

The Impact of Information Technology on Productivity: Dell Inc., Wal-Mart, MicroSoft

Module 6

Cynthia L. Tomovic, Ph.D.
Purdue University

Discovery Park Center for Advanced Manufacturing
The Product Lifecycle Management Center of Excellence

Student Assistants: Stanford Chen, Matthew Howton, Justin Moorhous, Brendon Scott



DELL Inc.

- One of the earliest companies outsourced in India

2001, the 1st customer service in Bangalore

2003, the 2nd customer service in Hyderabad

-To save labor cost



DELL Inc. (cont.)

- The offshore customer service resulted in saving in labor cost, however, generated some complaints:
 - A. Language problem
 - B. Seems to be reading a script
 - C. Cultural misunderstandings
 - D. The Texas Attorney General's 504 complaints against Dell Inc. and Dell Financial



DELL Inc. (cont.)

- Following great pressure from its customers, in November of 2003, Dell's Customer Service was re-routed back to the Austin, TX
 - Customer service to large and medium sized businesses was brought back
 - Small sized business and consumer support still remain in India
- DELL plans to setup and operate more Indian call centers



DELL Inc. (cont.)

- Productivity in an Indian corporate environment
 - 69% of all U.S. software companies outsourced to India - Sand Hill Group
 - Productivity is not as efficient in India as in the U.S.
 1. High cost of attrition
 2. Relocation of U.S. managers and increased salaries
 - Dell take advantage of economies of scale which allow them to affordably outsource and out compete startup companies

Murphy, Richard McGill (2005, July). Pulling the Plug on Outsourcing. FSB : Fortune Small Business, 15(6), 22-24. Retrieved , from ABI/INFORM Global database. (Document ID: 864997321).



Wal-Mart

<http://www.walmart.com/>

- **RFID (radio frequency identification)**
 - Increases its employee's productivity
 - Replenish shelves up to three times faster
 - Keep tracks on the products
 - Help keeping the inventory cost low
 - Make customers happy



<http://www.retailingworks.com/map.htm>

Sullivan, L (2005, October). Wal-Mart Brings The RFID Proof. InformationWeek,(1060), 22. Retrieved August 27, 2006, from ABI/INFORM Global database. (Document ID: 916384741).

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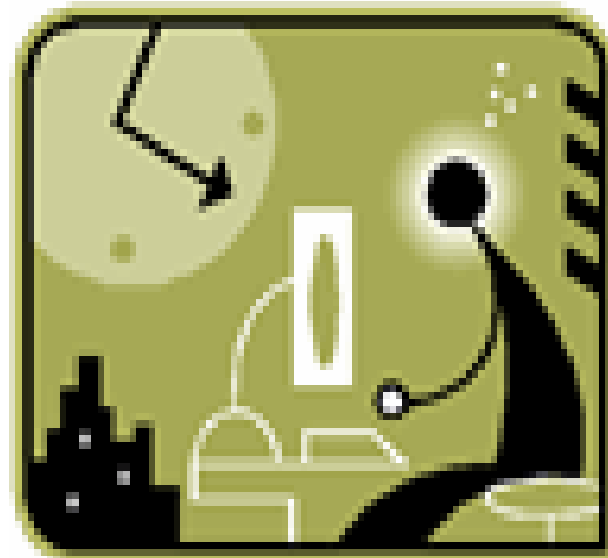


Wal-Mart (cont.)

- Wal-Mart uses computers to help further educate and to train their employees
 - 1.2 million employees in the U.S. are offered e-learning programs
 - offers classes that help to increase productivity at both work and in employees personal lives. Including:
 1. Time management
 2. Goal setting
 - Asda (owned by Wal-Mart in UK) offers e-learning for both its store employees and people who work in HQ

Microsoft-Production of Employees

- Elixer
 - Integrates different computer programs
 - CRM Database
 - Microsoft Outlook
 - Helps Sales force
 - Customer Satisfaction
 - Overall Production



Microsoft-Working in Different Countries

- Involved in major antitrust suit from the European Union
- Microsoft was fined \$625 million
- Packaging of Media Player
- Forced to write an operating system manual for competitors

Resources

- Directive 95/46/EC of the European Parliament and of the Council of 24 October 1995 on the protection of individuals with regard to the processing of personal data and on the free movement of such data, *Official Journal of the European Communities*, 23 November 1995 No L. 281, 31
- Federal Trade Commission (2006). *Complying with the Telemarketing Sales Rule*. Retrieved August 27, 2006 from <http://www.ftc.gov/bcp/online/pubs/buspubs/tsrcomp.htm>
- Federal Trade Commission (2005). National Do Not Call Registry. Retrieved August 27, 2006 from <http://www.ftc.gov/donotcall/>
- Federal Trade Commission (2006). The CAN-SPAM Act: Requirements for Commercial Emailers. Retrieved August 27, 2006 from <http://www.ftc.gov/bcp/online/pubs/buspubs/canspam.htm>

Resources

- Simmons, G (2006). Government Data Thefts Raise Privacy Protection Concerns. Retrieved August 27, 2006 from <http://www.foxnews.com/home/politics>.
- Swartz, N. (2006). Canada Seeks to Protect Citizens' Privacy. Information Management Journal. July/August 2006 40(4).
- The European Union Privacy Directive and Its Impact on the U.S. Privacy Protection Policy's Year 2003 Perspective. Northwestern Journal of Technology and Intellectual Property. 2(1) Fall 2003.

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