

## Chapter 19

# Information Management and Enterprise Resource Planning: An Analysis of the Medical Products Distribution Chain

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### ABSTRACT

*Information technology has become one of the great advantages of modern enterprises, especially assisting in the optimization, information management and value creation. Among the reasons that prompted this change is the use of ERP (Enterprise Resource Planning), mainly adopted by large enterprises, since its adoption involves high investment and complexity for implementation, hindering its spread among smaller companies. Several studies have discussed the benefits generated by the adoption of ERP systems in enterprises as well as costs involved in the deployment process. The focus of this research is to present and discuss, through a conceptual approach, these different views on the costs and benefits of these systems, focusing on the different ways of generating value systems that provide information to businesses through ERP. The results showed that the discussion about the value of ERP for companies not yet consolidated and with increasing importance of information systems, ERP was regarded as a strategic tool in the search for greater competitiveness, transcending its value and importance for companies of their internal processes for a relationship of greater importance in business strategy.*

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## **INTRODUCTION**

The information society has changed the way people and organizations communicate and interact. In an environment where information becomes relevant, systems and information technologies are vital in all activities. Its high relevance is evidenced by the degree of dependence of economic and social agents in general have them (Anunciação, 2014). Information is the most relevant economic asset in economy and markets. The economy is a vast interactive system where the search for balance between economic, technological and social forces generates turbulence to the activity of organizations. This turbulence, based on information and communication technologies, is reflected in the increasing possibility of access to new markets, increased competition, loss of tangibility of products and services, ease of access to information, virtualization markets and organizations, the increased economic speed, among others. Their impacts tend to have a “universalisation” of the answers to the emerging needs of consumers and organizations.

There are three vectors that have characterized the evolution of the economy and the challenges to economic organizations (Stacey, 1993): Discontinuity versus Continuity, integration versus differentiation, complexity versus Instability. The discontinuity is probably one of the most pressing concerns for the management. It is the perception that the speed of change is increasing, that the result is increasingly uncertain and unpredictable and that change tends at present to be a break with the past rather than present as a continuous and progressive development from the same. Examples of unpredictability and uncertainty are given to us by reducing the life cycle of the product and the ease of replacement, the speed of technological innovation, increased competition, etc. The need for continuity requires adjustment capacity and developing new models and organizational management tools suited to the new market demands.

Another management concerns is the need for integration of activities and organizations resulting from the growing interconnection of the business world. Increased competition, the emergence of new products, technological differentiation, the crushing of trade margins, among other factors, have led a trend towards outsourcing of a set of activities that does not belong to the core business and looking for partnerships, their resulting therefore needs of interconnection and integration of activities, processes, information, etc. The need for harmonization of activities in the operation of the various economic agents results from an effort of integration, more and more universal, which gives rise to new requirements in the organizational domain and their support systems in order to generate response capabilities through the intersection activities, procedures and objectives.

Finally, the complexity, closely associated with the integration of business and the growing discontinuity of change. The problem of complexity is the difficulty of management and control of all factors, internal and external, essential to the smooth conduct of its activities. The scope of these difficulties have been growing as a result, among others, the increasing market speed, the need for integration of activities between economic actors, new life cycles of products, requiring essentially reducing decision times, speed and security in action. Also the synergies created by technological innovation, combined with the possibility for action in any market, the reduction of market prices and the introduction of competing products or substitutes, the result of technological innovation, significantly increase the uncertainty in the management of organizations. All this has enhanced the complexity of the activities of organizations and their administration.

The high interconnectivity that exists between economic organizations requires standards and procedures for the structured development of informative content as well as high data and information management capabilities (Marchiori, 2002). The challenge for organizations and managers focuses on

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