair the system if there is a fault	None					C-R
PC hardware vendor	Business opportunities	Analyse and upgrade existing PC at Reliable to meet the requirements of extranet system	None				C-R	
Network Company	Business opportunities	- Provide network infrastructure - Ensure reliable 24/7 connections	None			C	R	

Stakeholder Groups	Perceived Benefits (Dis benefits)	Changes Needed	Perceived Resistance	Commitment [R:Required, C: Current]				
				Anti	None	Allow to Happen	Help to Happen	Make it Happen
Computer Security Company	Business opportunities	- Ensure the security features of extranet met HIPAA compliance requirements - Install firewall - Install Antivirus - Perform scheduled updates - Repair the system if problems arises	None				C	R
External Information System Auditors	Business opportunities	Ensure HIPAA compliance	None			C		R
Office Equipment Supplier	Reduced usage of paper	Not Applicable	None		C-R			
Competitors	Loss of market shares	Not Applicable	Marketing champaign against extranet	C	R			

6. References

- i. Hammer, M., (1990), "Reengineering Work: Don't Automate, obliterate", Harvard Business Review, P.p 104-112
- ii. Liker, J., Ettlie, J. and Campbell, J. (1995), Engineered in Japan: Japanese Technology Management Practices. Oxford University Press, New York, NY.
- iii. Kamath, R.R. and Liker, J.K. (1994), "A second look at Japanese product development", Harvard Business Review, November-December, pp. 154-70.
- iv. Magrab, E.B. (1997), Integrating Product and Process Design and Development ± The Product Realization Process, CRC Press LLC, Boca Raton, FL.

7. Task Allocation

Project Management: Alex Cheng

Discussion Recording: Khalid AlBalawi

Task 1 – Vision Statement: Renee Zheng

Checked by: Khalid AlBalawi

Task 2 – Business Benefits: Khalid AlBalawi

Checked by: Renee Zheng

Reworked by: Alex Cheng

Task 3 – Rich Picture: Discussion by Entire Team

Drawn by: Alex Cheng

Checked by: Khalid Alowaini

Task 4 – Stakeholder: Khalid Alowaini

Checked by: Alex Cheng

Final Report: Alex Cheng

Checked by: Khalid Alowaini