(GI-1, GI-2+4, GI-3, GI-5+6 & VDI-1, VI-1, SI-1)

DATE: 13.10.2020 MAXIMUM MARKS: 100 TIMING: 3¼ Hours

EIS & SM

SECTION – A : ENTERPRISE INFORMATION SYSTEMS AND MANAGEMENT

Q. No. 1 & 2 is Compulsory,

Answer any three questions from the remaining four questions

Answer 1:

1. Ans. b
2. Ans. a
3. Ans. c
4. Ans. b
5. Ans. b
6. Ans. a
7. Ans. a
8. Ans. b **{1 M each}**
9. Ans. d
10. Ans. d
11. Ans. a
12. Ans. d
13. Ans. a
14. Ans. c
15. Ans. b

Answer 2:

The most suitable choice is Community Cloud which is the cloud infrastructure provisioned for exclusive use by a specific community of consumers from organizations that have shared concerns (eg. mission security requirements, policy, and compliance considerations). It may be owned, managed, and operated by one or more of the organizations in the community, a third party or some combination of them, and it may exist on or off premises. In this, a private cloud is shared between several organizations. This model is suitable for organizations that cannot afford a private cloud and cannot rely on the public cloud either. **{2 M}**

Advantages of Community Cloud are as follows:

- It allows establishing a low-cost private cloud.
- It allows collaborative work on the cloud.
- It allows sharing of responsibilities among the organizations.
- It has better security than the public cloud.

The limitation of the Community Cloud is that the autonomy of the organization is lost and some of the security features are not as good as the private cloud. It is not suitable in the cases where there is no collaboration. **{3 M}**

Answer 3:

(a) Following commercial laws are applicable to e-commerce and m-commerce transactions in India.

- Income Tax Act, 1961: Income Tax Act, has detailed provisions regarding taxation of income in India. In respect of e-commerce / m-commerce transactions; the issue of deciding place of origin transaction for tax purpose is critical.

- Companies Act, 2013: Companies Act, 2013, regulates the corporate sector. The law defines all regulatory aspects for companies in India. Most of the merchants in e-commerce / m-commerce business are companies, both private and public.
- Foreign Trade (Development and Regulation) Act, 1992: This is an act to provide for the development and regulation of foreign trade by facilitating imports into, augmenting exports from India and for matters connected therewith or incidental thereto.
- The Factories Act, 1948: This is an act to regulate working conditions of workers and extends to the place of storage as well as transportation. Most of the merchants in e-commerce/m-commerce business need to comply with provisions of the act.
- The Custom Act, 1962: This act defines import/export of goods/services from India and provides for levy of appropriate customs duty.
- The Goods and Services Tax Act, 2017 (GST): This Act requires each applicable business, including e-commerce/m-commerce, to upload each sales and purchase invoice on one central IT infrastructure, mandating reconciliations of transactions between business, triggering of tax credits on payments of GST, facilitating filling of e-return s, etc.
- Indian Contract Act, 1872: This act defines constituents of a valid contract. In case of e-commerce/m-commerce business, it becomes important to define these constituents.
- The Competition Act, 2002: This is a law to regulate practices that may have adverse effect on competition in India. Competition Commission have been vigilant to ensure that e-commerce/m-commerce merchants do not engage in predatory practices.
- Foreign Exchange Management Act (FEMA 1999): This law regulates foreign direct investments, flow of foreign exchange in India and has important implications for e-commerce/m-commerce business.
- Consumer Protection Act, 1986: The law to protect consumer rights has been source of most of litigations for transaction done through e-commerce and m-commerce.

All laws above have same nature of applicability as in a normal commercial transaction. The fact that transactions are done electronically gives rise to issues which are unique in nature. Few of issues have been put to rest by court decisions but new issues crop up every day.

(1/2 M Each)

Answer 3

(b) Internet Banking Channel Server (IBCS): IBCS (Internet Banking Channel Server) software stores the name and password of the entire internet banking c ustomers. IBCS server also contains the details about the branch to which the customer belongs. The Internet Banking customer would first have to log into the bank's website with the user name and password. **($2^{1/2}$ M)**

Internet Banking Application Server (IBAS): The Internet Banking Software which is stored in the IBAS (Internet Banking Application Server) authenticates the customer with the login details stored in the IBCS. Authentication process is the method by which the details provided by the customer are compared with the data already stored in the data server to make sure that the customer is genuine and has been provided with internet banking facilities. **($2^{1/2}$ M)**

Answer 4:

(a) Material Management (MM) Module manages materials required, processed and produced in enterprises. Different types of procurement processes are managed with th is system. Some of the popular sub-components in MM module are vendor master data, consumption based planning, purchasing, inventory management, invoice verification and so on. Material management also deals with movement of materials via other modules like logistics, Supply Chain Management, sales and delivery, warehouse management, production and planning. The overall purchase process includes the following sub-processes: **{1 M}**

- **Purchase Requisition from Production Department –** Production department sends a request to purchase department for purchase of raw material required for production.
- **Evaluation of Requisition -** Purchase department shall evaluate the requisition with the current stock position and purchase order pending position and shall decide about accepting or rejection the requisition.
- **Asking for Quotation -** If requisition is accepted, quotations shall be asked to approve vendors for purchase of material.
- **Evaluation of quotations -** Quotations received shall be evaluated and compared.
- **Purchase Order -** This is a transaction for letting an approved vendor know what we want to purchase, how much we want to purchase, at what rate we want to purchase, by what date we want the delivery, where we want the delivery. Hence a typical purchase order shall have following information.
  - Description of **stock items** to be purchased.
  - **Quantity** of these stock items.
  - **Rate** for purchases.
  - **Due Date** by which material is to be received.
  - **Godown** where material is to be received.
- **Material Receipt -** This is a transaction of receipt of material against purchase order. This is commonly known as Material Receipt Note (MRN) or Goods Receipt Note (GRN). This transaction shall have a linking with Purchase Order. Information in Purchase Order is automatically copied to Material Receipt Voucher for saving time and effort sofuser. Stock is increase dafter recording of this transaction.
- **Issue of material -** Material received by stores shall be issued to production department as per requirement.
- **Purchase Invoice -** This is a financial transaction. Trial balance is affected due this transaction. Material Receipt transaction does not affect trial balance. This transaction shall have a linking with Material Receipt Transaction and all the details of material received shall be copied automatically in purchase invoice. As stock is increased in Material Receipt transaction, it will not be increased again after recording of purchase invoice.
- **Payment to Vendor -** Payment shall be made to vendor based on purchase invoice recorded earlier. Payment transaction shall have a linking with purchase invoice.

(1 M for any 4 point)

Answer :

(b) Some of the important characteristics of Computer Based Information Systems are given as follows:

- All systems work for predetermined objectives and the system is designed and developed accordingly.
- In general, a system has several interrelated and interdependent subsystems or components. No subsystem can function in isolation; it depends on other subsystems for its inputs.
- If one subsystem or component of a system fails; in most of the cases, the whole system does not work. However, it depends on 'how the subsystems are interrelated'.
- The way a subsystem works with another subsystem is called interaction. The different subsystems interact with each other to achieve the goal of the system.
- The work done by individual subsystems is integrated to achieve the central goal of the system. The goal of individual subsystem is of lower priority than the goal of the entire system.

(1 M Each point)

Answer 5:

(a) Various Network Access Controls by means of which the protection can be achieved against harmful elements in an organization are as follows:

- Policy on use of network services: An enterprise wide policy applicable to internet service requirements aligned with the business need for using the Internet services is the first step. Selection of appropriate services and approval to access them should be part of this policy.
- Enforced path: Based on risk assessment, it is necessary to specify the exact path or route connecting the networks; e.g., internet access by employees will be routed through a firewall and proxy.
- Segregation of networks: Based on the sensitive information handling function; say a Virtual Private Network (VPN) connection between a branch office and the head-office, this network is to be isolated from the internet usage service
- Network connection and routing control: The traffic between networks should be restricted, based on identification of source and authentication access policies implemented across the enterprise network facility.
- Security of network services: The techniques of authentication and authorization policy should be implemented across the organization's network.
- Firewall: A Firewall is a system that enforces access control between two networks. To accomplish this, all traffic between the external network and the organization's Intranet must pass through the firewall that will allow only authorized traffic between the organization and the outside to pass through it. The firewall must be immune to penetrate from both outside and inside the organization.
- Encryption: Encryption is the conversion of data into a secret code for storage in databases and transmission over networks. The sender uses an encryption algorithm with a key to convert the original message called the Clear text into Cipher text. This is decrypted at the receiving end.
- Call Back Devices: It is based on the principle that the key to network security is to keep the intruder off the Intranet rather than imposing security measure after the criminal has connected to the intranet. The call- back device requires the user to enter a password and then the system breaks the connection. If the caller is authorized, the call back device dials the caller's number to establish a new connection. This limits access only from authorized terminals or telephone numbers and prevents an intruder masquerading as a legitimate user.

(1 M for any 5 point)

Answer :

(b) Types of Business Risks

Businesses face all kinds of risks related from serious loss of profits to even bank ruptcy and are discussed below:

- Strategic
  Risk that would prevent an organization from accomplishing its objectives (meeting its goals).
- Financial
  Risk that could result in a negative financial impact to the organization (waste or loss of assets).
- Regulatory (Compliance)
  Risk that could expose the organization to fines and penalties from a regulatory agency due to non-compliance with laws and regulations.
- Reputational
  Risk that could expose the organization to negative publicity.
- Operational
  Risk that could prevent the organization from operating in the most effective and efficient manner or be disruptive to other operations.

(1 M Each point)

Answer 6:

(a) Banking industry is involved in dealing with public money and thus demands proper checks and balances to ensure close monitoring of the dealing, minimizing the risk arising out of the banking business. A CBS is built with these inherent features. In the past few years, banks have implemented these major technology initiativesand have deployed new state-of-the-art and innovative banking services. One of the significant projects implemented is the centralized database and centralized application environment for core and allied applications and services which is popularly known as CBS. The design and implementation of CBS has been completed in most of the commercial banks. **{1 M}**

The various components/ features of core banking are as follows:

- Opening new accounts and customer on-boarding.
- Managing deposits and withdrawals.
- Transactions management from initiation to reporting.
- Interest calculation and management.
- Payments processing (cash, cheques/ mandates, NEFT, RTGS, IMPS etc.).
- Loans disbursement and management.
- Processing cash deposits and withdrawals.
- Processing payments and cheques.
- Processing and servicing loans.
- Accounts management.
- Configuring and calculating interest.
- Customer Relationship Management (CRM) activities.
- Setting criteria for minimum balances, interest rates, withdrawals allowed, limits and so on.
- Maintaining records for all the bank's transactions.
- The branch confines itself to the following key functions:
- Creating manual documents capturing data required for input into software
- Internal authorization
- Initiating Beginning-Of-Day (BOD) operations
- End-Of-Day (EOD) operations
- Reviewing reports for control and error correction.

(1/2 M for any 8 point)

Answer:

(b) The deployment and implementation of Core Banking Systems (CBS) should be controlled at various stages to ensure that banks automation objectives are achieved:

- Planning: Planning for implementing the CBS should be done as per strategic and business objectives of bank.
- Approval: The decision to implement CBS requires high investment and recurring costs and will impact how banking services are provided by the bank. Hence, the decision must be approved by the Board of directors.
- Selection: Although there are multiple vendors of CBS, each solution has key differentiators. Hence, bank should select the right solution considering various parameters as defined by the bank to meet their specific requirements and business objectives.
- Design and develop or procured: CBS solutions used to be earlier developed in- house by the bank. Currently, most of the CBS deployment are procured. There should be appropriate controls covering the design or development or procurement of CBS for the bank.
- Testing: Extensive testing must be done before the CBS is live. The testing is to be done at different phases at procurement stage to test suitability to data migration to ensure all existing data is correctly migrated and testing to confirm processing of various types of transactions of all modules produces the correct results.
- Implementation: CBS must be implemented as per pre-defined and agreed plan with specific project milestones to ensure successful implementation.
- Maintenance: CBS must be maintained as required. E.g. program bugs fixed, version changes implemented, etc.
- Support: CBS must be supported to ensure that it is working effectively.
- Updation: CBS modules must be updated based on requirements of business processes, technology updates and regulatory requirements.;
- Audit: Audit of CBS must be done internally and externally as required to ensure that controls are working as envisaged.

(1/2 M for each point)

Fundamentally, in a CBS, all the bank's branches access applications from centralized data-centers. All transactions are routed through core systems, which are available 24x7 and accessible from anywhere, anytime and through multiple devices such as desktops, laptops, ATM, Internet, mobile phone, tablets, etc.

SECTION – B : STRATEGIC MANAGEMENT

Q. No. 7 & 8 is Compulsory,
Answer any three questions from the remaining four questions

Answer 7:

1. Ans. b
2. Ans. d
3. Ans. b
4. Ans. a
5. Ans. d
6. Ans. c
7. Ans. a
8. Ans. b
9. Ans. b
10. Ans. d
11. Ans. b
12. Ans. a
13. Ans. b
14. Ans. b
15. Ans. a

{1 M Each}

Answer 8:

Organizations can be classified as commercial and non-commercial on the basis of the interest they have. typically, a government or medical organization may function without any commercial objectives. A commercial organization has profit as its main aim. We can find many organizations around us, which do not have any commercial objective of making profits. their genesis may be for social, charitable, or educational purposes. **{1 M}**

The strategic-management process is being used effectively by countless non-profit governmental organizations. Many non-profit and governmental organizations outperform private firms and corporations on innovativeness, motivation, productivity, and human resource. **{3 M}**

Compared to for-profit firms, non-profit and governmental organizations often function as a monopoly, produce a product or service that offers little or no measurability of performance, and are totally dependent on outside financing. especially for these organizations, strategic management provides an excellent vehicle for developing and justifying requests for needed financial support. **{1 M}**

Answer 9:

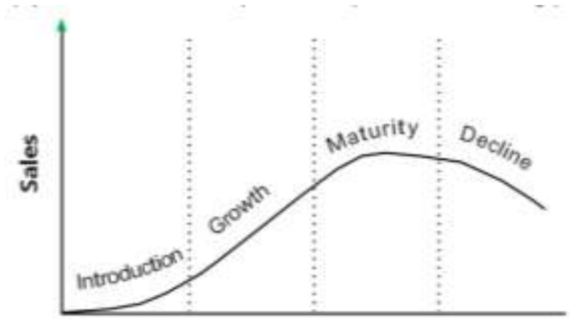
(a) Product Life Cycle is an important concept in strategic choice and S-shaped curve which exhibits the relationship of sales with respect of time for a product that passes through the four successive stages.

The first stage of PLC is the introduction stage in which competition is almost negligible, prices are relatively high and markets are limited. The growth in sales is also at a lower rate.

The second stage of PLC is the growth stage, in which the demand expands rapidly, prices fall, competition increases and market expands.

The third stage of PLC isthe maturity stage, where in the competition gets tough and market gets stabilized. Profit comes down because of stiff competition.

The fourth stage is the declining stage of PLC, in which the sales and profits fall down sharply due to some new product replaces the existing product. **{2 M}**



{$1^{1/2}$ M}

Time

Product Life Cycle

PLC can be used to diagnose a portfolio of products (or businesses) in order to establish the stage at which each of them exists. Particular attention is to be paid on the businesses that are in the declining stage. Depending on the diagnosis, appropriate strategic choice can be made. For instance, expansion may be a feasible alternative for businesses in the introductory and growth stages. Mature businesses may be used as sources of cash for investment in other businesses which need resources. A combination of strategies like selective harvesting, retrenchment, etc. may be adopted for declining businesses. In this way, a balanced portfolio of businesses may be built up by exercising a strategic choice based on the PLC concept. **{$1^{1/2}$ M}**

Answer:

(b) Using the BCG approach, a company classifies its different businesses on a two dimensional growth-share matrix. In the matrix, the vertical axis represents market growth rate and provides a measure of market attractiveness. The horizontal axis represents relative market share and serves as a measure of company strength in the market. With the given data on market share and industry growth rate of Soorya Ltd, its four products are placed in the BCG matrix as follows: **{1 M}**

Retain Market Share

Market Growth Rate	High	Low
High	Product A [80% Market Share + 15% Growth Rate] **Stars**	Product B [40% Market Share + 10% Growth Rate] **Question Marks**
Low	Product C [60% Market Share -20% Growth Rate] **Cash Cows**	Product D [05% Market Share -10% Growth Rate] **Dogs**

{3 M}

Product A is in best position as it has a high relative market share and a high industry growth rate. On the other hand, product B has a low relative market share, yet competes in a high growth industry. Product C has a high relative market share, but competes in an industry with negative growth rate. The company should take advantage of its present position that may be difficult to sustain in long run. Product D is in the worst position as it has a low relative market share, and competes in an industry with negative growth rate. **{1 M}**

Answer 10:

(a)
- (i) Objectives should define the organization's relationship with its environment.
- (ii) They should be facilitative towards achievement of mission and purpose.
- (iii) They should provide the basis for strategic decision-making.
- (iv) They should provide standards for performance appraisal.

{1 M for Any 5 points}

(v) They should be concrete and specific.
(vi) They should be related to a time frame.
(vii) They should be measurable and controllable.
(viii) They should be challenging.
(ix) Different objectives should correlate with each other.
(x) Objectives should be set within the constraints of organisational resources and external environment.

Answer:

(b) Rising competition, business cycles and economic volatility have created a climate where no business can take viability for granted. Turnaround strategy is a highly targeted effort to return an organization to profitability and increase positive cash flows to a sufficient level. Organizations that have faced a significant crisis that has negatively affected operations requires turnaround strategy. Turnaround strategy is used when both threats and weaknesses adversely affect the health of an organization so much that its basic survival is a question. When organization is facing both internal and external pressures making things difficult then it has to find something which is entirely new, innovative and different. Being organization's first objective is to survive and then grow in the market; turnaround strategy is used when organization's survival is under threat. Once turnaround is successful the organization may turn to focus on growth. **{1 M}**

Conditions for turnaround strategies: When firms are losing their grips over market, profits due to several internal and external factors, and if they have to survive under the competitive environment they have to identify danger signals as early as possible and undertake rectification steps immediately. These conditions may be, inter alia, cash flow problems, lower profit margins, high employee turnover and decline in market share, capacity underutilization, low morale of employees, recessionary conditions, mismanagement, raw material supply problems and so on.

Action plan for turnaround strategy

Stage One – Assessment of current problems: The first step is to assess the current problems and get to the root causes and the extent of damage the problem has caused. Once the problems are identified, the resources should be focused toward those areas essential to efficiently work on correcting and repairing any immediate issues.

Stage Two – Analyze the situation and develop a strategic plan: Before you make any major changes; determine the chances of the business's survival. Identify appropriate strategies and develop a preliminary action plan. For this one should look for the viable core businesses, adequate bridge financing and available organizational resources. Analyze the strengths and weaknesses in the areas of competitive position. Once major problems and opportunities are identified, develop a strategic plan with specific goals and detailed functional actions. **{1 M}**

Stage Three – Implementing an emergency action plan: If the organization is in a critical stage, an appropriate action plan must be developed to stop the bleeding and enable the organization to survive. The plan typically includes human resource, financial, marketing and operations actions to restructure debts, improve working capital, reduce costs, improve budgeting practices, prune product lines and accelerate high potential products. A positive operating cash flow must be established as quickly as possible and enough funds to implement the turnaround strategies must be raised. **{1 M}**

Stage Four – Restructuring the business: The financial state of the organization's core business is particularly important. If the core business is irreparably damaged, then the outlook for the entire organization may be bleak. **{1 M}**

Prepare cash forecasts, analyze assets and debts, review profits and analyze other key financial functions to position the organization for rapid improvement.
During the turnaround, the "product mix" may be changed, requiring the organization to do some repositioning. Core products neglected over time may require immediate attention to remain competitive. Some facilities might be closed; the organization may even withdraw from certain markets to make organization leaner or target its products toward a different niche.
The 'people mix' is another important ingredient in the organization's competitive effectiveness. Reward and compensation systems that encourage dedication and creativity encourage employees to think profits and return on investments.

Stage Five – Returning to normal: In the final stage of turnaround strategy process, the organization should begin to show signs of profitability, return on investments and enhancing economic value-added. Emphasis is placed on a number of strategic efforts such as carefully adding new products and improving customer service, creating alliances with other organizations, increasing the market share, etc. **{1 M}**

Answer 11:

(a) Advantages of Differentiation Strategy

A differentiation strategy may help to remain profitable even with: rivalry, new entrants, suppliers' power, substitute products, and buyers' power.

1. Rivalry - Brand loyalty acts as a safeguard against competitors. It means that customers will be less sensitive to price increases, as long as the firm can satisfy the needs of its customers.
2. Buyers – They do not negotiate for price as they get special features and also they have fewer options in the market.
3. Suppliers – Because differentiators charge a premium price, they can afford to absorb higher costs of supplies and customers are willing to pay extra too.
4. Entrants – Innovative features are an expensive offer. So, new entrants generally avoid these features because it is tough for them to provide the same product with special features at a comparable price.
5. Substitutes – Substitute products can't replace differentiated products which have high brand value and enjoy customer loyalty.

{1 M each point}

Answer:

(b) Successful implementing supply management systems requires a change from managing individual functions to integrating activities into key supply chain processes. It involves collaborative work between buyers and suppliers, joint product development, common systems and shared information. A key requirement for successfully implementing supply chain will be network of information sharing and management. The partners need to link together to share information through electronic data interchange and take decisions in timely manner.

Implementing and successfully running supply chain management system will involve: **{1 M}**

1. Product development: Customers and suppliers must work together in the product development process. Right from the start the partners will have knowledge of all. Involving all partners will help in shortening the life cycles. Products are developed and launched in shorter time and help organizations to remain competitive.
2. Procurement: Procurement requires careful resource planning, quality issues, identifying sources, negotiation, order placement, inbound transportation and storage. Organizations have to coordinate with suppliers in scheduling without interruptions. Suppliers are involved in planning the manufacturing process. **{1 M}**

3. Manufacturing: Flexible manufacturing processes must be in place to respond to market changes. They should be adaptive to accommodate customization and changes in the taste and preferences. Manufacturing should be done on the basis of just-in-time (JIT) and minimum lot sizes. Changes in the manufacturing process be made to reduce manufacturing cycle.
4. Physical distribution: Delivery of final products to customers is the last position in a marketing channel. Availability of the products at the right place at right time is important for each channel participant. Through physical distribution processes serving the customer become an integral part of marketing. Thus, supply chain management links a marketing channel with customers. **{1 M}**
5. Outsourcing: Outsourcing is not limited to the procurement of materials and components, but also include outsourcing of services that traditionally have been provided within an organization. The company will be able to focus on those activities where it has competency and everything else will be outsourced.
6. Customer services: Organizations, through interfaces with the company's production and distribution operations, develop customer relationships so as to satisfy them. They work with customer to determine mutually satisfying goals, establish and maintain relationships. This in turn help in producing positive feelings in the organization and the customers. **{1 M}**
7. Performance measurement: There is a strong relationship between the supplier, customer and organisation. Supplier capabilities and customer relationships can be correlated with a firm performance. Performance is measured in different parameters such as costs, customer service, productivity and quality. **{1 M}**

Answer 12:

(a) The phenomenon which often distinguishes good organizations from bad ones could be summed up as 'corporate culture'. Corporate culture refers to a company's values, beliefs, business principles, traditions, ways of operating and internal work environment. Every corporation has a culture that exerts powerful influences on the behaviour of managers. Culture affects not only the way managers behave within an organization but also the decisions they make about the organization's relationships with its environment and its strategy. **{2 M}**

"Culture is a strength that can also be a weakness". This statement can be explained by splitting it in to two parts.

Culture as a strength: As a strength, culture can facilitate communication, decision- making & control and create cooperation & commitment. An organization's culture could be strong and cohesive when it conducts its business according to a clear and explicit set of principles and values, which the management devotes considerable time to communicating to employees and which values are shared widely across the organization. **{$1^{1/2}$ M}**

Culture as a weakness: As a weakness, culture may obstruct the smooth implementation of strategy by creating resistance to change. An organization's culture could be characterized as weak when many subcultures exist, few values and behavioral norms are shared and traditions are rare. In such organizations, employees do not have a sense of commitment and loyalty with the organisation. **{$1^{1/2}$ M}**

Answer:

(b) Business Process Reengineering (BPR) is an approach to unusual improvement in operating effectiveness through the redesigning of critical business processes and supporting business systems. It is revolutionary redesign of key business processes that involves examination of the basic process itself. It looks at the minute details of the process, such as why the work is done, who does it, where is it done and when it is done. BPR refers to the analysis and redesign of workflows and processes both within the organization and between the organization and the external entities like suppliers, distributors, and service providers.
The orientation of redesigning efforts is basically radical. In other words, it is a total deconstruction and rethinking of business process in its entirety, unconstrained by its existing structure and pattern. Its objective is to obtain quantum jump in process performance in terms of time, cost, output, quality, and responsiveness to customers. BPR is a revolutionary redesigning of key business processes. **{1 M}**

BPR involves the following steps:

i. Determining objectives: Objectives are the desired end results of the redesign process which the management and organization attempts to realise. They will provide the required focus, direction, and motivation for the redesign process and help in building a comprehensive foundation for the reengineering process. **{1 M}**

ii. Identify customers and determine their needs: The process designers have to understand customers - their profile, their steps in acquiring, using and disposing a product. The purpose is to redesign business process that clearly provides value addition to the customer.

iii. Study the existing processes: The study of existing processes will provide an important base for the process designers. The purpose is to gain an understanding of the 'what', and 'why' of the targeted process. However, as discussed earlier, some companies go through the reengineering process with clean perspective without laying emphasis on the past processes. **{1 M}**

iv. Formulate a redesign process plan: The information gained through the earlier steps is translated into an ideal redesign process. Formulation of redesign plan is the real crux of the reengineering efforts. Customer focussed redesign concepts are identified and formulated. In this step alternative processes are considered and the best is selected. **{1 M}**

v. Implement the redesigned process: It is easier to formulate new process than to implement them. Implementation of the redesigned process and application of other knowledge gained from the previous steps is key to achieve dramatic improvements. It is the joint responsibility of the designers and management to operationalise the new process. **{1 M}**

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