

Case maruti suzuki essay



**ASSIGN
BUSTER**

1. What were the business challenges facing Maruti Suzuki management prior to adopting the Oracle suite?

Maruti Suzuki was confronted to a very fast growing market: India. They had to manage and deal with it. They decided to diversify their activities. They needed to adapt their large company to such a diversity of activities, such as a leasing providing structure, an insurance and pro-own car business. They needed also to improve training, their batch processing, their long turn-around time, their accounting system and their inefficient controls. Key business challenges there were growth and efficiency.

Another challenge was to provide all the structures (headquarters as well as subsidiaries) with the data of the company (inventories, benefits...) in order to guarantee efficient integration and information management.

2. What advantages does Maruti Suzuki derive from working with a single vendor, Oracle? What are the possible risks of working with a single vendor?

Working with a single vendor can offer several advantages. A good and clear relationship can be established between the two firms, they understand each other and they are willing to be time efficient, as they are only two to work together. Moreover, every service is provided by the same company. It is efficient and less time-consuming. Oracle provides also a consulting service. Managers from Maruti Suzuki were trained and helped in the most efficient way.

On the other hand, some risks can be born from that one-to-one relationship. If the vendor goes bankrupt, there is a risk they won't assure anymore the

service. Moreover, the updates of the product are quite uncertain. The other company will be in trouble, as their whole system would implode. The vendor can forge high prices and the company will be obliged to accept them. We can also have a risk of too much relying on the vendor. They could be dishonest and cheat on the company.

3. What were the important business factors which management used to evaluate Oracle's database offerings?

The business factors which management used to evaluate Oracle's database offerings were: the capacity to reduce turnaround time, the offer of more flexibility (especially in Human resources), they could provide them with drawdowns with multiple views of data, they could show them immediate benefits. They needed a good integration with the legacy system they had and they could implement better controls and provide consolidation.

4. Why was it important that a vendor's products be able to integrate with "legacy systems?"

Legacy systems are software systems that are still in use in a company and that were developed many years ago using technologies that are now obsolete, but are still essential for the normal functioning of the business

If a vendor's products can't be integrated with "legacy systems", these systems will have to be replaced. But, costs of redesigning or replacing the system can be prohibitive. Employees will also have to undergo training in order to learn how to use the new system which would be costly in time and money, with a new system that may bring few added benefits. Developing

new software is risky and may not be successful, while business processes are reliant on the legacy system. Using systems that cannot be integrated to one another lower efficiency.

5. What are the business benefits reported by management to using the Oracle suite of products?

It brought flexibility to Maruti Suzuki, especially in the Human Resources Department. It standardized practices, it reduced turnaround times. It implemented better control ability and provided consolidation. It also made the data immediately available and online for everyone in Maruti Suzuki.