## Content

1  Introduction and Types of Information Systems (IS) —— 1
   1.1  Significance of Information Systems (IS) —— 1
   1.1.1  Scope of View: What is an Information System and IS-Management? —— 1
   1.1.2  Environmental Influences —— 4
   1.1.3  Role of IS: Influence on Operations —— 7
   1.1.4  Role of IS: Influence on Strategy —— 9
   1.1.5  Significance of IS: Financial View —— 10
      1.1.5.1  Empirical Evidence —— 10
      1.1.5.2  The Concept of Total Cost of Ownership (TCO) —— 14
      1.1.5.3  IS Impact on the Return of Capital Employed (ROCE) —— 16
   1.2  Types of IT-Systems —— 19
      1.2.1  The Overall View on Information Systems —— 19
      1.2.2  Operative Transaction Processing Systems (TPS) —— 22
      1.2.3  Different Management Information Systems —— 26
         1.2.3.1  Management Information Systems (MIS) —— 28
         1.2.3.2  Decision Support Systems (DSS) —— 29
         1.2.3.3  Executive Support Systems (ESS) —— 30
   1.3  Processes as Dominant Objects of IS —— 31
      1.3.1  What is a Process? —— 33
      1.3.2  Definition and Documentation of Processes —— 35
      1.3.3  Computerization of Processes with Workflows and Workflow Management Systems (WFM) —— 40
   1.4  The Value Chain of IT-Companies —— 43
   1.5  Summary of Chapter 1 —— 45
   1.6  Literature for Chapter 1 —— 45
   1.7  Review Questions for Chapter 1 —— 46
   1.8  Suggestions for Written Exercise or Groupwork for Chapter 1 —— 53
      1.8.1  Total Cost of Ownership Concept —— 53
      1.8.2  Operative and Strategic Impact of Information Systems —— 54
      1.8.3  Research Success and Failure Stories —— 54

2  Focus on Production Planning Systems (PPS) —— 55
   2.1  PPS at the Core of Industrial Manufacturing —— 55
      2.1.1  Manufacturing Process and Materials Management —— 55
      2.1.2  Functions of a PPS —— 57
   2.2  Important Master Data in a PPS —— 60
      2.2.1  Materials —— 60
      2.2.1.1  Bill of Materials (BoM) —— 63
3.3.3 Reasons for Implementing PDM — 133
3.3.3.1 Various Time Reductions by the Use of PDM — 134
3.3.3.2 Cost Reduction — 135
3.3.3.3 Quality Improvement — 135
3.4 Enterprise Application Integration (EAI) and Service Oriented Architecture (SOA) — 135
3.4.1 “Traditional” Means of Enterprise Application Integration Especially Middleware — 137
3.4.1.1 Database Middleware — 137
3.4.1.2 Remote Procedure Call (RPC) — 138
3.4.1.3 Object-Request-Broker (ORB) — 139
3.4.1.4 Message-Oriented Middleware (MOM) — 139
3.4.2 The Concept of Web-Services — 141
3.4.3 Extending Web-Service Standards for Business Needs — 143
3.4.4 IS-Integration: Towards a Real SOA — 145
3.5 Intercompany Integration via Exchange Standards — 147
3.5.1 Electronic Document Exchange Standards (EDI) — 149
3.5.2 Catalogue Exchange Standards — 149
3.5.3 Material Classifications Standards — 150
3.6 Summary of Chapter 3 — 150
3.7 Literature for Chapter 3 — 151
3.8 Review Questions for Chapter 3 — 151
3.9 Suggestions for Written Exercise or Groupwork for Chapter 3 — 160
3.9.1 Data Defects and OLAP — 160
3.9.2 CIM and Industry 4.0 — 160

4 ERP Systems: Basic Concepts and the Example SAP — 161
4.1 System Integration via ERP System — 161
4.1.1 Integration of Master Data — 162
4.1.2 Integration of Processes — 164
4.1.3 ERP Architecture — 168
4.1.3.1 History of IT Architecture for ERP Applications — 168
4.1.3.2 The “Classical” Three Tier Client-Server Approach of ERP Systems Architecture — 170
4.1.3.3 Current Developments in ERP Systems — 173
4.2 ERP Systems in the Market — 173
4.2.1 Current ERP Market — 173
4.2.2 Success of ERP Systems Implementation — 178
4.2.2.1 Success of Introduction Projects — 178
4.2.2.2 Success of Use — 180
4.2.3 ERP Components Exemplified by SAP — 183
  4.2.3.1 The SAP Module PP and its Sub-Modules — 184
  4.2.3.2 The SAP Sub-Sub-Module PP-BD-BOM — 185
  4.2.3.3 Modules and Company Functions — 186
4.3 Detailed View on Structure of Objects in SAP Modules — 189
  4.3.1 Enterprise Structure in Materials Management and Production Planning — 189
  4.3.2 Enterprise Structure in Financial Accounting and Controlling — 193
  4.3.3 Enterprise Structure in Sales — 197
4.4 Using an ERP system by the example of SAP — 199
  4.4.1 Basic Look and Feel of the ERP System and Individual Settings — 199
  4.4.2 System Roles and Transactions — 201
  4.4.3 Access to the Training System — 203
4.5 Summary of Chapter 4 — 206
4.6 Literature for Chapter 4 — 207
4.7 Review Questions for Chapter 4 — 208
4.8 Suggestions for Written Exercise or Groupwork — 216
  4.8.1 ERP Case Study — 216
  4.8.2 Differences Between SAP and Competitors — 216

5 IT-Management — 217
  5.1 The Big Figure: IT Service Management (ITSM) — 217
    5.1.1 IT Governance — 220
    5.1.2 IT Compliance — 222
  5.2 IT Strategy and Business Alignment — 224
    5.2.1 Basic Business Strategies and Tools – Used for IS strategy — 225
    5.2.2 The Relationship Between Business and IT — 227
    5.2.3 The Process and Results of an IS Strategy — 229
  5.3 IT Service Management with the IT Infrastructure Library (ITIL) — 234
    5.3.1 The Macro View and Logic of the ITIL Framework — 234
      5.3.1.1 Service Orientation — 235
      5.3.1.2 Focus on Processes — 237
      5.3.1.3 Benefits and Challenges Using ITIL Processes — 238
      5.3.1.4 Structure of the ITIL Framework — 239
    5.3.2 Zoom in on Processes in the Stage of Service Transition — 248
      5.3.2.1 Transition Process: Transition Planning and Support — 249
      5.3.2.2 Transition Process: Release and Deployment Management — 250
      5.3.2.3 Transition Process: Service Validation and Testing — 250
      5.3.2.4 Transition Process: Evaluation — 251
      5.3.2.5 Transition Process: Knowledge Management — 252
      5.3.2.6 Transition Process: Service Assets and Configuration Management (SACM) — 252
5.3.3 Zooming in on the ITIL Service Process of Change Management (CM) in the Stage of Service Transition — 253
5.3.3.1 Processes of Change Management — 255
5.3.3.2 Roles and Institutions of Change Management — 260
5.3.3.3 Tools and Concepts of Change Management — 262
5.3.3.4 Interfaces of Change Management — 266
5.4 Other Frameworks and Approaches — 269
5.4.1 Cobitis as a Framework for ITSM and IS Compliance — 269
5.4.2 IT-Controlling and Budgeting — 271
5.4.2.1 Functions and Processes of IT-Controlling — 271
5.4.2.2 Tools of IT-Controlling — 272
5.4.2.3 Portfolios as a Tool of Strategic Controlling — 273
5.4.2.4 Key Performance Indicators (KPIs) as Tool of Operative IT-Controlling — 274
5.4.2.5 Management Accounting and Transfer Pricing for IT Services — 276
5.5 Summary of Chapter 5 — 281
5.6 Literature for Chapter 5 — 282
5.7 Review Questions for Chapter 5 — 282
5.8 Suggestions for Written Exercise or Groupwork for Chapter 5 — 297
5.8.1 ITIL Process of Problem Management — 297
5.8.2 IS Governance and Strategy — 297

6 Planning and Preparing IS Development — 299
6.1 The Software Development Cycle — 299
6.1.1 Basic Cycle of Software Development — 301
6.1.2 A Broad Model of IS-Development — 303
6.1.3 "Classical" Approaches of Structuring Software Development — 305
6.1.3.1 The Waterfall Model — 306
6.1.3.2 Spiral Model and Prototyping — 308
6.1.3.3 Rational Unified Process (RUP) — 309
6.1.4 Agile Concepts — 311
6.1.4.1 Criticism Against Traditional Process Models and the Agile Manifesto — 312
6.1.4.2 Use of Agile Methods in Business Today — 313
6.1.4.3 The Dominant Agile Process Model: Scrum — 318
6.2 Business Plan and Outsourcing Decision — 321
6.2.1 The Business Plan — is it Worth it? — 321
6.2.1.1 Converting Technical and Organizational Impact into Financials — 324
6.2.1.2 Determining Feasibility and Data Sources of Alternatives — 329
6.2.1.3 Writing the Business Case and Using Evaluation Tools — 331
<table>
<thead>
<tr>
<th>Section</th>
<th>Title</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>6.2.2</td>
<td>A Basic Decision in the Strategy Phase: Outsourcing</td>
<td>338</td>
</tr>
<tr>
<td>6.2.2.1</td>
<td>Goals and Forms of IT-Outsourcing</td>
<td>338</td>
</tr>
<tr>
<td>6.2.2.2</td>
<td>Evaluating the Outsourcing Decision and Preparation</td>
<td>344</td>
</tr>
<tr>
<td>6.2.2.3</td>
<td>Service Level Agreements as a Frame of Managing Outsourcing</td>
<td>349</td>
</tr>
<tr>
<td>6.3</td>
<td>Requirements Engineering (RE)</td>
<td>353</td>
</tr>
<tr>
<td>6.3.1</td>
<td>Preparation and Management of Requirements Engineering</td>
<td>354</td>
</tr>
<tr>
<td>6.3.1.1</td>
<td>Goals and Scope of Requirements Engineering</td>
<td>355</td>
</tr>
<tr>
<td>6.3.1.2</td>
<td>Stakeholders' Interest as Base of Requirements Engineering</td>
<td>356</td>
</tr>
<tr>
<td>6.3.2</td>
<td>Organizing and Executing Requirements Engineering</td>
<td>358</td>
</tr>
<tr>
<td>6.3.2.1</td>
<td>The Requirements Engineering Process</td>
<td>358</td>
</tr>
<tr>
<td>6.3.2.2</td>
<td>Creating Information for Requirements Engineering</td>
<td>359</td>
</tr>
<tr>
<td>6.3.2.3</td>
<td>Requirement Workshop</td>
<td>360</td>
</tr>
<tr>
<td>6.3.3</td>
<td>Types, Documentation and Management of Requirements</td>
<td>362</td>
</tr>
<tr>
<td>6.3.3.1</td>
<td>Types of Requirements in a Specification Document</td>
<td>362</td>
</tr>
<tr>
<td>6.3.3.2</td>
<td>Writing a Specification Document</td>
<td>364</td>
</tr>
<tr>
<td>6.4</td>
<td>Selecting and Contracting Vendors</td>
<td>368</td>
</tr>
<tr>
<td>6.4.1</td>
<td>Preparation and Preselection</td>
<td>369</td>
</tr>
<tr>
<td>6.4.2</td>
<td>Scoring Model</td>
<td>373</td>
</tr>
<tr>
<td>6.4.3</td>
<td>The Bid, Contract and Legal Matters</td>
<td>377</td>
</tr>
<tr>
<td>6.5</td>
<td>Summary of Chapter 6</td>
<td>378</td>
</tr>
<tr>
<td>6.6</td>
<td>Literature for Chapter 6</td>
<td>379</td>
</tr>
<tr>
<td>6.7</td>
<td>Review Questions for Chapter 6</td>
<td>379</td>
</tr>
<tr>
<td>6.8</td>
<td>Suggestions for Written Exercise or Groupwork for Chapter 6</td>
<td>393</td>
</tr>
<tr>
<td>6.8.1</td>
<td>Scoring Model for Vendor Selection</td>
<td>393</td>
</tr>
<tr>
<td>6.8.2</td>
<td>Software Creation Process Models</td>
<td>394</td>
</tr>
<tr>
<td>6.8.3</td>
<td>Create a “Software Requirement Specification” for a PPS System</td>
<td>394</td>
</tr>
<tr>
<td>6.8.4</td>
<td>Write a Business Case</td>
<td>394</td>
</tr>
</tbody>
</table>

7 Creating and Introducing IS 395

<table>
<thead>
<tr>
<th>Section</th>
<th>Title</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>7.1</td>
<td>Systems Modelling, Design and Programming</td>
<td>395</td>
</tr>
<tr>
<td>7.1.1</td>
<td>Modelling Systems and Architecture</td>
<td>396</td>
</tr>
<tr>
<td>7.1.1.1</td>
<td>Behaviour Models and Diagrams</td>
<td>398</td>
</tr>
<tr>
<td>7.1.1.2</td>
<td>Structure Diagrams</td>
<td>400</td>
</tr>
<tr>
<td>7.1.1.3</td>
<td>Systems Architecture</td>
<td>403</td>
</tr>
<tr>
<td>7.1.2</td>
<td>Programming and Customizing</td>
<td>407</td>
</tr>
<tr>
<td>7.1.2.1</td>
<td>Software Programming</td>
<td>407</td>
</tr>
<tr>
<td>7.1.2.2</td>
<td>Customizing Standard Software like ERP Systems</td>
<td>407</td>
</tr>
<tr>
<td>7.1.3</td>
<td>Special Aspects of Project Management for Creating IS</td>
<td>410</td>
</tr>
<tr>
<td>7.1.3.1</td>
<td>Project Planning and Estimation Techniques</td>
<td>410</td>
</tr>
</tbody>
</table>