

15.566
**Information Technology as an Integrating
Force in Manufacturing**

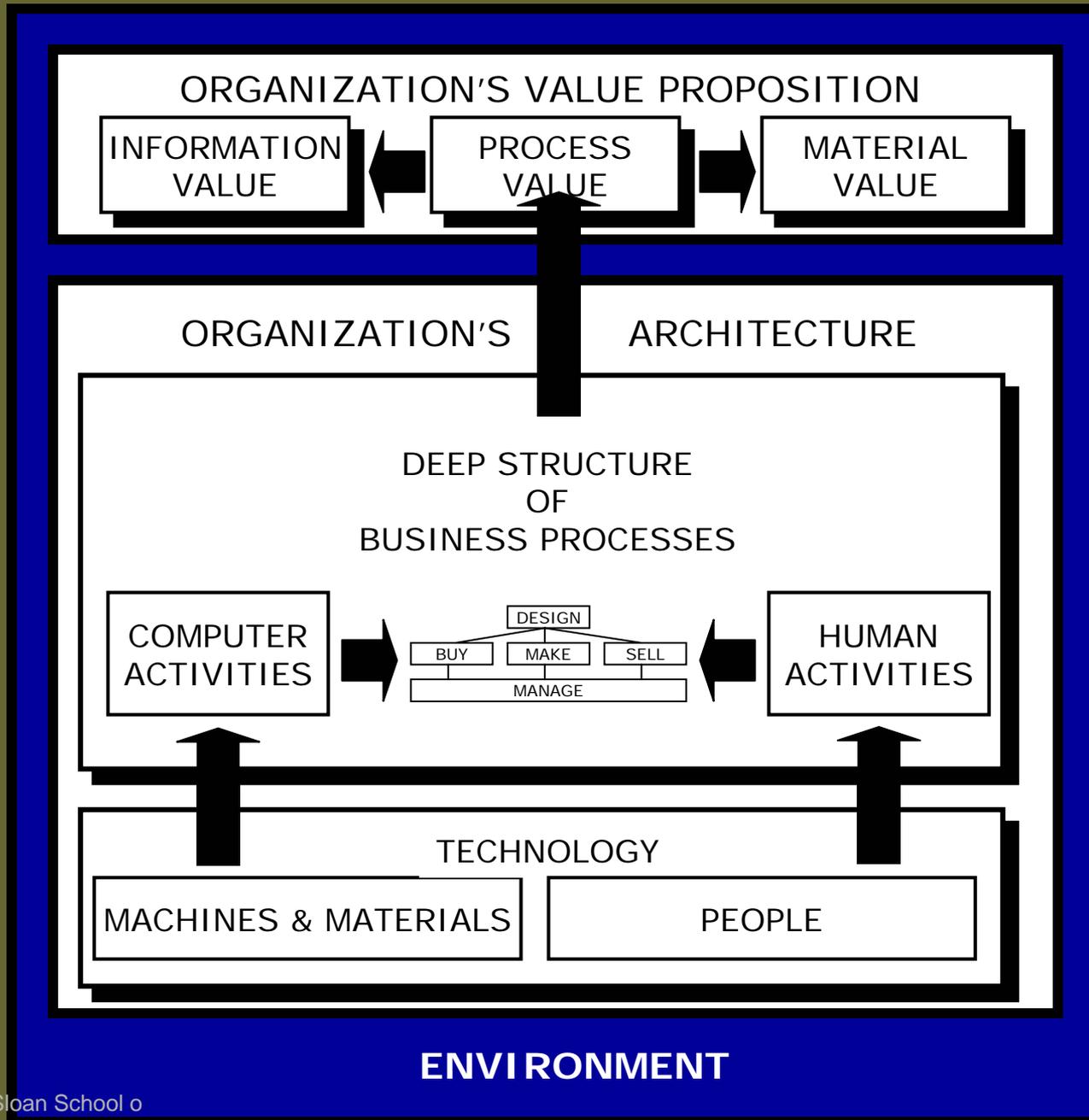
Session 5 of 24

MASSACHUSETTS INSTITUTE OF TECHNOLOGY
Sloan School of Management

Class Slides

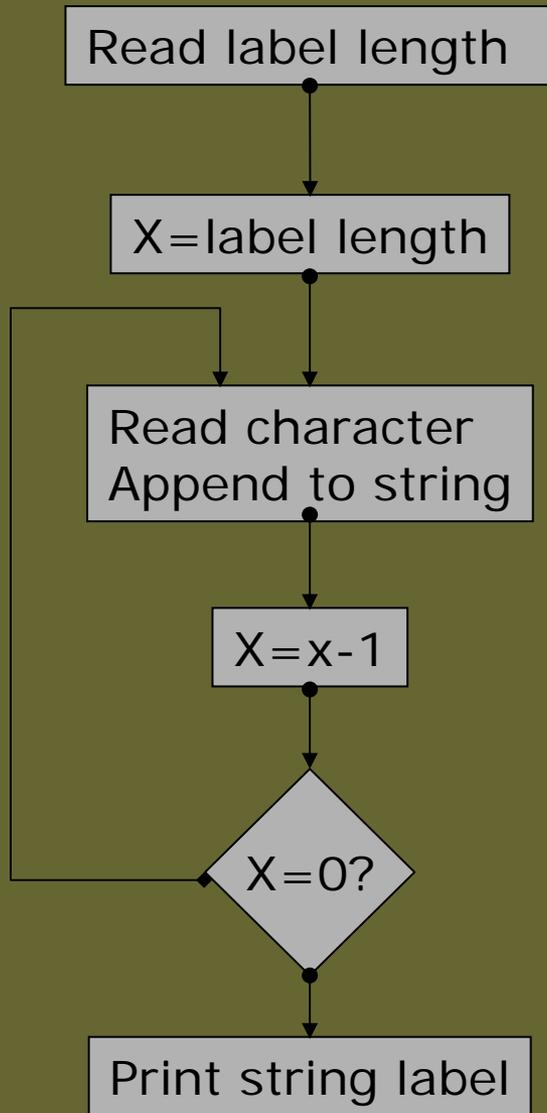
Prof. Brian Subirana

THE MIT VIEW OF THE FIRM

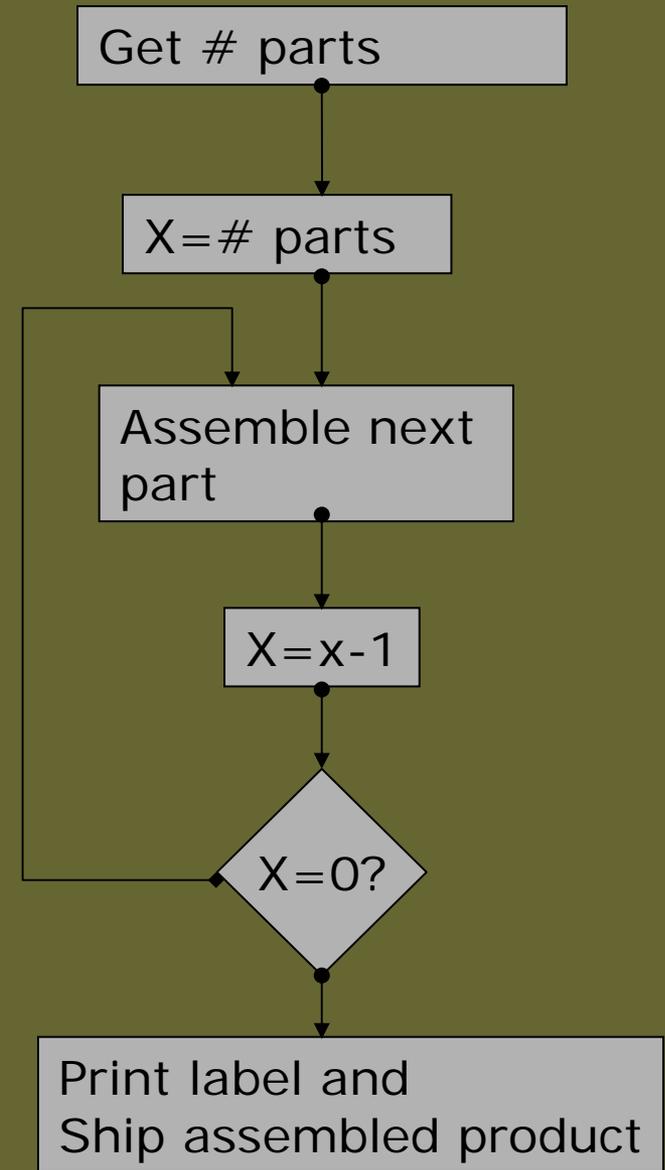


(Prof. Brian Subirana and Prof. Thomas Malone, 2002.)

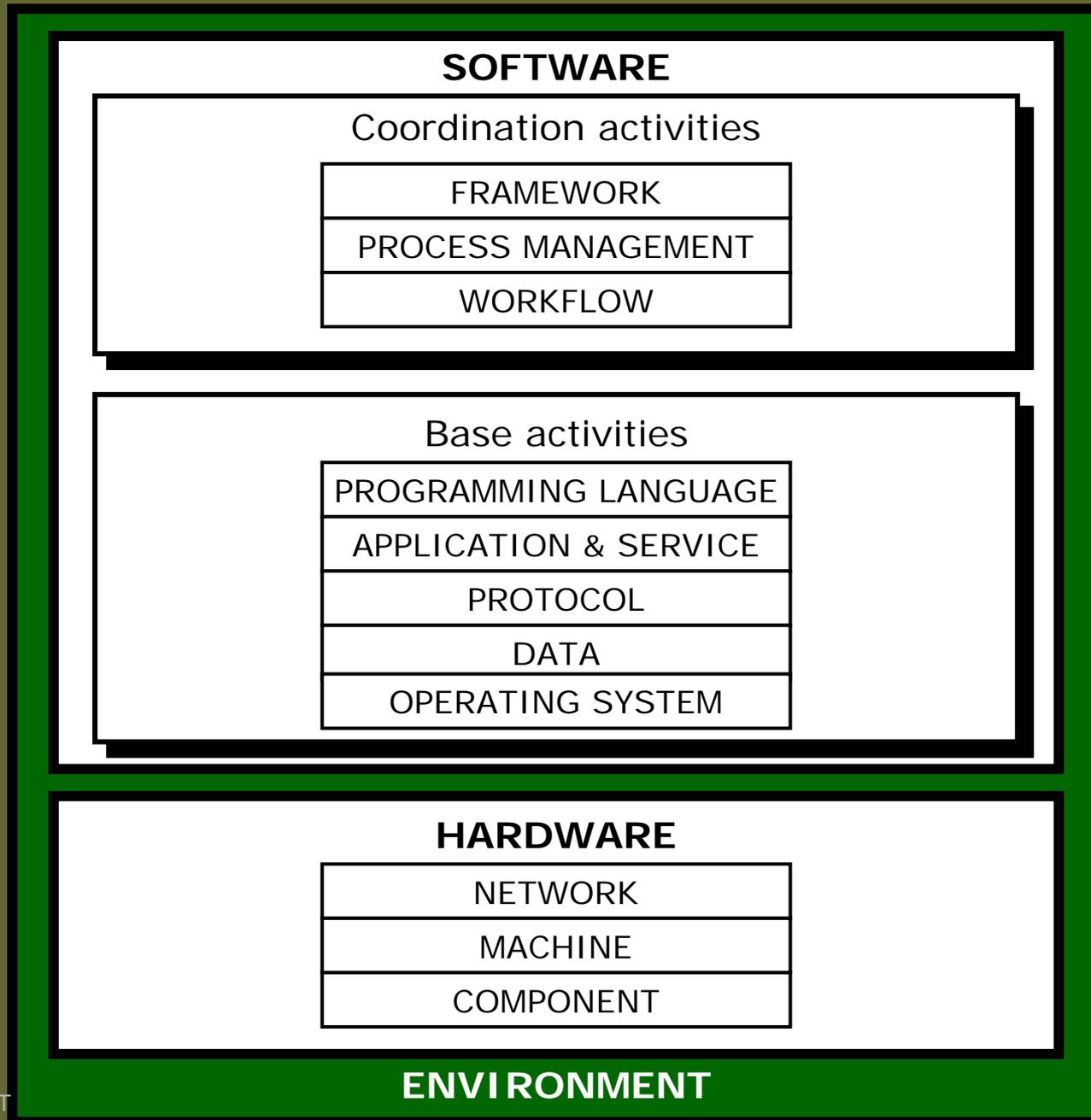
PROGRAM



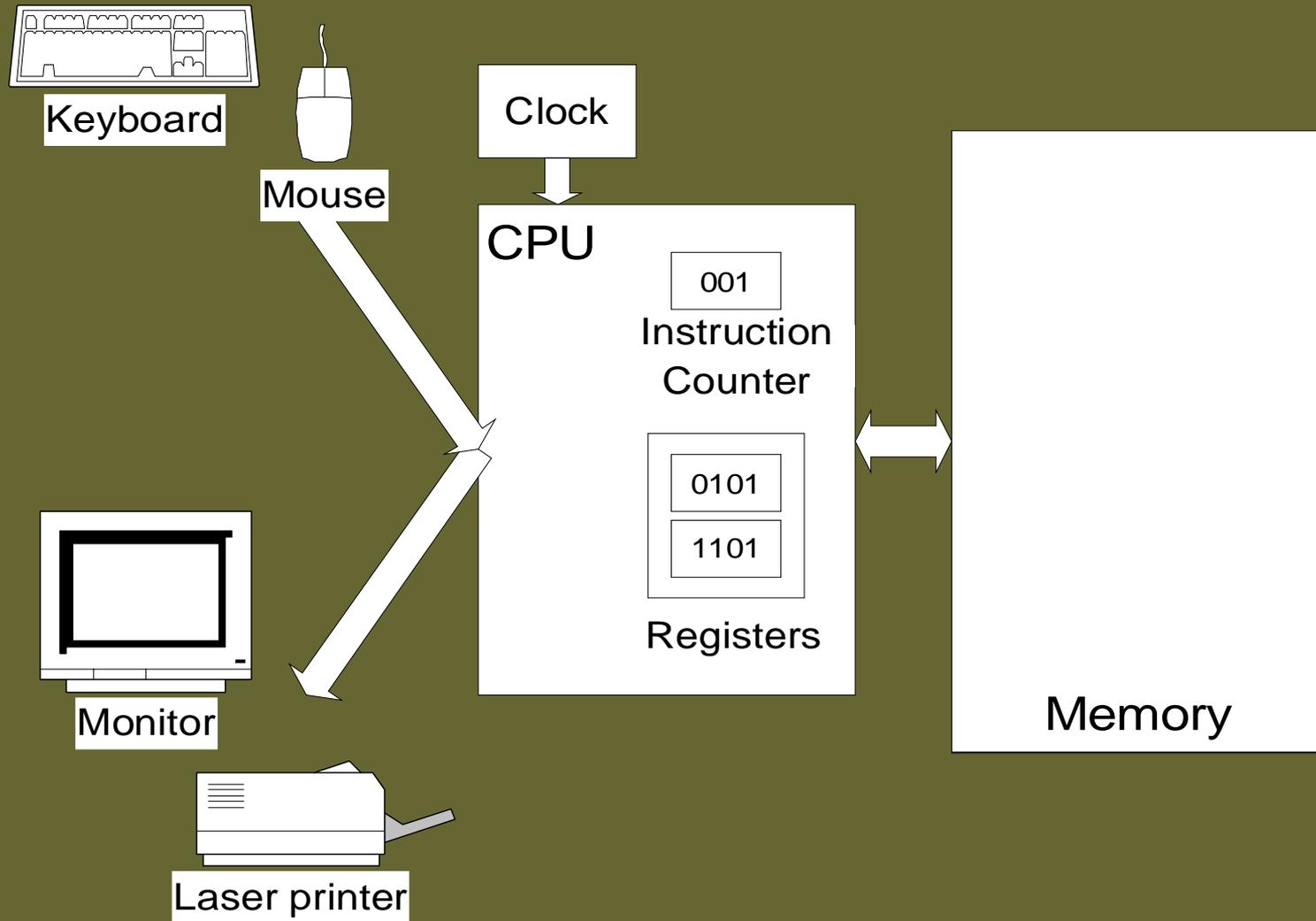
PROCESS



GENERIC IT ARCHITECTURE ABSTRACTION STACK



A "Real" Computer Architecture



Enterprise Networking Architecture

See: Laudon & Laudon, *Management Information Systems: Organization and Technology*, Prentice Hall, 1998

Baxter 1996 spin-off

- 20,000 people
- \$4,5B sales 1995
- up to 80% of hospital supply needs
- American leading provider of “healthcare products and cost management systems”
- Relationships with hospitals saved up to 20% per surgical procedure

1999^(*)

- Also in the laboratory segment and other non-hospital segments with special fees for value added services and delivery options
 - built 6 supercenters (NY, Texas, Illinois, Georgia and California)
 - 50 other facilities
- Through valuelink, 60 percent of deliveries were low unit (even to hospitals)

(*) Source: Interview with Larry Rohrer, Allegiance vice president, Medicaldistribution.com 1999