



Chapter III

Investigating the Rationale for ERP: A Case Study

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ABSTRACT

This case illustrates the importance of a reliable information systems infrastructure in supporting the operations and the development of modern businesses. A longitudinal analysis (1995-2001) of Topps Ireland Ltd. is presented. Topps attempted to acquire and implement a state-of-the-art Enterprise Resource Planning (ERP) system in order to increase control over its operations and to develop management information systems to improve decision making in relation to the commercial strategy of the firm. The case shows how the evolution of Topps to an internationally successful competitive situation was enabled and facilitated by the greater control allowed by its ERP system. The case begins with a description of Topps — its line of business and its development over time — and its business strategy in 1995. The reasons that contributed to the decision to

select an ERP system for Topps emerge from the case. The “teething troubles” associated with the system are addressed, and latest information from Topps management on the success of the implementation concludes the case.

TOPPS IRELAND LTD., 1995

Topps Ireland Ltd. has operated since 1977 and is a subsidiary of a U.S.-owned multinational company specializing in the confectionary business. Topps is a player in the children’s entertainment business on the European market and describes its business as the marketing and distribution of fashion items for the children’s market. Hence, Topps is not a typical manufacturing company. Some of the most famous products on which Topps’ success was built are the *Bazooka* chewing gums and the *Push-Pops* lollipops that are now household names. More recently, Topps became famous for adding an entertainment component to their confectionary products in the shape of “Casper the Friendly Ghost” toy containers containing gum or sweets. A particular success of Topps comes from their purchase of the rights to make Pokémon™-branded products, including the sale of stickers and catalogs.

The emphasis of their business changed substantially over the years from a manufacturing-focused perspective to an approach based more on the trade of goods imported from the Far East. By 1995, 20% of their products were manufactured locally, the remainder being imported from China, Thailand, and other countries. This represented a significant shift from their position even five years earlier, when less than 20% of products were imported. This switch in business emphasis allowed sales growth to mushroom, with corresponding increases in import/export activities. The product life cycle of some of the products was extremely short, so the company needed to react quickly to change, emphasizing the company’s requirement for accurate information that was readily available. This acceleration of the business flows was aggravated by the rapid development of the new trading element of Topps’ business.

Topps’ products were distributed out of three warehouses — Cork (Ireland), Liverpool (United Kingdom), and Rotterdam (Holland). The Cork plant stored the products manufactured in Cork, while the Rotterdam depot stored imported products, and the Liverpool depot maintained stocks required to serve the UK market. All activities were managed from Cork,¹ with outside companies providing warehousing and distributing facilities at both external locations. The United Kingdom was the biggest market, and a team of sales

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