ERP for Service Sector and Medical Services

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Abstract

Here we show that in both low cost and premium services we need multi-process ERP.

Keywords

Medical Services, Low-Cost players, Differentiator and ERP.

1. Theoretical Framework

Enterprise resources planning (ERP) system automates all the processes of an organization, and thus reduces effort put in strategy implementation and then managers can devote more time to strategy formulation. It was earlier believed that if DSS (decision support system in earlier days) and ERP (now) is successful if it had an impact on the organization's performance. But now with many cases of ERP being abandoned by organizations and reverting to the old legacy system, this view is revised. It has led to the practice of ERP being implemented in 'incremental' manner. Another associated ethical issue frequently raised is that ERP is developed by software professionals who know very little of the business for which ERP is being developed.

In case of low uncertainty environment (here cost leadership strategy flourishes) single process ERPs are recommended; while in case of high uncertainty environment (here firms with differentiation/innovation strategy flourishes) multiprocess ERPs are recommended. It is widely known that the multi-process ERPs are very expensive.

ERP implementation is associated with power shift (use of power to force ERP implementation; and the current power structure is disturbed due to power getting shifted to IT/S dept); high specialization (due to the discipline of IT/S professionals being added); high centralization and high formalization and standardization.

(A1): In the product sector (typically in the manufacturing sector) single process ERP is needed for firms with cost leadership strategy and multi-process ERP is needed for firms with a differentiation strategy.

H1: *In the service sector, a similar trend is required as outlined in (A1) above.*

H2: In medical services sector, both in a low-cost and differentiation strategy hospitals (NOT the small and medium-sized hospitals) we need multi-process ERP (as both have zigzag workflow). If due to financial crunch single process ERP is used, then command and control can be given to the motivated staff that will make it operate as a multi-process ERP.

2. Conclusion

We have given the hypotheses on types of ERP implementations in the context of hospitals. We are undertaking an empirical investigation to verify the above propositions.

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Biographies

Sheela R. Sharma is MBBS and MD (Obste & Gynea). She has practiced as a private consultant for the last 30 years. She is Associate Professor at Rama Medical College at Kanpur India.

Ajay Jha is currently a fulltime research scholar at Indian Institute of Technology Kanpur. Mr. Jha holds a B. Tech. degree in Mechanical Engineering from Harcourt Butler Technological Institute, Kanpur and an M. Tech. in Industrial and Management Engineering from Indian Institute of Technology, Kanpur. He has rich experience of production and marketing domains of over ten years and also of teaching mechanical engineering and operations Management courses of ten years. His research areas include Supply Chain Management and Strategy.

R. R. K. Sharma has had 30 years of career to date. Started as graduate engineer trainee with TELCO (Pune) (now Tata Motors India) during 1980-82, and later went on to do Ph.D. in management at I.I.M., Ahmadabad, INDIA. After Ph. D. in management, he worked with TVS Suzuki (for 9 months) as executive assistant to GM (marketing). Now he has 26 years of teaching and research experience at the Department of Industrial and Management Engineering, I.I.T., Kanpur, 208 016 India. He has taught over 22 different courses in management at IIT Kanpur India (to B. Tech., M. Tech. and M.B.A. students) and is well versed with all the facets of management and has unique ability to integrate different areas of the subject. To date he has written over 507 (total) publications (220 Full-Length Papers and 287 Extended Abstracts Outlining Theoretical Framework) in international/national journals and six research monographs). He has developed over 8 software products. Till date, he has guided 58 M TECH and 15 Ph.D. theses at IIT Kanpur. He has guided 129 Special Studies Projects for MBA IInd year students of IME, IIT Kanpur. He has been Sanjay Mittal Chair Professor at IIT Kanpur (15.09.2015 to 14.09.2018).