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SOME ASPECTS OF COMPUTER APPLICATION
FOR INDUSTRIAL MANAGEMENT IN DEVELOPING COUNTRIES

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This report has not been cleared with the United Nations Industrial Development Organization which does not, therefore, necessarily share the views presented.

TABLE OF CONTENTS

- I. INTRODUCTION
- II. PRIORITY AREAS OF COMPUTERIZATION FOR INDUSTRIAL MANAGEMENT
IN DEVELOPING COUNTRIES
- III. INTRODUCTION AND SELECTION CRITERIAS OF HARDWARE SYSTEMS
 - 3.1 PERSONAL COMPUTERS - PC
 - 3.2 MICROCOMPUTERS
 - 3.3 HARDWARE FEASIBILITY REPORT AND EVALUATION CRITERIAS
 - 3.4 RELATION BETWEEN HARDWARE AND SOFTWARE
- IV. SOFTWARE
 - 4.1 DEFINITION AND INTRODUCTION TO SOFTWARE
 - 4.2 MANAGEMENT NETWORK SYSTEM (MNS)
 - 4.3 SOFTWARE EVALUATION - ADVANTAGES AND DISADVANTAGES
 - 4.4 SOFTWARE PROGRAMMES (SELECTION)
 - 4.5 TELE - COMMUNICATION NETWORK
- V. RECOMMENDATIONS
- VI. ANNEX

1. INTRODUCTION

Due to the fast development of industry in developing countries the requirements and needs of information, especially in enterprises, training institutions, governmental and private organisations are growing significantly. This has created an urgent need of industrial information services combined with electronic data processing. In order to organize an exact data and information processing and to achieve the necessary flow of information for supporting the management in their decision making process the introduction and extending of managerial capacities of computers with all consequences for developing countries has become necessary.

The practical experiences of computerisation in developed countries should be taken into consideration when a developing country plans to computerise its industry (this refers to technological, economic and administrative processes).

Some of the positive effects of computerisation are:

- 1) Good organization of information and data flow means a fast structured data transmission and a short response time for required information.
- 2) Through collection and elaboration of data the necessary informations for marketing strategies are always available.
- 3) Effective financial resource planning and control.
- 4) Reduction in production costs and as a direct result the diminution of sales prices for goods for the following reasons:

1) The higher the productivity in developing countries the higher the production capacity and the smaller the manufacturing costs. This leads to a lower price for goods.

It is very difficult undertaking but at the same time it is a big challenge, not only for developing countries but also for the industrialized world. In order to stabilize the world economy and to provide a constant growth in the social wealth to all countries.

As it has been shown in a vast and intensive study, made by some organizations (such as OECD, ECIA, etc.) and according to the experience achieved by the company IFA-HQ/AB over the past years, one important factor for the effectiveness of a solid economic and industrial development is the planned systematic computerization of all industrial branches also of the public administration in developing countries. Computerization means to introduce the microelectronics in order to support the administrative and the technological process. Computerization has to be a planned and integrated factor of industrial development. Industrial investment planning has to include the costs of computerization.

The components of computerization costs are:

- Hardware
- Software
- Personnel
- Management Controlling Time
- Implementation time of the system
- Training and follow-up

The main aim is to help the medium and small scale industry in developing countries to find the appropriate computer equipment with the adequate software programmes for managerial applications. The appendix will provide an outlook of future development in microelectronics and computer application.

This report should be understood as an introduction and as a basic guide line for the selection of hardware and software systems. It should be applied in first priority areas of management in developing countries. But it has to be pointed out that the effectiveness of computerization also depends very much on the availability of specially trained personnel. According to the local conditions, a computerization of small and medium scale industries can only be successful after the recognition of the management needs and the creation of the necessary organization for the selected management areas. Before introducing a computer system an investment and work plan has to be established by experienced personnel.

The complexity of the work to be carried out requires also a consultant, experienced in computer training and application.

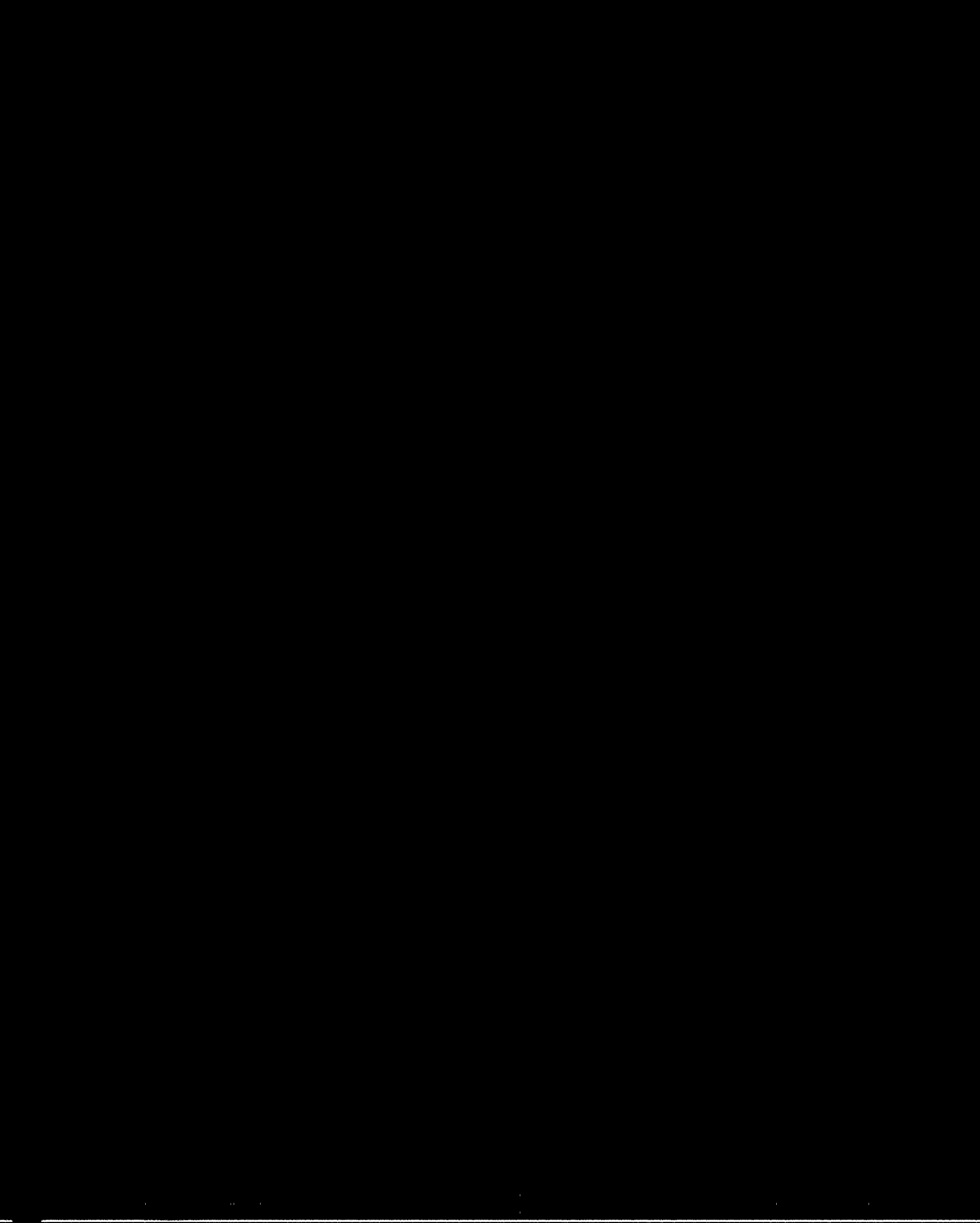
A success can be more or less assured when the planning and the reorganization process for computerization has been accepted and approved by the responsible workinstitute and the top management.

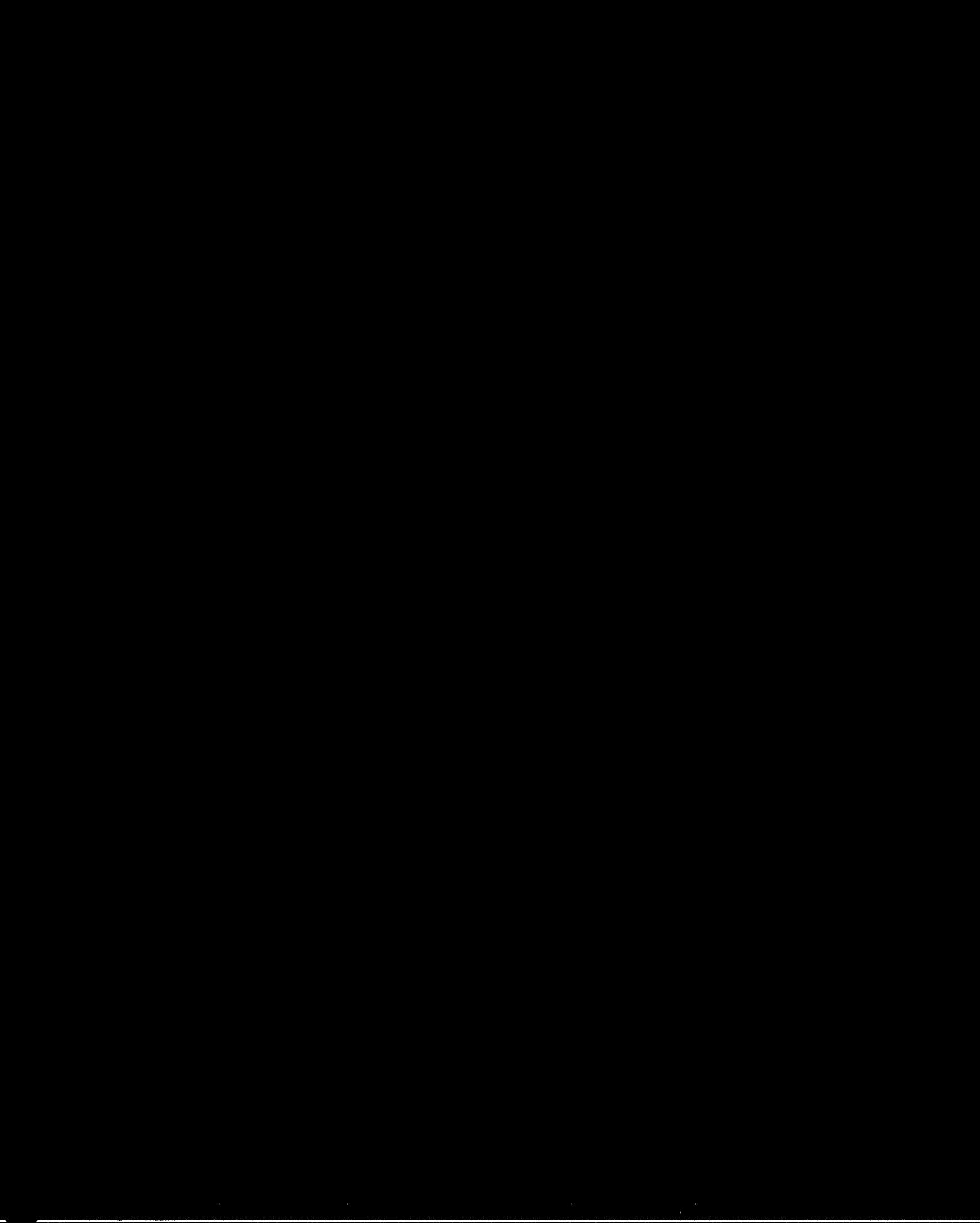
To underline the importance of a fast development of a computer aided support (hard- and software) for managers in developing countries. a summary of an article which was published in 1985 by Prof. F.O.U. BOONATILAKE (Univ. of Ilorin, Nigeria) will show the problems of production management. The summary is representative for all other management areas because production management is considered as one of the most critical and crucial industrial management areas. This article is still valid in 1986 because in the most developing countries any substancial changes have been taken place until now. and it expresses also our experience gained as consultants for the governmental and privat industrial sector of some developing countries.

The headline is:

'Production management - the forgotten factor in the industrialization policy in developing countries'

The failure or the slow progress of industrialization programmes in developing countries is often attributed to the reluctance of developed countries to "transfer technology" to them. It is indeed true that in many cases developed countries are reluctant to part with the technological know-how gained over the years to a potential competitor; however, it would be unfair to blame lack of transfer of technology totally for the failure of industrialization areas of developing countries. In most cases the types of technology employed in developing countries are well established. However, the performance of these industries falls well below expectations, even though the technological know-how is fully available. The success of any industry once the technological know-how is transferred depends largely on efficient production management. Most attempts to utilize modern technology in the industrial sector of developing countries have failed because of the lack of efficient production management.



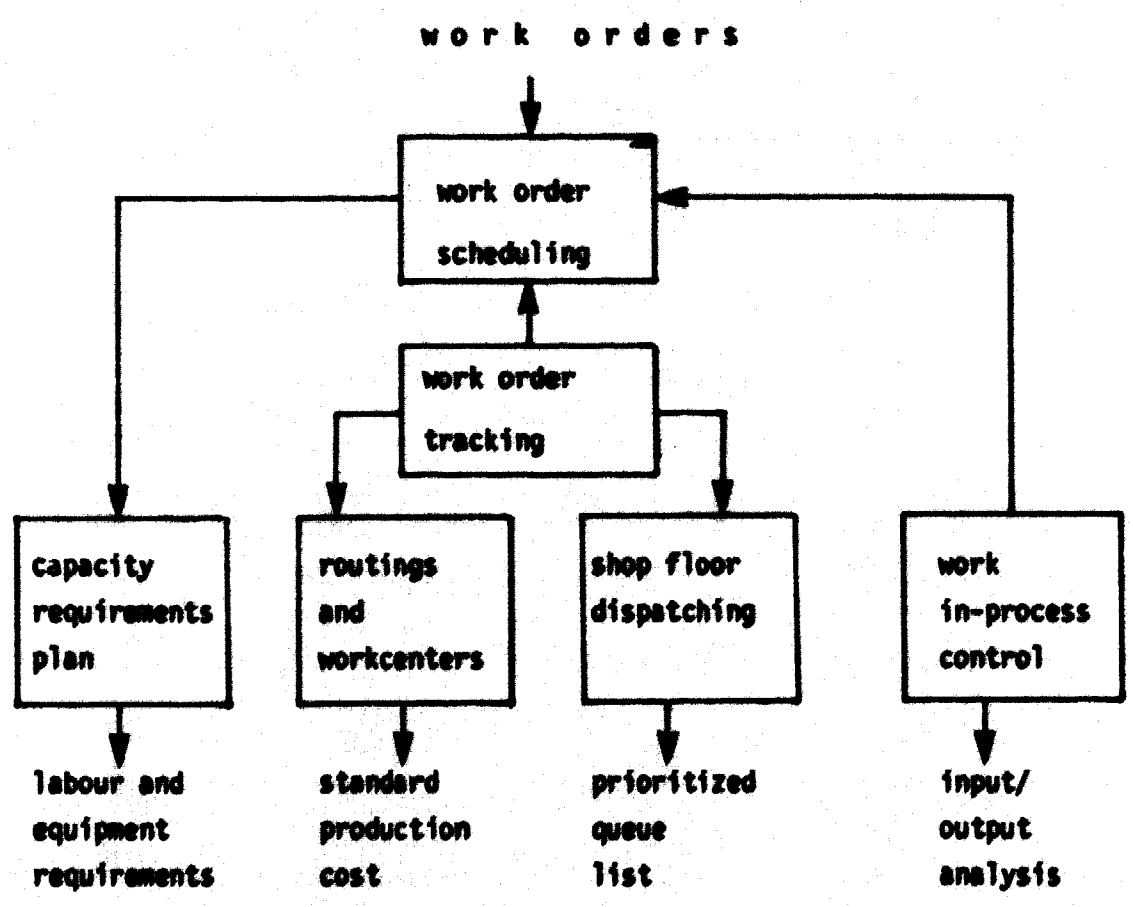


2.1. Production management should have first priority when a factory decides to reorganize the technical and/or managerial process for computerization.

Production management:

- Workcenter and routings
- Capacity requirements planning
- Control of work in process
- Shop floor dispatching
- Work order scheduling
- Work order tracking

Respective flow chart:



2.2. Standard product costing system (determination of product costs by computer):

- . Material costs
- . Labour costs
- . Overhead costs
- . Control parameters:
 - . Process code selection
 - . Level code selection
 - . Accepted percent of difference
 - . Number of accepted errors
 - . Effective dates
 - . General informations

Part selection criteria:

- . Part number
- . Account number
- . Product line
- . Work center

The standard product costing input/output:

- . Cost edit report
- . Costed bill of material
- . Product cost sheet (per product group or single product)

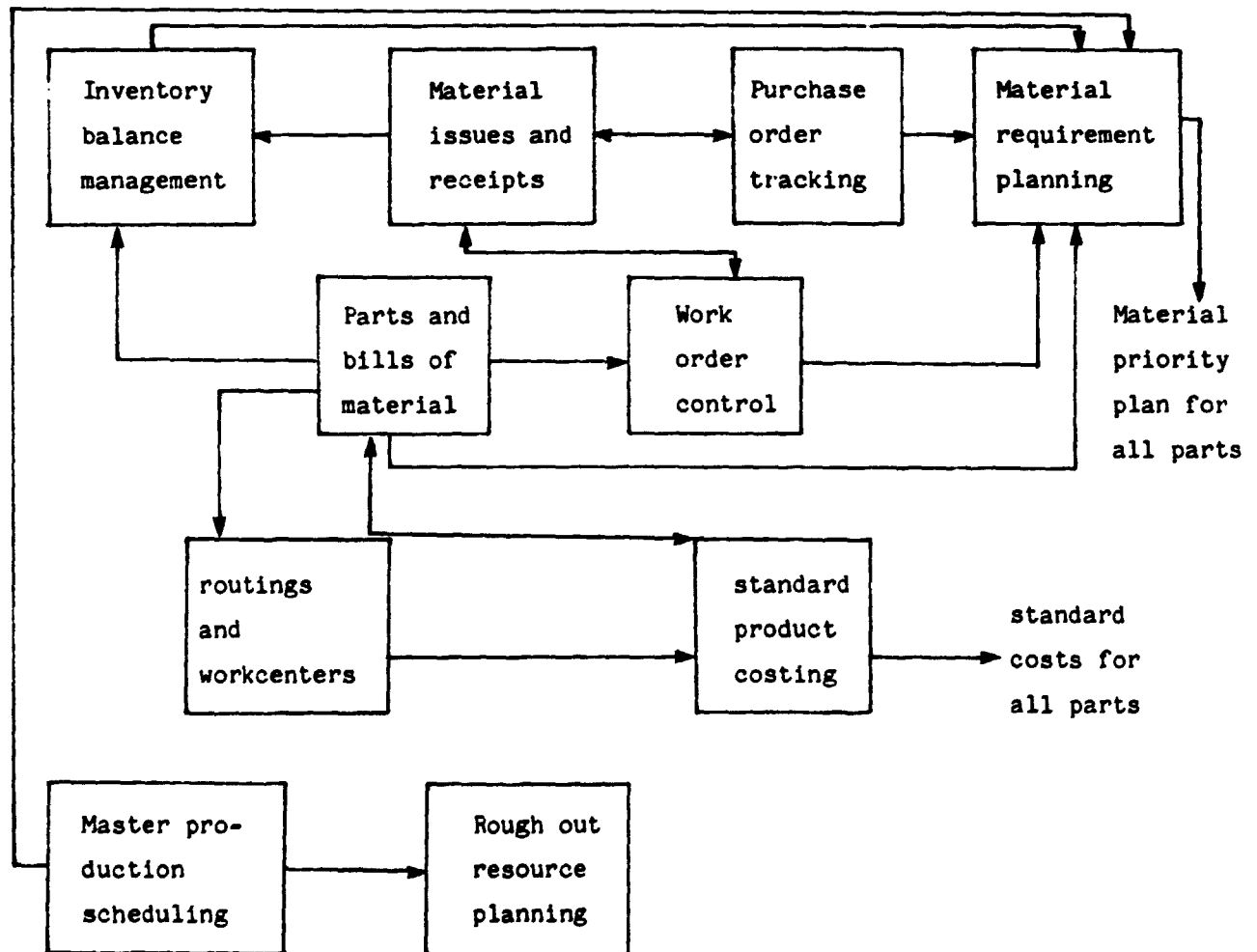
2.3. MATERIAL MANAGEMENT/ INVENTORY CONTROL

Stock control:

- . Stock planning
- . Stock recording
- . Inventory
- . Stock inquiry
- . Stock valuation
- . Statistics for stock

General ledger integration

Information flow chart:



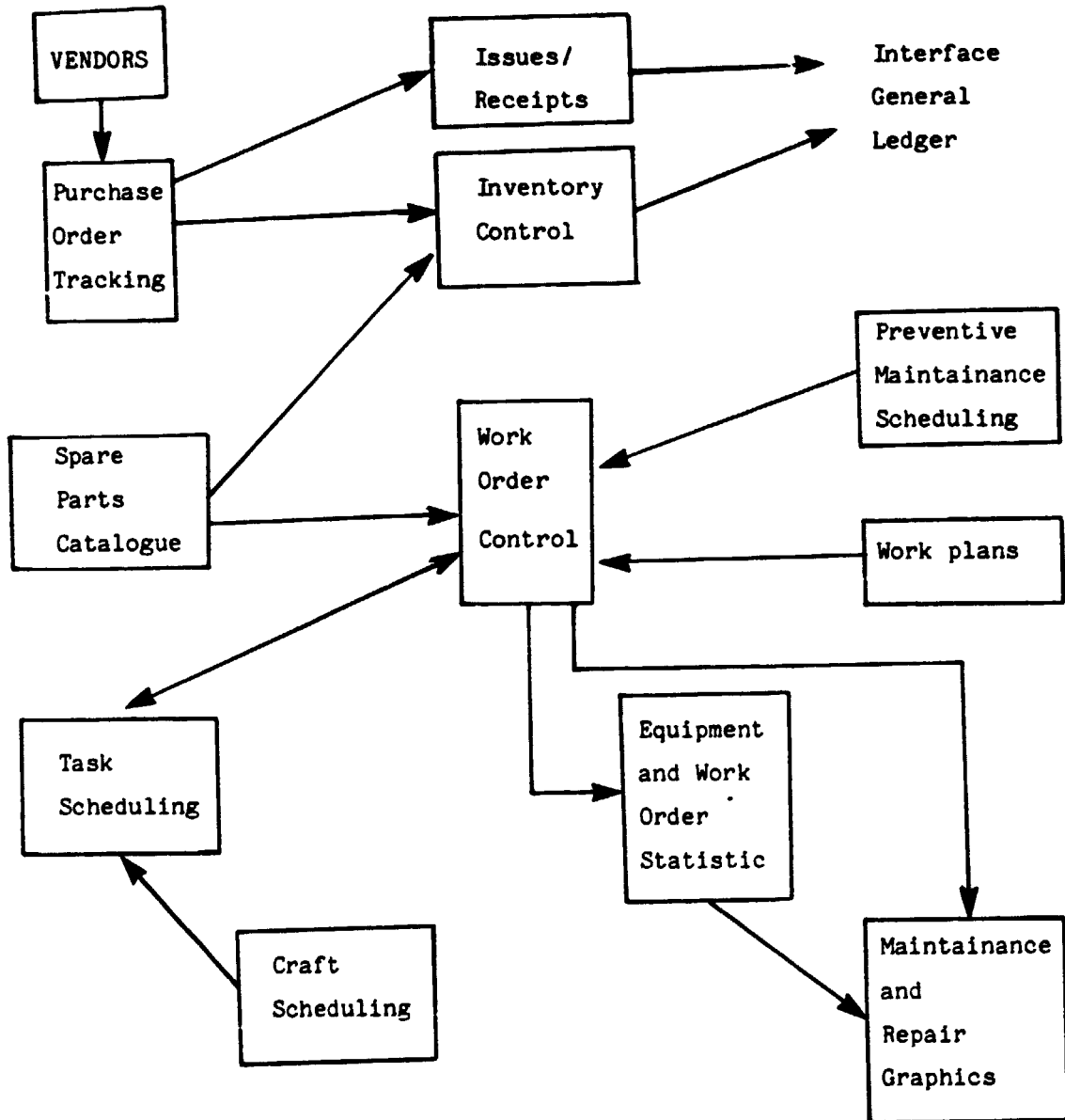
1.4. Maintenance and repair management

The software package should be a user-customizable, interactive system for the management and control of all maintenance and repair operations.

The benefits and repair software packages should be:

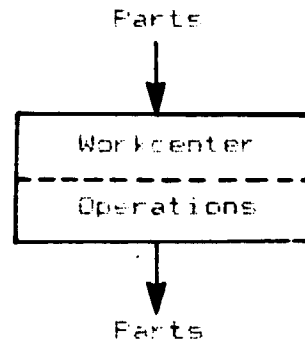
- . Improved planning and execution of orders: through better coordination with production the costs for both maintenance and production can be reduced and the profits increase.
- . Increasing machine availability achieved by regularly performed scheduled preventive maintenance the product quality and the available machine capacity can be increased. This yields lower costs and increased profits.
- . Spare parts inventory can be reduced, floor space required and is reduced, also a reduction in material handling costs can be achieved through a well managed inventory. This means that cash can be used for more profitable purposes.
- . Efficient planning for turnarounds and shutdowns.
In reducing the amount of time required for a plant shutdown or for service turnarounds a lot of money can be saved for the company.
- . Fast response time to emergency work
A quick response in case of an emergency repair work means a faster availability of machines. Technicians have more time for preventive jobs.

- . Demanded features for maintenance and repair:
 - . Work order control
 - . Preventive maintenance (PM) scheduling
 - . Equipment and work orders (statistics)
 - . Task and draft scheduling
 - . Parts catalog
 - . Issues/receipts (input/output)
Material purchasing and requisitions
 - . Vendors (information)
 - . Purchase order tracking and inventory control for
maintenance and repair works and spare parts

DATA FLOW CHART OF MAINTAINANCE AND REPAIR

2.5. Quality management:

Production model:



New parts are going through the workcenters and different operations are performed on the parts.

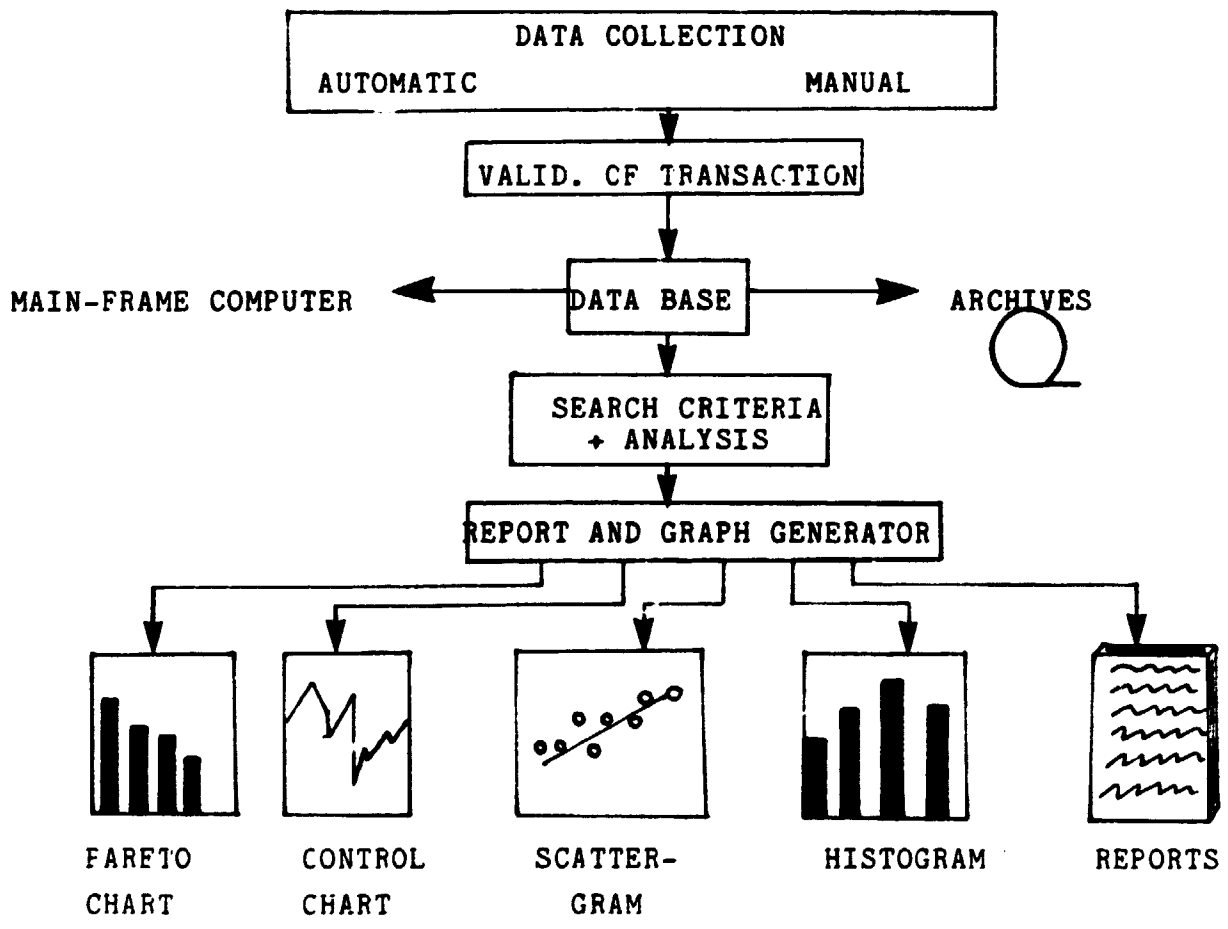
For each combination of workcenters the part number, the operation and the data collection has to be identified as:

- . Process common data (to all parts)
- . Transaction data (who, what, where)
- . Unit specific data (specific to an individual part)

Demanded features for quality management:

- Menu or prompt/response driven user interface for easy configuration, modification and system use by non programmers.
- Access via password assignments.
- Pre-defined data collection for system design.
- User-defined data collection for system customization to specific application requirements.
- Powerful graph printer for selection and analysis of collected data.
- Data collection supported from microelectronic device or from any other source which can transfer a formatted file to the computer.
- Color graphic output.

Chart for quality management:



Description of Quality Application Areas, Features and Benefits:

Application Area	Features	Benefits
Incoming Inspection	Displays inspection instructions, generates vendor rating reports, control charts of defect rates, vendor quality.	Prioritize vendors, reduce number of vendors, and increase vendor responsiveness to your quality demands.
Product Test: Electronic, Electro-mechanical, final, in-process, component	Manual and automatic on-line data collection, test procedure display. Provides statistical monitoring of defect levels and decision support graphics and reports.	<ul style="list-style-type: none"> ■ Optimize test process, schedule calibrations, determine minimum number of readings necessary, identify tester vs product defects. ■ Reaction to statistically significant defect rates. ■ Production defect data available for correlation to manufacturing process data, identification of causes of quality problems.
History Tracking/Audit Trail	On-line data collection of pertinent traceability facts, archived but available for recall to satisfy regulatory requirements.	<ul style="list-style-type: none"> ■ Respond to regulatory requirements
Statistical process/product monitoring	On-line data collection from incoming inspection, manufacturing process, and test areas. Statistical graphs/reports to monitor manufacturing process quality and product defect rates. Correlation between product defect data and defect cause data allows identification of specific defect causes: <ul style="list-style-type: none"> ■ poor workmanship ■ faulty material ■ weak manufacturing process execution ■ wrong manufacturing process definition ■ faulty product design 	<ul style="list-style-type: none"> ■ High, predictable yields ■ Lower production costs ■ Reduced rework costs ■ Lower scrap levels ■ Reduced labor content ■ Accurate vendor quality feedback/correlation. ■ Reduced cycle times and inventory levels

2.6. Other important management areas for computerization are:

- Controlling and planning systems for short and medium term investments
- Resources management
- Financial planning and controlling with book-keeping
- Cash management

Note: The above mentioned areas are very special, taking into consideration the legal aspects of each country. In this case it will be more difficult to find standard ready to use software. Before creating a software for these areas it will be necessary to check carefully, if a standard software is available and ready to buy, if it is adjustable to the local needs and what will be the costs.

- Last but not least, the creation of a modern and functional documentation and reporting system for managers. This system has to provide the responsible management with "useful and necessary" information for their management areas.

Such a software program can be designed and created for the needs of the requesting industry or a standard with the possibility of statistical output (e.g. framework or Lotus etc.) for more details see chapter IV. Software can be adapted modified to the requested information needs.

III. INTRODUCTION AND SELECTION CRITERIAS OF HARDWARE

Before a company decides to computerize, many factors should be analysed in order to get an idea of the hardware capacity needed. A detailed analysis of the "information" is required.

Before ordering a computer system the initial work should always be a quasi pre-feasibility-study: in this case it has to start with an information-profile, what information is needed at what time, and then the respective information-flow chart has to be established.

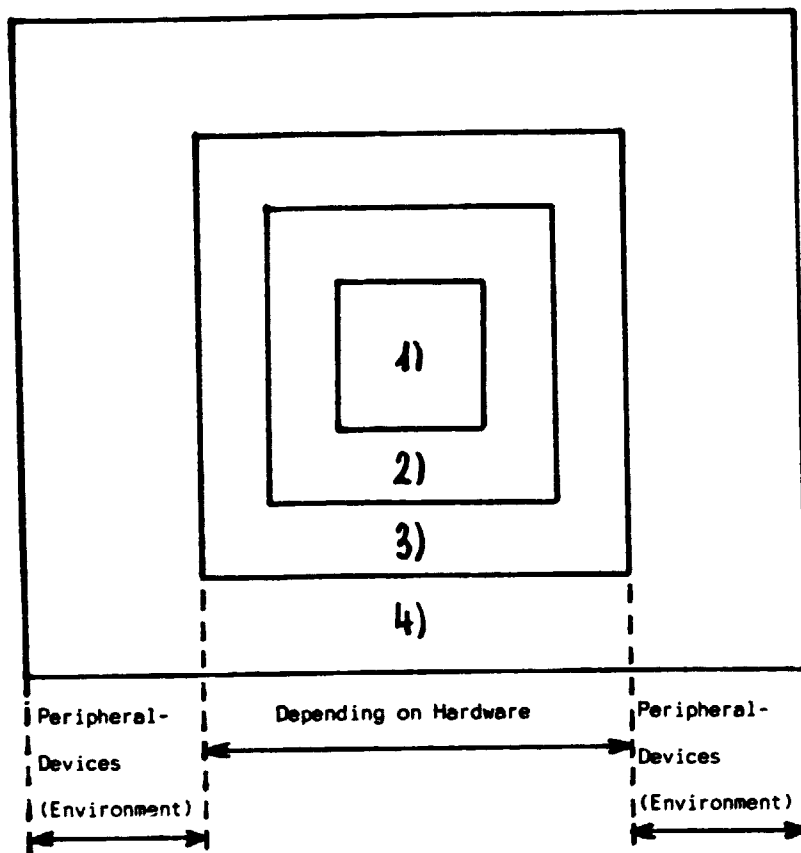
The computer with the appropriate user-software programmes has to assist management in the different levels of the "decision making process". The computer technology has "always" to make its contribution towards a better management of primary resources and should always be matched to the requirements and needs of an industry.

Further it has to be decided if only one or more workstations will be needed. For networking with PCs priv. 2 - 4 workstations are recommended at the moment, where minicomputers can support up to 60 workstations.

On the market there are many software-programmes available but they have to fit to the hardware which means that the operating system has to support the user software, they have to be "compatible".

Up to our knowledge at the moment not each computer-software and hardware are 100% compatible. Full or 100% compatibility means that a software-programme, e.g. written for IBM-PC/XT can be used without an additional adaptation work on Rev. 01-boards. PC or XT hardware can communicate with MF-boards (EISA) and hardware

General computer model



- 1) Hardware: all material (electrical and mechanical parts of the computer: this is the nucleus of the system "computer". but without specific software completely useless
- 2) Operating system: Programme package which controls, coordinates and "manages" the different functions of the computer
- 3) Assembler, compiler (or interpreter), loader, editor.
- 4) User programmer: Specific written software

The system software can be also called "internal software" which means that the operating system (OS) has been standardized. This standard will be UNIX (S) or XENIX-IBM - standard which is a further development of UNIX time sharing systems with more functions.

XENIX can be used for the IBM-PC/AT but not for IBM-PC/XT. UNIX/XENIX is a "multi-user, multi-tasking" system, it supports one or more workstations.

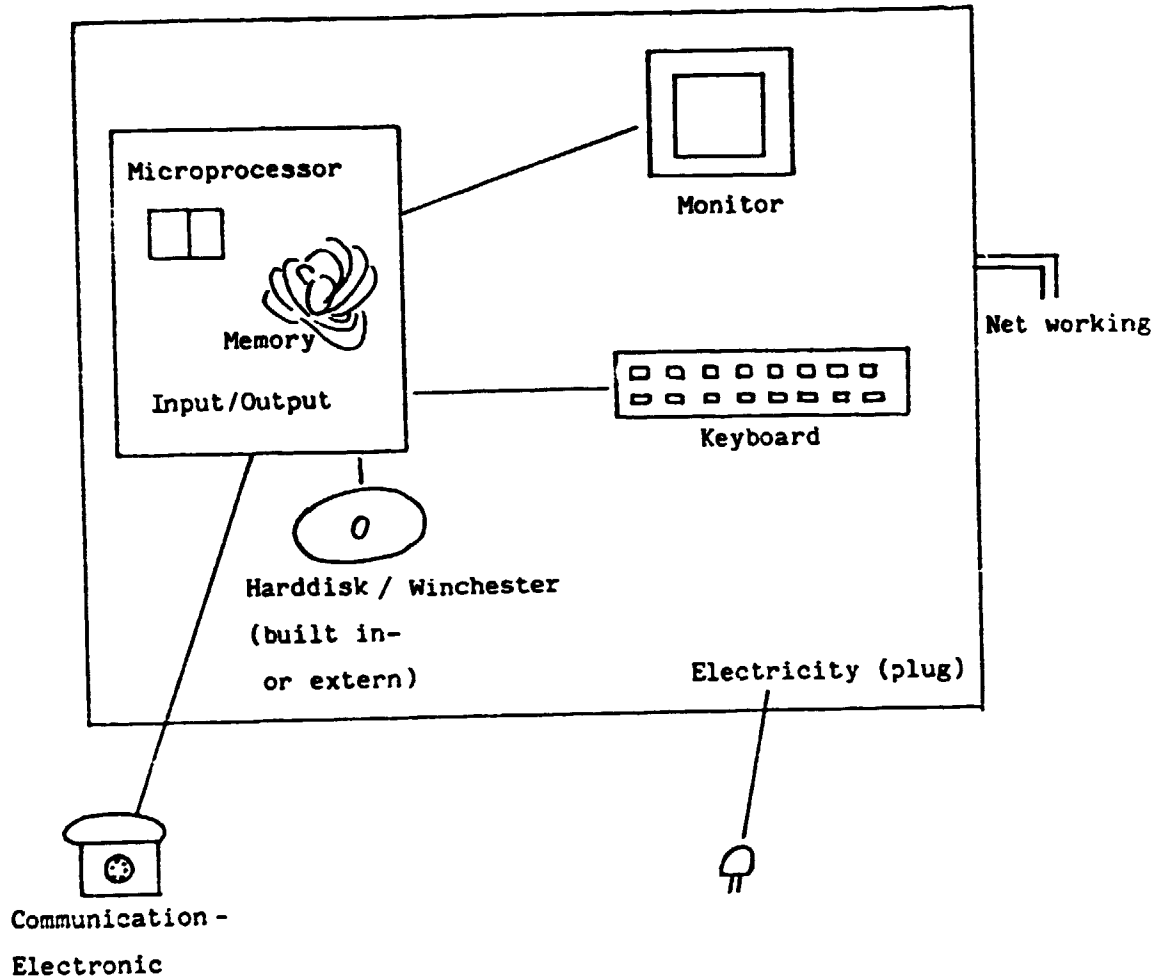
On the market are other UNIX-systems available but these systems are not compatible with others, which means the software programme from other software producers cannot be used any more. The other thing is that before the decision to buy a computer is made, it should be made sure that the operating system (in the most cases MS-DOS) now can be changed, if necessary, by means of an additional investment into the operating system UNIX (S).

This problem has to be taken strongly into consideration because the major producers of hardware (PC's) have already agreed to use in the future the standard "UNIX S". There is only one exception: IBM has not agreed till now because they are using XENIX which is similar to UNIX. The UNIX system software is easy to use but not without a proper training. But up to this moment no sufficient software is available, therefore the recommendation can only be to buy computers with MS-DOS operating systems.

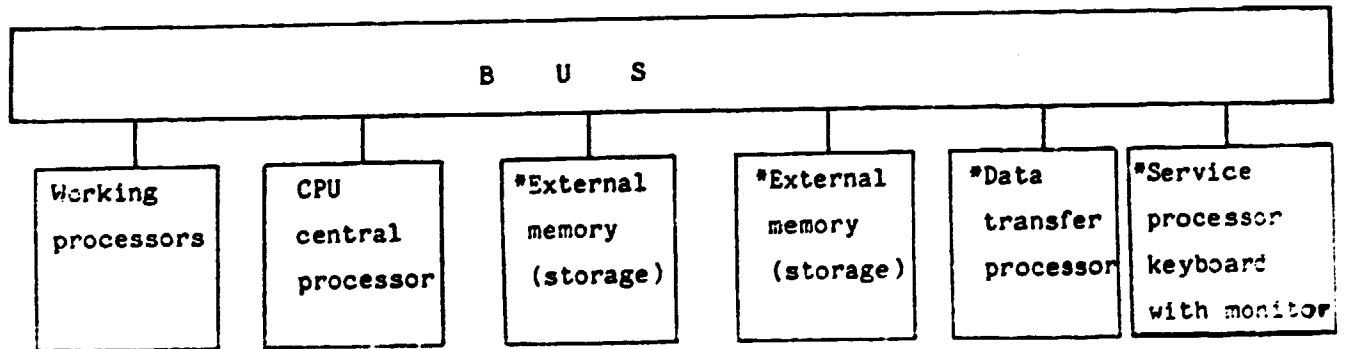
Further hardware consideration for UNIX or XENIX operating systems:

- a) 512 KB RAM Main Memory
- b) 20 MB Hard Disk
- c) 0.1 MB Disk Drive
- d) Keyboard and/or color monitor with adapter

WORKSTATION MICRO- OR PERSONAL COMPUTER (PC):

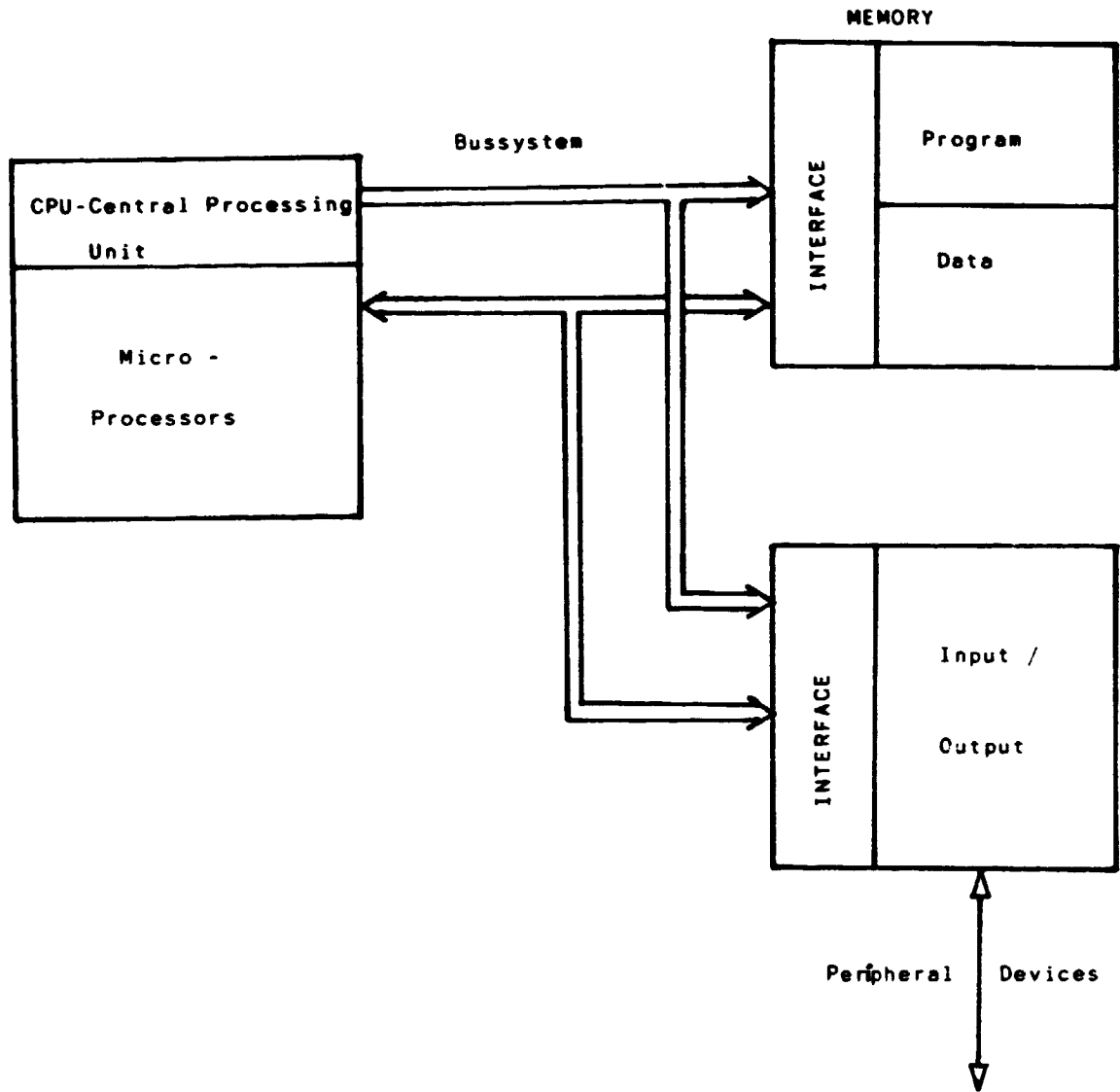


Example of architecture of microcomputer/PCs (busconcept-connections with plugs):



(* Peripheral processors)

COMPUTER ARCHITECTURE :



The minimum hardware configuration for industrial application should be:

CPU - (Central processing unit) from
512 KB (Kilo byte) to 3 MB (Mega byte) RAM

Memory

10/20 or 40 MB hard disk drive (Winchester) and
340 KB floppy disk drive (640 KB RAM) or
1.2 MB floppy disk drive (max 2)

Monitor (monochrome or color screen)

Printer - nearly letter quality type
- or letter quality type

7.1. Personal Computer - PC

Until now there are PC computers which have 16/8 bit microprocessors (Intel 8088) or the 16 bit microprocessor (CMOS 8086), 40 KB ROM (fixed memory), 64 KB RAM (work memory); the most used programming language for PCs and Micros is definitely Basic. The floppy disk standard is 5.25 inches, the new floppy disks have 3.5 inches.

Since 1985 the 32 bit microprocessor is available but there is almost any software on the market; these computers should be taken into consideration in the future (after 4-5 years) because of their larger capacity and velocity in data processing. In any case a PC, intended for industrial application should have 320 KB or if possible over 1 Mb floppy disk as a minimum configuration and one hard disk (Winchester) drive with 10 or 20 MB.

A complete, workable PC system including the PC itself with keyboard and monitor, a decent printer, two diskette or one floppy operating system and some extras will cost US\$ 5,000 in any case and if there is a hard disk instead of diskettes required which is necessary for integrated software, the investment will approach US\$ 7,500.-.

The new development of portable PCs will probably be on the cost side (10-12,000) with the hardware available. This price does not include without application software packages.

Another cost has to be taken into consideration: the cost for training of the various systems users. With the availability of user-friendly, menu-driven software the training time has recently decreased. It still stands at least 20 and very often up to 40 hours to learn to use a PC. For more complex applications the training time will be even longer. The cost for training is not included in the price of the hardware.

device of name to provide the ability to handle CAD/CAM and also more sophisticated systems. Until now sophisticated software packages are only applicable to micro- and mainframe computers.

Before ordering a computer system the purchasers in developing countries have to be aware that for certain computers, which have built in microchips from the new generation (like IBM-AT etc.), each supplier must have an export license and a user certificate. To get such a license it can take between 2 months and 1 year. Due to embargo the selling of certain computer equipments to some countries is forbidden. This depends on the type/model of computers.

The most important selection and comparison criteria of personal computers - PCs and micro computers are :

- 1) Hardware (technical) data:
- 2) Software availability
- 3) Practical application (not only demonstration of PCs but also practical application in industry such as: response time in dialog-processing, etc.)
- 4) Producer (standards, etc.) reliability
- 5) After sales service and maintenance
- 6) Costs
- 7) Benefits

Note: PCs and micro-computers should always provide the possibility of growing with the need of information. ("modular system"). An example: PC - version with two floppy disk drives is not sufficient and more so in this case an external or built-in hard disk drive can be installed without any technical problem. Also the same software can be used, etc.

The basic costs of PCs normally start (for industrial application, not for "home-computers") from about US \$ 2000.- up to US \$ 4000.-, user software (standard user software excluded).

According to our experience of computer application in small and medium scale industry the following computers (hardware) have been selected among several producers:

1. IBM PC-AT

IBM PC-AT only the new version from 1984 can be recommended.

IBM PCs have the advantage of large software availability and last but not least of software compatibility with other computer companies. The IBM policy is to install the user-software in the new model or in other IBM-PCs.

2. HP - Hewlett Packard 150 II

From the technical view it is one of the most advanced PCs on the market with a lot of attributes for a personal configuration. Software packages are available. IBM compatible, but not 100% ready for telecommunication.

3. Commodore PC10

Commodore PC20

Commodore PCs are available IBM compatible, the price is very low. Software packages are available. Not ready for telecommunication.

availability is provided.

Modular system, ready for telecommunication.

4) Digital Rainbow 100E

Rainbow 100 +

Application mainly for research and scientific programmes. IBM compatible.

5) Apple III (McIntosh)

PC for business, middle price range, software available but limited, compatibility also limited.

The journals for the above mentioned hardware are available over request from manufacturers or dealers.

7.2. Microcomputer

There are many micro-computers offered but it is always a question of reliability. therefore it is recommendable to buy a very well known make. In this report a selection within several makes are made. This selection was made according to the available software packages, training possibilities and after sales service

7.2.1. as first user system IBM 36 Family for interactive dataprocessing. the 36 system is also called "compact model"

example: IBM 5364

min. 2 processors: DOS Release 2

CPU 256 K or 512 KByte

Hard-Disk cap.: 40 M or 80 MByte

Diskette cap.: 1.2 MByte 5 1/4 inch

up to 64 remote workstations connexion possible
monitor

connexion with IBM/PC etc. possible.

IBM newest model IBM 6150

32 bit microprocessor. based on the RISC-reduced instruction set computer technology

new operation system AIX based on UNIX System 3.14.

co-processor PC/AT. PC-compatible. up to 17 workstation trans-connexion possible.

large IBM- and other user-software for technical and managerial applications available.

3.2.2. HF-Hewlett Packard:

HF-3000 system:

Basic version

CPU 512 KB (Kilo Byte)

Hard-Disk: 55 MB (Mega Byte)

up to 28 workstations connexion possible monitor

HF - uses software for technical and managerial applications available. Example: the HF Manufacturers Productivity Network etc.

3.2.3. Olivetti:

The Olivetti-micro-computers and also the PCs were selected because of the connexion with AT & T - (American Telephone & Telegraph Company-Bell) Company (25% Olivetti shares were both from AT & T in 1983: AT & T is also the inventor from UNIX System). Olivetti will become most likely one of the biggest computer manufacturers in the world.

Micro-hardware: L1 (Lines 1) family is made up of M30, M40 and M60 which are available in the following models

- . M30, M34
- . M40, M44
- . Mod. M60/2, M60/3

All the models are fully hard- and software compatible. They are differing only in configuration procedures and processing power.

Basic version M30, M34:

4 MB main memory

power supply/input, output drives

diagnostic consoles

terminal for magnetic storage units

terminal for data received

or one 14/30 MB hard disk drive plus
1 MB 5 1/4 inch back up diskette
maximum 4/6 workstations can be connected

Software for technical and managerial applications available.

3.2.4. Nixdorf:

8870 System Family first user system 8870 Micro 7
(or 8870 M45/M55/M65/M75)

This computers are manufactured in West-Germany with a high quality standard. Own Nixdorf Software Programmes are available mainly for business and managerial application (example: user software package COMET).

Basic version 8870 Micro 7
CPU 512 KB main memory
Hard disk drive 10 or 20 MB
or floppy disk drive 800 KB
Manufacturer Nixdorf

2. Evaluate feasibility Report and evaluation criteria:

The Feasibility Report should contain:

- 1) detailed documentation of the areas specified, showing: procedures, data inputs, data volumes, peak times, peak volumes, complexities of computations, constraints, options, data files, output reports and distribution, including source and working papers;
- 2) regular and exceptional transactions to be considered;
- 3) cost and efficiency of current procedures; and
- 4) assessment of their success in meeting existing (organizational) goals and objectives;
- 5) re-definition of organization policies, if considered necessary;
- 6) impact of proposed computer processing on organizational structure;
- 7) projected growth of data processing requirements over the defined lead time of the computer plus its normal life span, say four years;
- 8) a broad outline of proposed computer operations and related activities in source and user departments (including general flow charts);
- 9) type of computer facilities required (hard disk, 2, 4, 8, 16 etc.);
- 10) estimated costs of preparation of standards, manuals, etc., conversion costs, staff costs, structural alterations, out-of-pocket expenses for training, program development, testing, etc., supplies, grouped by:
 - a) purchase and installation costs to be borne by source
 - b) purchase and installation costs to be borne by user

- b. post-installation costs (including major items such as computer, file, program maintenance and software support). Consideration may also be given to the common costs of new application areas.
11. estimated computer usage required to perform the operations outlined in the study;
 12. feasibility and estimated cost of performing all operations at an outside facility;
 13. feasibility and estimated cost of performing some operations 'in-house' and the remainder at an outside facility;
 14. recommendations:
 - to introduce computer processing or not;
 - choice of "in-house" equipment, data centre or combination of these two modes;
 - general equipment characteristics;
 15. summary of ranges of costs, savings, initial investment and other benefits broken down by application area.

The report need not specify which make or specific configuration of equipment be obtained even though the recommendation to introduce computer processing methods may have been made. It should contain all the information required to enable management to decide whether the introduction of computer processing methods would be cost-effective and desirable.

Such a study places the emphasis on a management approach rather than one which is equipment oriented.

- appropriate equipment selection criteria should be established and identified and made available to potential suppliers.

As a result of the Feasibility Study, management will know the approximate scope of the work to be done. The study should also point out the major areas of uncertainty and the need for further investigation.

approximate breakdown of costs, savings and benefits. Most computer manufacturers have equipment available which is capable of performing almost all normal commercial data processing operations, but selection of a supplier should be based on many more factors than merely hardware costs and delivery schedules.

- Selection criteria should be utilized in the evaluation of suppliers proposals.

Effective control over the selection of suitable facilities and services can only be attained if all factors affecting selection such as hardware, software, equipment maintenance, staff training and test facilities.

- A list of appropriate selection criteria should be prepared and given to each potential supplier.

The list and a copy of the Feasibility Study Report will provide a standard base for the preparation of all suppliers proposals, without which an adequate evaluation of proposals is virtually impossible.

- The selection criteria should be set out in the form of a chart in which the evaluation of suppliers proposals should be entered. Setting out the selection criteria on a chart provides a ready means for comparing all suppliers' responses against each item. It should be noted that, while the chart appears to give only a superficial attention to hardware and software evaluation, those two criteria should be the subject of an intense examination and only the final summary entered on the selection chart.

- Technical arrangements should be carefully reviewed prior to signing the final equipment selection and signing the contract.

- After a thorough review of the evaluation chart and comparing

contract. The purchaser should insist that all special circumstances and offers of technical assistance and support as well as equipment maintenance are incorporated in it. Similarly, if the successful supplier has promised additional support in post-installation phases, this should also be carefully defined and included.

- Pre-installation tasks or activities should be identified and defined.

The identification of these activities will facilitate the preparation of a reliable plan to which subsequent progress can be compared.

- All tasks or activities should be incorporated into a pre-installation plan.

The length of the pre-installation period is subject to manufacturer's delivery schedules, essentially a function of the tasks to be completed and the manpower available for their completion. The pre-installation activities can be effectively controlled only if, in all the cases, the interrelationship between tasks, and time estimates for the completion of each task can be incorporated and clearly depicted in a pre-installation plan or schedule to which subsequent progress can be compared.

- Pre-installation tasks or activities should be identified and defined.

- A listing of all activities or tasks and their dependencies should be prepared.

The number of activities which must be completed prior to the introduction of a new computer system is likely to be appreciable and their dependencies on each other are sometimes difficult to determine. A pre-installation plan should show such dependencies. It

the case of dependence on other items, reference should be made to those items. Examples of the activities which should be included in a pre-installation planning list are:

- a) completion of initial equipment specifications
- b) completion of final equipment specifications
- c) determination of staff requirements
- d) recruitment of staff
- e) training of staff
- f) completion of site design and requirements
- g) completion of site preparation
- h) preparation of programs to be run on the computer
- i) delivery of the computer

- All tasks or activities should be incorporated into a pre-installation plan.

The tasks or activities should be represented in a form which shows their interdependence and a time relationship.

Probably the simplest and most economical form is the network diagram in which each event can be depicted and its relationship to the others expressed.

Tasks and activities may also be depicted by means of various types of charts and visual display boards on which planned, revised and actual completion dates can be shown.

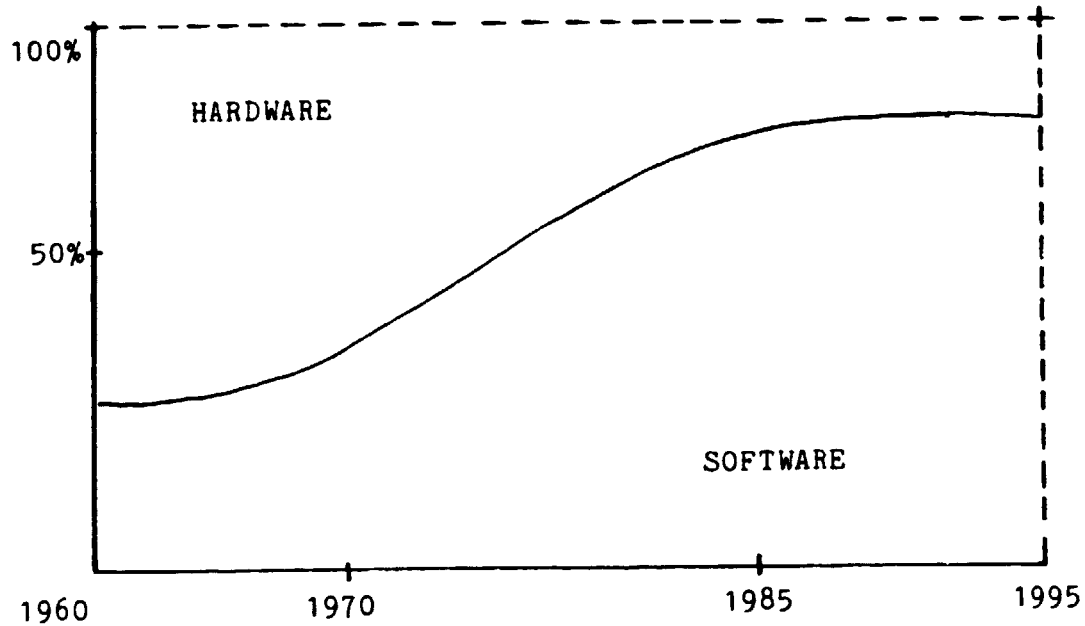
EVALUATION CRITERIA	Supplier A	Supplier B	Supplier C	Supplier D	RATING			
					A	B	C	D
. Equipment type								
. Equipment cost								
- lease								
- purchase								
- other								
. Required staff								
. Delivery date								
. Software support								
. Available language								
. Supplier support in days								
-system								
-programming								
. Sales office location								
. Maintenance possibilities								
. Test facilities								
. Test time in hours (free)								
. Training facilities								
. Local conditions								
- Climat / heat								
- humidity								
- dust								
etc.								

Table for Hardware evaluation (example):

Summary of major technical aspects for hardware evaluation:

- 1) Operating system - Machine language for elaboration and processing of data and communication.
- 2) RAM - Random Access Memory - internal storage capacity (memory) of the computer.
- 3) Floppy disk drive/hard disk drive (Winchester drive)
The storage capacity and capability of the memory for application programmes and files.
- 4) Monitor - the capacity and intelligence of the display screen.
- 5) Interface (bus system) - the possibility and method of transmitting and receiving information from and to devices (such as printer, monitor, external memory systems, external databases, etc.).
- 6) Network system - the computer availability for a multiuser - multitasking system.

3.4. Relation between hardware/software for EDP (estimation):



As shown above the costs of software reach almost the costs of hardware, or the costs of the hardware between 1984 and 1986 will be 20% and for software 80%, which stresses the importance of software.

This trend can only be sopped when a 100% compatibility between several EDP products has been achieved. The pre-supposition is an agreement between the EDP producers on the standard of the installation of microprocessors and the operating system (see "UNIX/XENIX").

COMPARISON PCs - MICROS - MINIS

	PERSONAL	MICRO
<u>Hardware:</u>		
Memory:	64 to 256 K (to 1 MB)	128 - 512 K;
Storage:	Diskette: up to 1 MB, Disk: 10/20 MB to 40 MB	Disk: 10- 40 + MB Diskette back up
Input:	1 CRT; soon 3	1 - 4 CRTs, 8 max.
Printer	1 30 - 60cps	120cps - 300 lines/min.
Service:	Contract, on site seldom avail. by serv. comp.	Contract; on site usual- ly avail. by serv. comp.
Expandability:	Limited	Expandable
Usage:	One function at a time; soon multiple	Several simultaneous functions
<u>Software:</u>	Numerous simple pak- kages; but proven do- cumented?	Far too expensive packages usually docu- mented/proven; update serv.?
<u>Support service:</u>	Manuals and training solve your own problem	On site installation + later support
<u>Cost:</u> (hardware)	US\$ 2.000,- 6.000,-	US\$ 6.000,- 25.000,-

	MINI
<u>Hardware:</u>	
Memory:	128 K - 1 MB and up
Storage:	Disk 40 - Disk/tape back up
Input:	4 to dozens
Printer:	300 - 1200 lines/min.
Service:	Contract, on site by manufact. or serv. comp.
Expandability:	Very expandable
Usage:	Simultaneous multiple functions
<u>Software:</u>	Numerous comprehensive, proven, documented packages, with update service
<u>Support service:</u>	Extensive on site installations and full later support
<u>Cost:</u> (hardware)	US\$ 25.000,- and up

IV. SOFTWARE

4.1. Definition and introduction to software

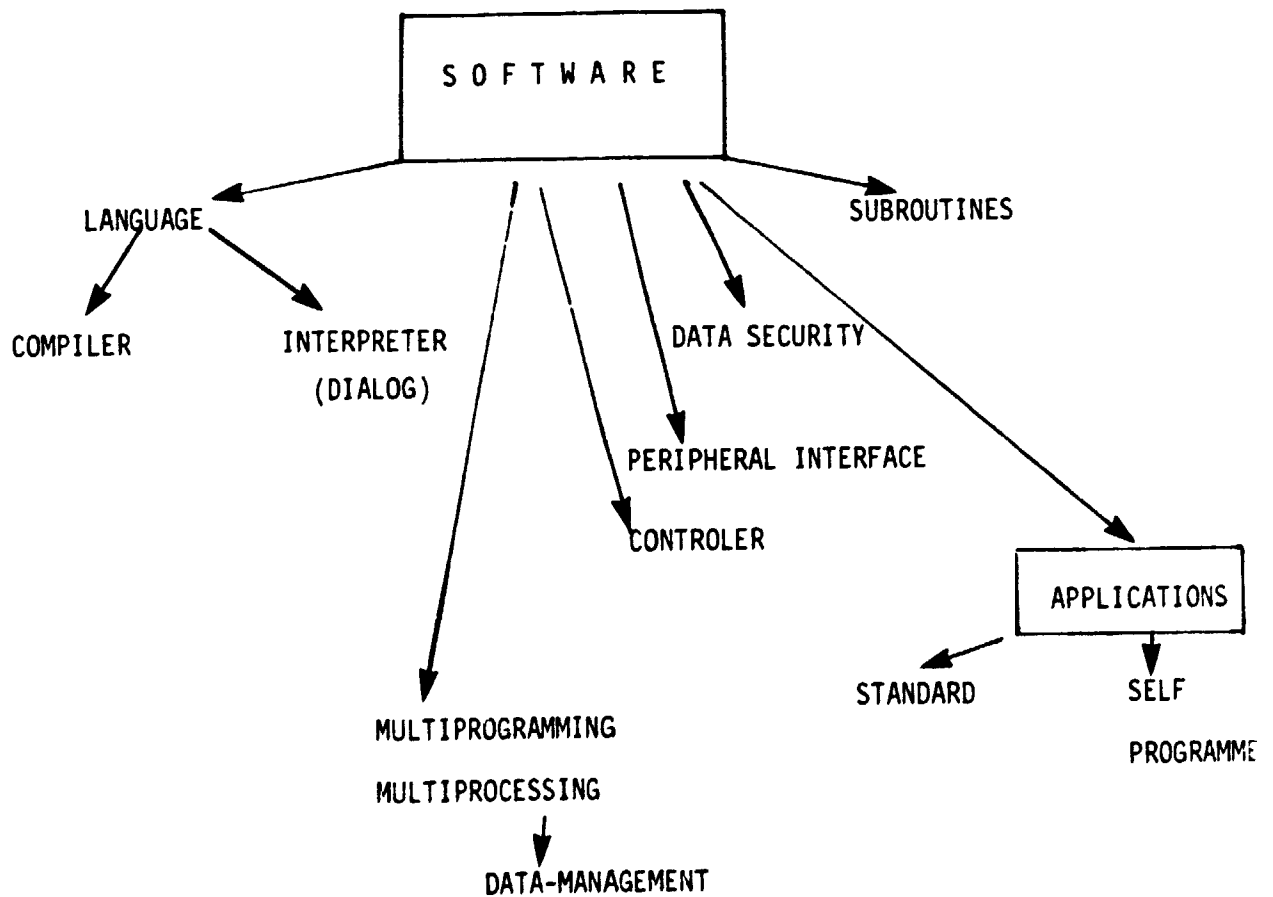


PROGRAMME -
PACKAGE

(SUPERVISOR, JOB
AND DATA-MANAGE-
MENT, ETC.)



MAKES THE OPERATION OF USER PROGRAMMES
POSSIBLE



SOFTWARE MEANS THE TOTALITY OF ALL COMPUTER PROGRAMMES.

... the ability to adapt to a change in a software product as the customization/adaptation capability; this means that the software program allows the individual operations of application, without the necessity of new programming work in order to reach the established requirements of a given manufacturing environment with no additional high costs.

The software and various software architectures should have to determine the following customization capabilities:

- . Extended customization capabilities (advanced customization)
- . Constraining the operating environment (operational customization)
- . System integration (operational and common) (operational customization)

Therefore, research has to be carried out for advanced enterprise customization.

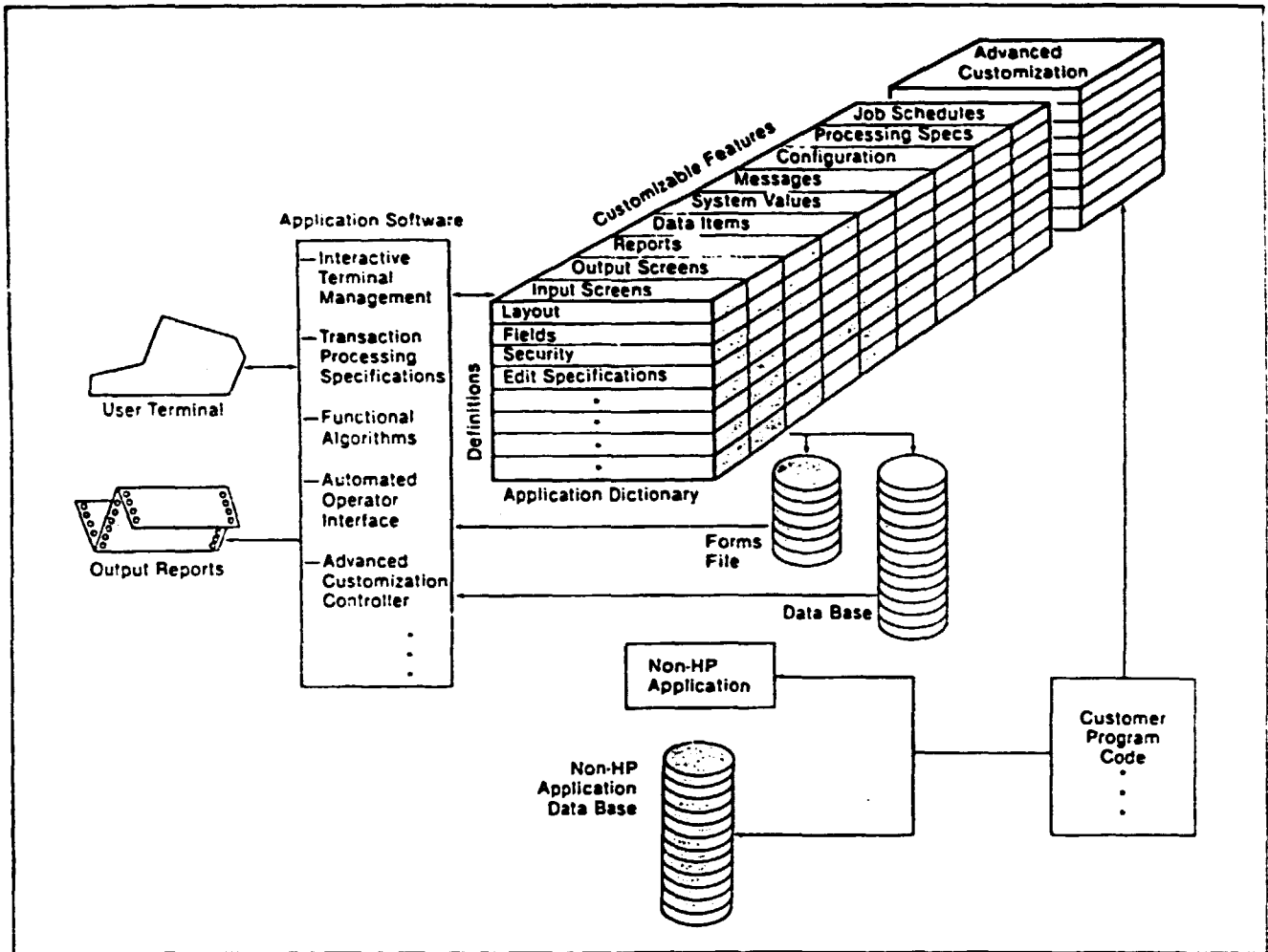


Diagram 1.

Steps in an On-Line Transaction	Data Passed	Types of User Exit Procedures
Screen Editing Stage <ul style="list-style-type: none"> Read the Screen Perform VPLUS/3000 Field Edits Perform Generalized Application Data Type Checking 		
Screen Exit	→	
	← User-Entered Screen Data	Data Validations, Conversions, and Editing
Transaction Logic Processing Stage <ul style="list-style-type: none"> Execute Transaction-Specific Field Edits Complete All Data Validations and Computations User-Defined Processing Specs 		
Update Exit	→	
	← Transaction Edited Data Ready for Data Base Update	Specialized Field Processing; Update External Files; Serves as a Flag to Turn on IMAGE Logging for External Data Bases
Data Base Update Stage <ul style="list-style-type: none"> Update All Application Data Bases Completion of Application Data Base Updates 		
Completion Exit	→	
	← Final Data Base Update Record	Verifies Successful Execution of the Transaction and All User Procedures; Serves as a Flag to Turn Off IMAGE Logging
<ul style="list-style-type: none"> Processing Complete 		

Diagram 2.

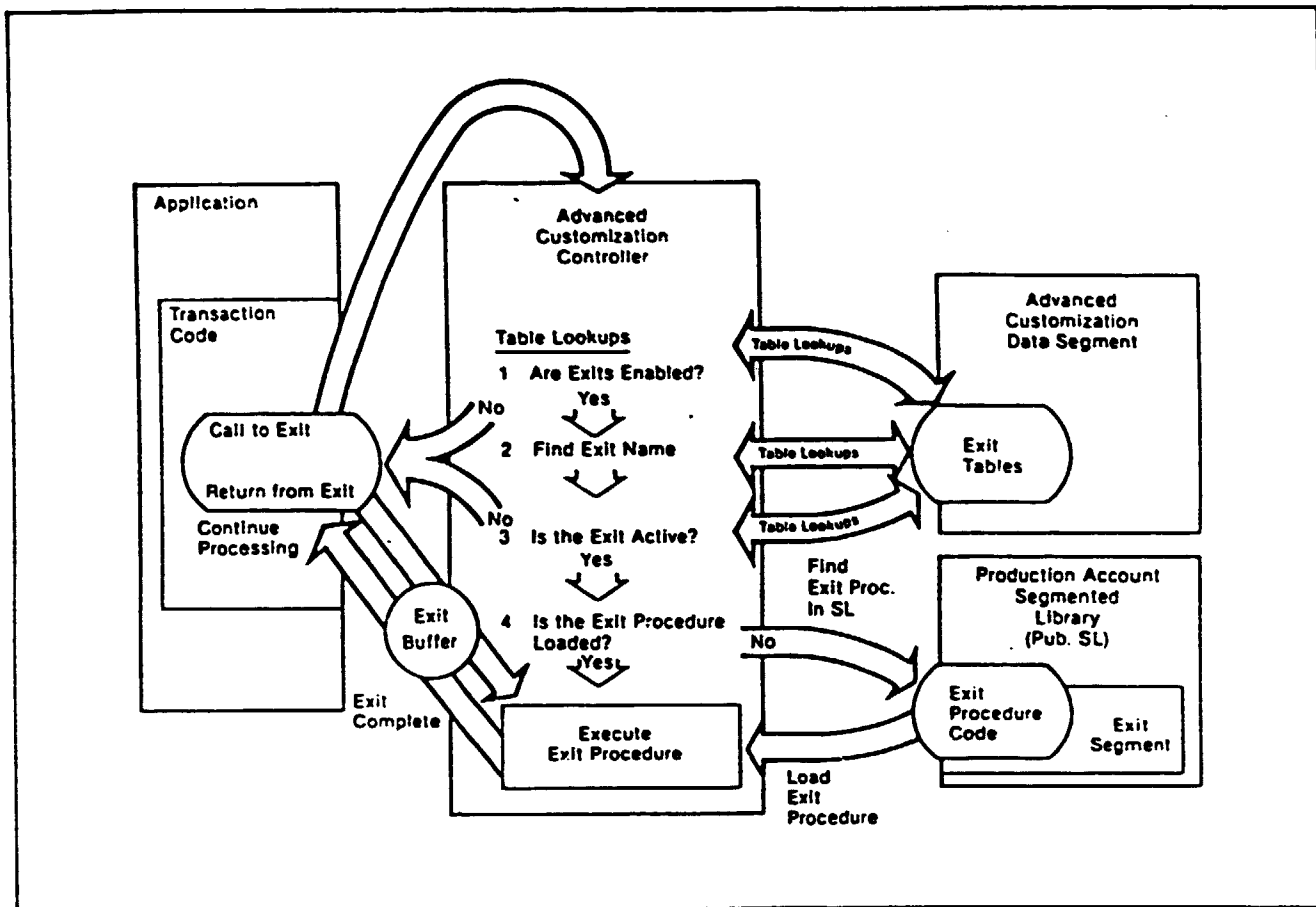


Diagram 3.

The application of computers in industry, specially for managerial purposes, can be defined as an introduction of "microelectronics" in all manufacturing and administrative management areas (incl. office automation).

4.1. Management Network System (MNE)

In the last years much attention was focussed on modular computerized production systems such as:

CAD - Computer Aided Design
 CAM - Computer Aided Manufacturing
 CAE - Computer Aided Engineering =

CAH-systems are composed of:

- . Industrial planning and control
- . Automatic warehouses (stores and stock)
- . Automated monitoring and reporting systems
- . Automated manufacturing systems
- . Numerical controlled machines (NC)
- . Industrial robots

Of course this would be a very large application of a modular software package which sometimes needs a backup from a mainframe hardware and a very well established input-output organization. For establishing and handling such complex concerns specially chosen and experienced personnel in this particular field must be available.

In the past years it has become a necessity for developing countries to provide adequate people for a practical training in this management areas. The initial and also the update training should take place in experienced industries or training centers for specialized personnel. It is clear that the target will only be reached if the necessary resources are available and if the

system, the single modules are combined and a Management Network System (MNS) can be created.

A Management Network System (MNS) should be composed of:

OPERATING NETWORK

- . Order entry
- . Warehouse management
- . Service
- . Transportation

ADMINISTRATION NETWORK

- . General accounting
- . Cost accounting
- . Personnel
- . Payroll

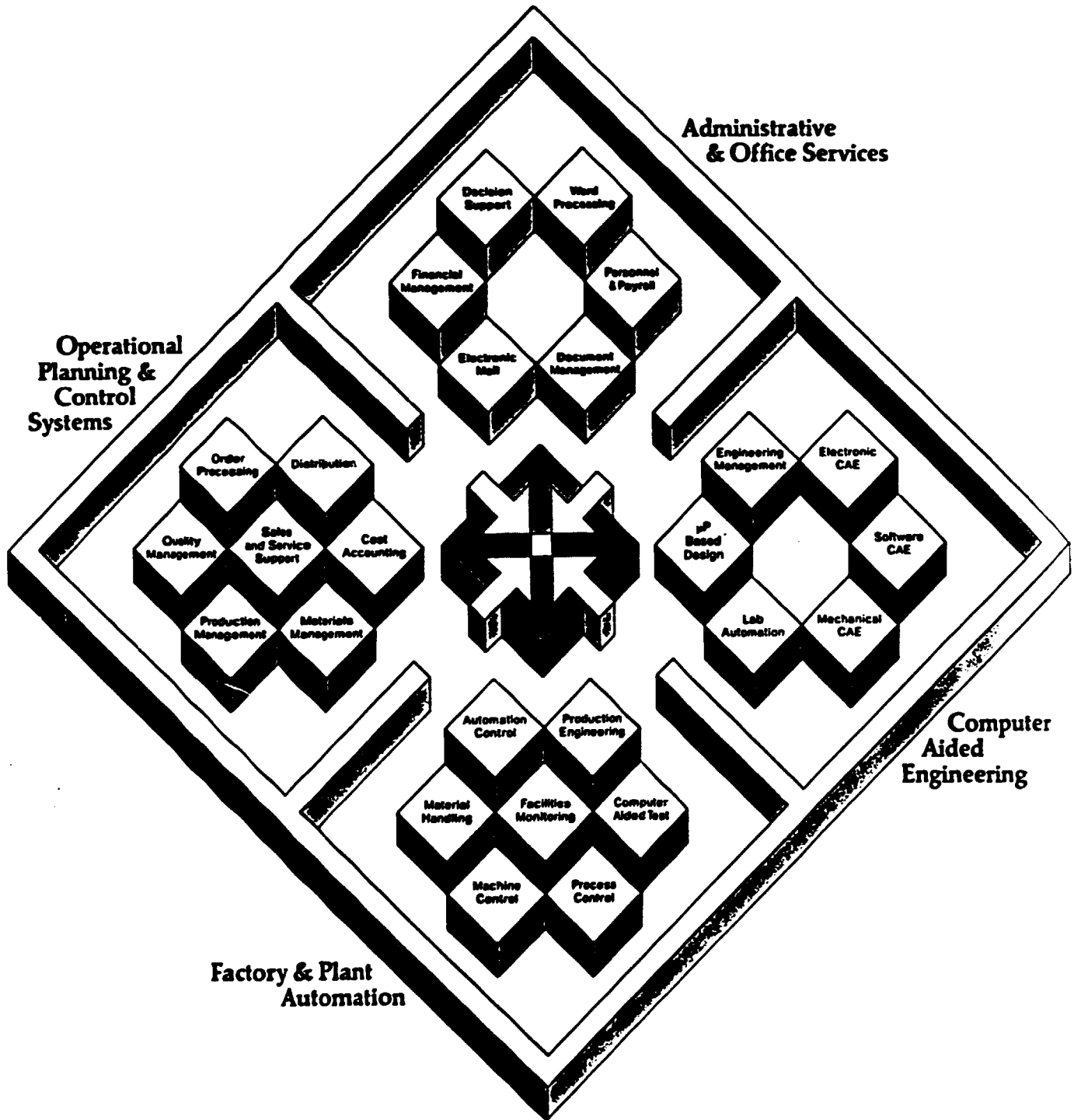
ENGINEERING SOFTWARE

- . Mechanical CAE
- . Electronic CAE
- . Software development, application and updating

FACTORY SOFTWARE

- . Production control
- . Material management
- . Quality management
- . Process control and monitoring
- . Facility control and monitoring

EXAMPLE OF INTEGRATED MNS
(SOURCE HEWLETT-PACKARD)



4.3. Software evaluation

Before a software package is ordered an evaluation for selecting the most appropriate software has to be made. The primary factors for software evaluation are:

- Does the software (package) meet the user requirements
- Is the software easy to understand and is it easy to be followed by the staff
- Is the software easy to test
- Is the software architecture modular to facilitate modifications and maintenance
- What would be the cost of eventual modification
- Does the software have appropriate documentation
- What type and what quality of training is offered by the vendor system features for evaluation:
- Documentation quality
- On-line capability
- User address
- Password security
- Menu driven
- Help functions
- Automatic restart/recovery procedures

Costs:

- Direct cost
- Maintenance charges
- Additional costs
- Other (union fees)

Advantages and disadvantages of self developed software and standard ready to buy software for management and manufacturing applications:

Self developed software:

- Advantages:

- Specifically designed for the user
- Customization is easier
- Acceptance of data processing

- Disadvantages:

- Lead time is much longer
- The time when the software is ready to use is difficult to predict
- The cost for the software development is difficult to estimate
- Area of a poor performance

Standard ready to buy software:

- Advantages:

- Capability is proven
- Flexibility and versatility
- The cost is just lower and specified
- Good documentation
- In the most cases the vendor offers training and maintenance

- Disadvantages:

- Customization is sometimes not easy
- Some things not possible
- Sometimes data processing resistance

4.4. Software Procurement - Selection

The software market offers a wide variety of standard software programs in the languages:

- . English
- . German
- . French
- . Spanish

Many of these software programs are written from independent software houses for the most important computer manufacturers like IBM, Burroughs, Nixdorf, Digital, Philips, Apple, McIntosh, etc. These software houses are according to our experience and up to a certain extent willing to adapt their software to the needs of the user, sometimes within the standard, sometimes not. It is the program that the software house should deliver exactly as found in the file from the user equipment:

1. What operation is needed?

2. What software is selected for cost management areas?

3. What are the special requirements and to what hardware is related?

It can be seen that the standard software to local needs can be considered as the most reasonable approach solution. With a few exceptions in developing countries it is definitely a very good and efficient approach. It is due to the fact of existing special points of interest, however, in particular in industrial development. These are the applications as well as the standard software programs. Also the development of the software is a task.

According to the software procurement the most important points to be considered are:

- Lotus Development Corp.
- Microsoft Research
- Sun Microsystems Corp.
- Xerox Corp.
- IBM Corp.

Overall, the PCs and Microcomputer applications software programmes have been developed in order to create an individual software. Such programmes are now available for the most important computer markets at a reasonable price. The purpose of this software of the second generation is to give the possibility to non-specialists in programming to generate an individual function and programs for industrial applications.

For all of these some initial training how to handle the software is necessary.

Selected software programmes for PCs and Microcomputers:

- open access
- d Base III
- Break word
- Lotus 1-2-3
- Wordstar

Some explanation of the most important software programmes for PCs and Microcomputers: open access and Lotus 1-2-3 are mentioned and are very representative for other software of the second generation.

open access is an universal microcomputer software of the second generation. It is an integrated management system with a variety of databases. This concept programme with which was developed in 1982, is a complete international business functional office software. It can also be translated in all known languages. Software in its full power it can also be used as a tool for management.

Description of the six integrated functional modules:

DESCRIPTION OF THE SIX INTEGRATED FUNCTIONAL MODULES

1. Data Base Management System (DBMS)

2. Word Processing System (WPS)

3. Spreadsheet System (SSS)

4. Financial Management System (FMS)

5. Inventory Management System (IMS)

6. Customer Relationship Management System (CRM)

the data entered.

It includes up to five files simultaneously. Retrieved information may be listed, updated, completed, deleted, copied, printed and used for calling.

Screen or print masks are equally defined through user dialog with open access, including - according to the individual needs - virtual fields, fields joined or range checking.

2. PROJECTIONS, MODELLING, CALCULATION

It includes a next generation spreadsheet program. Virtual memory allows applications with extremely large models. Up to four different models may be combined and viewed simultaneously on the screen within different windows. Many mathematical and business functions are available: goal seeking, calculators, variables, from predefined results. Several models with up to 30 submodels can be constructed. The models are entered in a problem oriented way adapted to individual working habits.

3. WORD PROCESSING

While entering the text it can move quickly from word to word, sentence to sentence, paragraph to paragraph. Words to be printed out underlined, bold or italicized are displayed in different colors on the screen. For printouts, it is possible to design header and footer parts, have pages automatically numbered and include graphic files.

4. REPORT GENERATION, GRAPHICS

The data from another module is easily transferred and can be further processed in a graphical way. Creation of a new diagram, chart, or table is possible. The data can be printed out or stored in a file.

entire contents of graphic displays. Graphs can be displayed in different windows on the screen and printed out.

BY TIME MANAGEMENT

The electronic calendar helps to plan the time efficiently and reliably. For each month an on-screen calendar is available, providing a daily schedule to enter the appointments.

Conflicting appointments are displayed on the screen and accepted only at command. Appointments can be retrieved easily by date, subject or name. At any time a personal address file can be viewed and scanned. Schedules and personal appointments may be organized and maintained for several users. For example, at the push of a button a summary of information about the daily appointments list can be displayed on-screen.

6. COMMUNICATIONS

Through open access communication the personal computer becomes a link between you and remote computer systems. These may be other microcomputers, a network - or even mainframe computers. Phone numbers can be stored and retrieved by the system to make connections. Received data are displayed on the screen and may, if desired, also be stored in disk files.

The above described programme is one of the most powerful PC or Microcomputer software. It is a multi-user/multi-tasking system.

Demanded hardware:

- Central Memory: minimum 192 KB (kilobyte)
- Two 360 KB floppy disk-drives or one hard disk-drive (winchester) and one 360 KB
- Monochrome or colour monitor (screen)
- Operating system DOS from version 1.0 and newer
- Graphic printer
- Local communication: Adapter for ascom or modems (optional)
- Lotus Symphony:

It is a complete business software system and as such a multi-dimensional business tool for managers and other professionals in production and administration. Lotus Symphony was developed out of Lotus 1.2.0 from the Lotus Development Corp.

The package also:

- Word Processing
- Spreadsheets
- Database
- Form generator

Microsoft Word 6.0 Features List:

- Full processing
- Complete professional word processing
- Intuitive, easy-to-use commands, full use of function keys, help facilities, and tutorials
- Works with database to provide mailmerge capabilities and complete report generation
- Works with communications to provide electronic mail capabilities; ability to remotely edit documents received via communications
- Works with spreadsheet to provide dynamic word processing; create merge combinations and spreadsheet tables; use spreadsheets to merge, report or update automatically and instantly
- International characters

8. Features

- Full professional word processing
- Multiple windows, window management, window protection, and window titles
- Easy-to-use command keys, full use of function keys
- Full screen display, power tools, display with other windows or multiple windows, detachable, to provide comprehensive productivity
- Multiple windows, full screen display, window protection, full word processing, to provide dynamic word processing with merge and format with word processing, provide easy capture and application of the results, easy to use, easy to use, easy to use, provide what you need

Communications

- Full-featured asynchronous communications package
- Capture data directly onto a spreadsheet or document, in usable form
- Auto dial and log-on to remote databases; auto-answer
- Ability to instantly suspend session, analyze data and immediately return to communications
- Can store commonly used setups for fast, easy recall
- Works with word processor to provide electronic mail capabilities
- Fully programmable; can send or receive unattended
- Setting sheets provide full user control of communication parameters like baudrate, word length and stop-bits, pulse to tone dialing, half or full-duplex and transmit periods for dialing and answering

Database

- Full-featured database generator
- Form-oriented data entry, edit and query
- Powerful forms-oriented report generator
- Query of records over 250 fields (machine memory dependent)
- Works with word processor to provide multi-media word processing capabilities for data
- Provides full database control within a single worksheet and an option of entry, query and report forms per database
- Best of all, all of this is free!

System Requirements:

IBM PC or compatible with 1MB RAM and hard disk

IBM XT or compatible

- Two floppy disk drives a 360KB or one floppy disk drive and one hard disk drive optional
- Monitor (monochrome or color) and peripherals
- Operating system (MS-DOS 2.0 or later revisions)
- d Base III: is a relational database system. It was developed by Ashton-Tate Software for the application of 16 bit-computers. This programme was created for the easy and fast handling of large volumes of data and for the creation of powerful application software programmes.

Demandad hardware:

- Central memory: min 256 KB
- Two 360 KB floppy-disk drives or optional one hard-disk drive (Winchester) and one 360 KB floppy-disk drive
- Monochrome or color monitor, keyboard
- Operating system - MS-DOS 2.0
- 16-bit printer

• Framework: Versatile software from youngest generation for universal Micro and PC applications. The modern Framework provides a three-dimensional powerful flexible information processing for all IBM compatible micro-PCs.

The applications are:

- Word processing
- Optimization/Planning
- Inventory administration, compatible with dBase software.
- Spreadsheets/Matrix
- Graphical Charts for business
- File-access (for other PC/DOS orienter software) used in frame world

Required hardware:

- IBM - PC XT or other compatible systems
- 1024K RAM (or more memory)
- Hard-disk or floppy disk drive (20 MB or more capacity) (drive controller card required, drive optional)
- Keyboard and mouse or other
- Operating system (MS-DOS 2.0 or later) required

IBM Framework is available except for other standard software packages. IBM Framework needs about 100K free space for installation. Please see:

Additional notes:

IBM Framework is available for IBM-PC/XT, Cl.ette, MIA and other compatible.

Price: from 999.500,- to 1.500,-

IBM Framework includes: balance and inventory control:

IBM Framework is available for IBM-PC/XT, Cl.ette, MIA and other compatible.

Price: from US\$ 1.000.- to 2.500.-

- Advanced Space Graphics

Function: CAD/CAM

Microcomputer application (IBM-PC/XT, Olivetti M14 and compatibles)
MS-DOS

Price: from US\$ 1.500.-

- Autocad

Function: CAD/DB

Microcomputer application

MS-DOS

Price: from US\$ 1.000.- to 1.500.-

This programme is a two-dimensional, drafting- and design-oriented for low-cost microcomputers. As multi-tasking system it is suitable for a wide variety of applications, such as architectural and landscape drawings, drafting for electrical, chemical, mechanical and civil engineering. It is easy to learn and to use and it provides pleasant and efficient handling.

- Base Material Requirements Planning

Micro and Mini computer application

UNIX based, XENIX

Price: from US\$ 1.700.- to 5.000.-

- Bill of Material System

Microcomputer application

MS-DOS, UNIX, TURBO-PASCAL

Price: from US\$ 500.- to 1.000.-

- COME

Material requirements planning and production control system for microcomputers. It is suitable for a wide variety of applications, such as architectural and landscape drawings, drafting for electrical, chemical, mechanical and civil engineering. It is easy to learn and to use and it provides pleasant and efficient handling.

185005. MS-DOS

Price: from US\$ 1000,- to 1200,-

- Comprehensive Maintenance Management System (CPM)

Function: energy and facility management, industrial maintenance

Microcomputer application IBM-PC/XT

Price: US\$ 5.000,-

- Computer Integrated Manufacturing Software

Function: CAD/CAM, manufacturing machinery control

Main- and Microcomputer application

Price: on request

Manufacturing cell organizational control for machine tool builders with custom design cell management, sequencing planning, including interface for other CIM system software.

- DOK

Function: manufacturing machinery control, process control

Microcomputer application (dMPC) etc.

Price: ECU 100

Price: US\$ 1.500,-

- Energy Control System

Function: energy and facility management

Microcomputer application

Price: from US\$ 1.000,-

- Electronic and Information

For: Agriculture and electronics

Microcomputer application

MS-DOS

Price: US\$ 1000,-

- General System

MS-118

Price: US\$ 800.- to 1.400.-

- H-Make

For manufacturing planning and scheduling, inventory control and material requirements planning

Microcomputer application

MS-119, UNIX

Price: US\$ 2.600.- to 4.000.-

- The Manufacturing Inventory Control System

Microcomputer application

MS-120

Price: US\$ 2.600.-

- Out-Plant Work in Process

Microcomputer application

MS-121, 1.6

Price: US\$ 800.-

- Out-Plant Inventory

For hardware, electrical and metal fabrication

Microcomputer application

MS-122

Price: US\$ 1.200.-

- Maintenance Management System (MMS) for Industrial Maintenance

Microcomputer application

MS-123

Price: US\$ 1.750.-

This software performs the main maintenance functions such as preventive maintenance, work order, inventory, equipment history.

- Maintenance Management System (MMS) for Industrial Maintenance

Microcomputer application

DOE 1.0

Price: US\$ 400.-

This software produces time scaled network diagrams

- Micros Stock Control

Microcomputer application

MS-DOS

Price: US\$ 1.400.-

This software performs a record of stock in and out movement and a status of all stock items of stores.

- Myte Mite General Ledger

Microcomputer application

MS-DOS, UNIX

Price: US\$ 1.000.-

This software performs a balance sheet with a corporate profit and loss both in detail or consolidated on quarterly reports.

- Myte Mite Order Entry/Billing

Microcomputer application

MS-DOS, UNIX

Price: US\$ 1.500.-

- Myte Mite Resource Planning

Microcomputer application

MS-DOS, UNIX

Price: US\$ 1.000.-

This software lists labor requirements by time period and shows the hours for scheduling and budgeting.

- Myte Mite Manufacturing Standard Cost

Microcomputer application

MS-DOS, UNIX

- Pipe Flow (The Pipeline Design Data Base)

CAD/CAM, maintenance for food industries, lumber and wood products

Microcomputer application

MS-DOS

Price: US\$ 600.-

- Quality alert

for Process Control

Microcomputer application

DBS 2.0

Price: US\$ 900.-

This software computes statistical quality control activities, analysis of the process capability, determination of quality standards.

- Sales Order Entry

Microcomputer application

MS-DOS 2.0

Price: US\$ 750.-

DBS 2.0

For pre-feasibility study, developed by UNIDO-Vienna

There are also complete software-packages for many industrial branches covering the most important management areas. These software-packages should be studied carefully one by one. If they match the needs of the requesting renders in developing countries, see also chapter "Recommendations".

References and details for the following industrial packages:

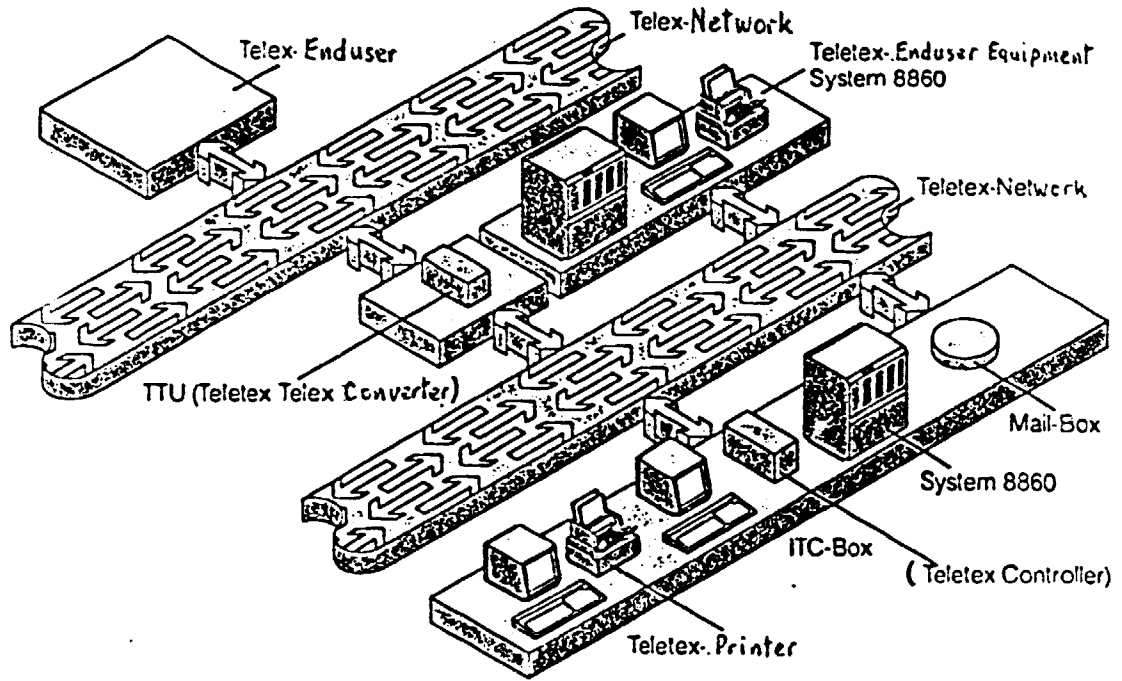
1. Pipe Flow

2. Quality alert

3. Sales

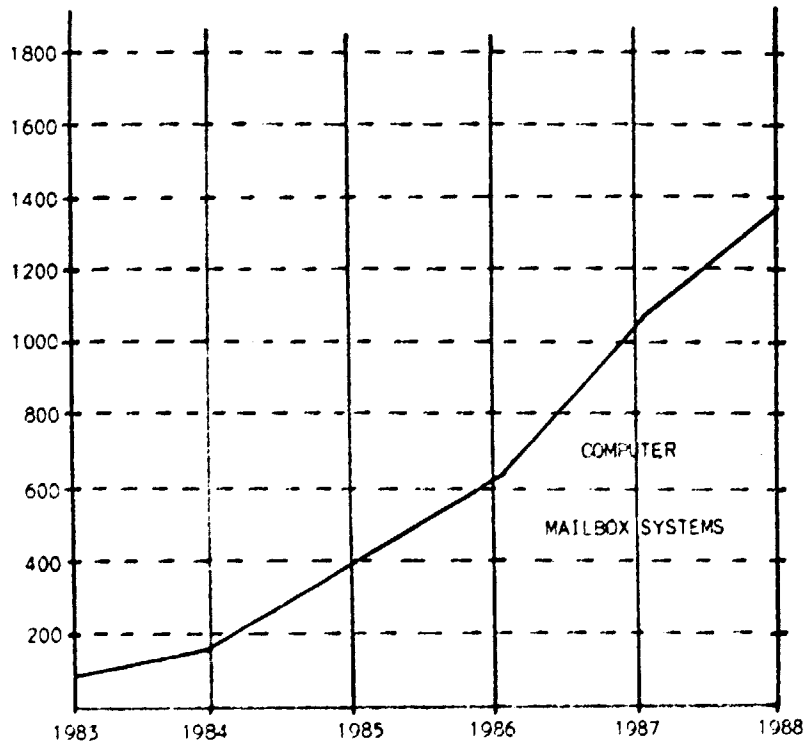
- Chemical and non-chemical industries
- Furniture manufacturing
- Textile industry (spinning, weaving, dyeing etc.)

Example of a TELE-COMMUNICATION NETWORK (source Nixdorf-Computer AG.) :



This Network System provides the user a fast electronic transfer of original documents between TELETEX and TELEX SYSTEMS.

THE PUBLIC ELECTRONIC MAIL AND ITS DEVELOPMENT :



Source : International Data Cooperation

4. Recommendations:

5.1. Due to the growing demands e.g. from industrial managers in developing countries for strengthening their management capacities and supporting the decision making process through computer applications, it has become necessary for UNIDO to establish a software library for management software packages. This library should provide to users: catalogues, printouts, newspapers, publications on soft- and hardware etc., and especially some selected software programmes. But this software can only be useful to developing countries if these programmes can be tested and shown to interested people in connection with hardware systems. UNIDO should set up in its headquarters a center for this purpose, which can also be used as a training center. At the same time a national computer centre should be established with one or more computer and hardware systems to be established. To consider this, a study group should examine the possibility of transferring the technology to the country concerned at an early stage in its development.

- which software programmes can be used for what management tasks;
- what hardware configuration can be recommended for the required information system study with pre-feasibility studies and how can it be financed;
- how the organization for the data input and output should be established.

For the execution of this demanding work and for the efficient administration of the software library it is necessary to assemble up to four microelectronics/informatic specialists, which are not available in UNIDO but not in the factory equipment and management until now.

Due to the growing importance of the research and development in hardware...

hardware and software manufacturing and application. It cannot help anybody if informations and training centers are not aware of the shortcomings and the necessary updatings of information or programmes cannot be made in time. This would create the effect of "back to the future". This means speaking today of already outdated informations and setting the heading of new projects which are already obsolete. The industrial managers in developing countries should always be well informed of the trends and shortcomings in hard- and software systems, otherwise the pay-back period of the often quite high investments for the computerization of industries will get too long, and the hard- and software cannot be repaired. The establishment of this or IIT software centers should also provide the possibility of testing several different computer software programmes before purchase and installation. In developing countries it is also into consideration the compatibility of hardware and software, etc.

There will be center abroad also have the function as a training office for the computerization of industry.

Managers should be aware that no computer system can solve the problems existing in their sector. A computer is only a tool to support management decisions and functions, but the efficiency of the support depends on the state of organization.

This consulting group for computerization of flexible managerial decision support system has to fulfill the following tasks:

- Diagnosis of enterprises
- Identification of critical areas
- Planning and executing of computerization
- Selecting (consulting) on hard and software application
- Control of establishment and introduction of computer system
- Project documentation and follow up

generation of innovations

- Initial training and coordination
- Workshops and follow-up-training
- Establishing and maintaining cooperations with hard- and soft-ware manufacturers
- Application and transfer of information to users
- Maintaining the constant dialogue with the users.
- Exchange and documentation of informations on hard- and software systems
- Sensitisation of responsible managers for possibly arising social problems such as disoccupation etc., caused by the fact of too fast, uncontrolled computerization.

The aim of the necessary demonstration- and short-term installations is to demonstrate the results of the installations. It can be regarded as a first step towards the installation of a computer system.

At the end of M. The installation should include:

- 1. personal computers (IBM and HP or Olivetti)
- 2. video printer (HP, Olivetti, Kodak, etc.)

The hardware installation can be exchanged from time to time according to the experiences gained, the demands of customers and the availability of software. These computer installations have to provide the possibility of networking and through connection with the IBM mainframe computer installed in Vienna International Center. Another computer capacity can be utilized and demonstrated to UNICE customers. Also short demonstrations of hard- and software during workshops and visits of delegations can be made on the spot with stand-alone systems, or simulating work stations or workstation. Psychologically it is necessary that people see how software programmes can be used. The advantages of computer application in the management process and the efficiency of the installed software programmes can be shown through a printout or

of the latter. These are not, however, and additionally, activities and work of an established software center. Another possibility is the future establishment of a direct link or connection with information data bases. Then a wide field of informations is available and these informations can be processed on the low priced computer equipment (software center-concessions) and after transmission to the users in developing countries (see chapter on telecommunication and integrated networking).

As the initial investment in such a software library and training center is presumably high, other alternatives that should be taken into consideration.

One possibility is to "lease" hardware systems.

For example, a special form of leasing equipment and machines has been developed in Germany. Leasing equipment does not belong to the person who uses it.

It is, simply, "renting" or "leasing" and he has to pay rent for the object in question. To lease equipments is very common in today's commercial activities. The term of the leasing contract should be that the "leasee" (tenant) has the right to buy the equipment after the last leasing rate is paid. The leasing contract defines the "buying amount".

This "buying amount" varies usually between one or two months' leasing rates, this depends fully on the leasing contract terms.

Example: Internezhische Lease no 45

duration pay-back period:

duration	24 months	36 months	48 months
percentage	3.52%	4.74%	6.33%
of equipment value			

to buy the equipment the remaining value is one month rent

example: 24 months equipment value	100 000.-
4 750.-/month - total 36 months	114 240.-
	4 750.-
	119 000.-

5.2. To get hardware systems installed at the UNIDO Software Center... relations should be made with hardware manufacturers and/or regional offices.

In the negotiation with the companies such as IBM, Olivetti, etc., the promotional factor of exhibiting their products in the United Nations Software Center should be strongly underlined. Manufacturers should get the feeling that in consequence of this exhibition the possibilities of introducing their products, or of increasing sales in developing countries are very high. It should also be possible to promote a direct contact between the companies from the developed countries or those from developing countries, who are visiting UNIDO, and computer manufacturers or regional offices, in order to establish a close cooperation for software and hardware development, to get help for training of staff.

... to establish a close cooperation for software and hardware development...

developing countries.

It has become important to work together with computer specialists because of their experience in application of computers and modification of software-programmes for industrial management purpose. When a computerization project starts, the local conditions are a given factor. In this case it is necessary to adapt the project to these local conditions. But in many cases there is no possibility to change this local conditions and to create new and more favourable conditions for computerization in developing countries. The possibilities of adopting local conditions to the requirements and needs of the project can only be evaluated after an analysis of the feasibility study made for computerization of a particular project (see also chapter 9.2) and when you work together with a software center, staff and professionals from the manufacturing site.

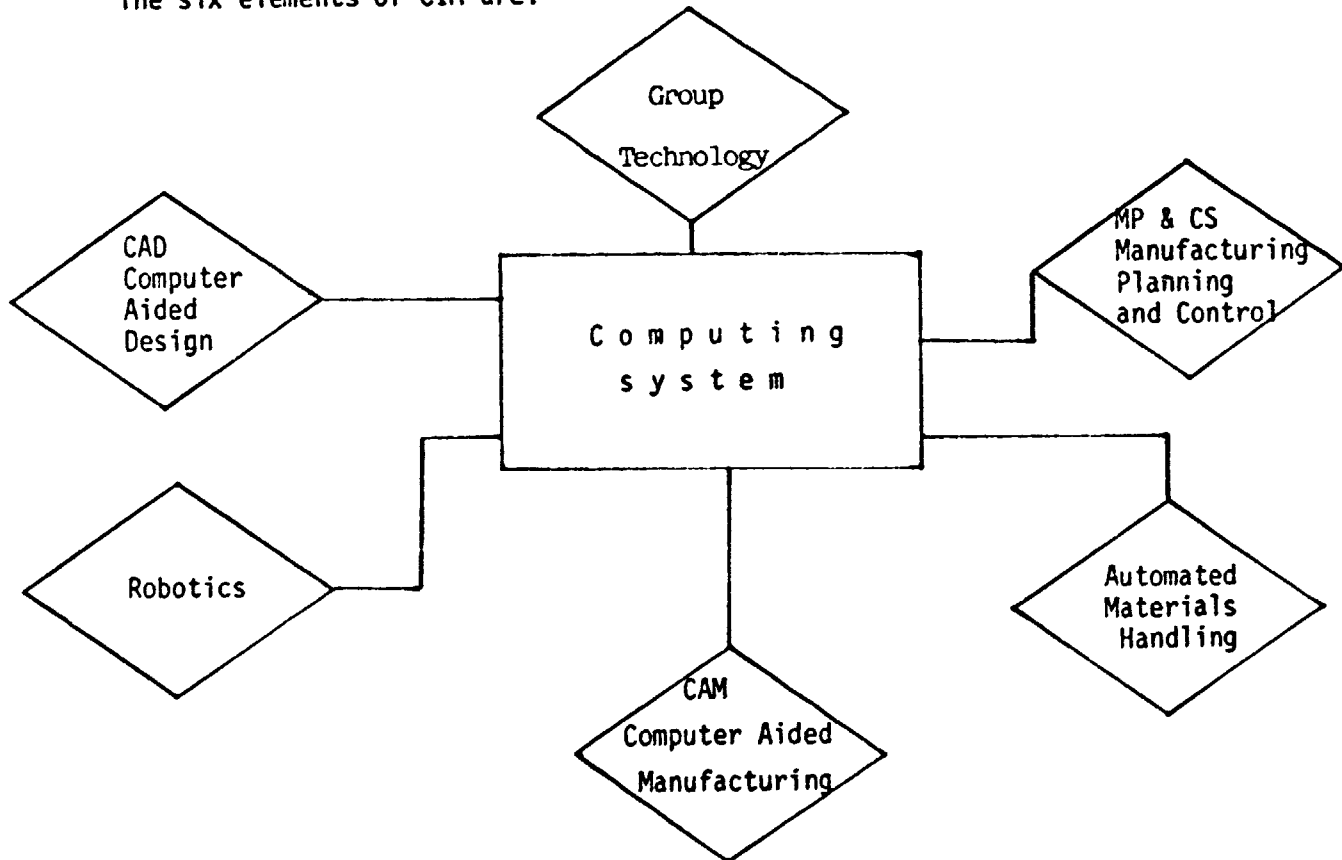
VI. Annex

The following pages will give an overall information of one of the most important future integrated software packages called - CIM - Computer Integrated Manufacturing.

Note: CIM should never be a loos colleciton of datas and technologies but as system that integrates them all. The integration of datas is the key to realize the great benefits of CIM.

CIM - description:

The six elements of CIM are:

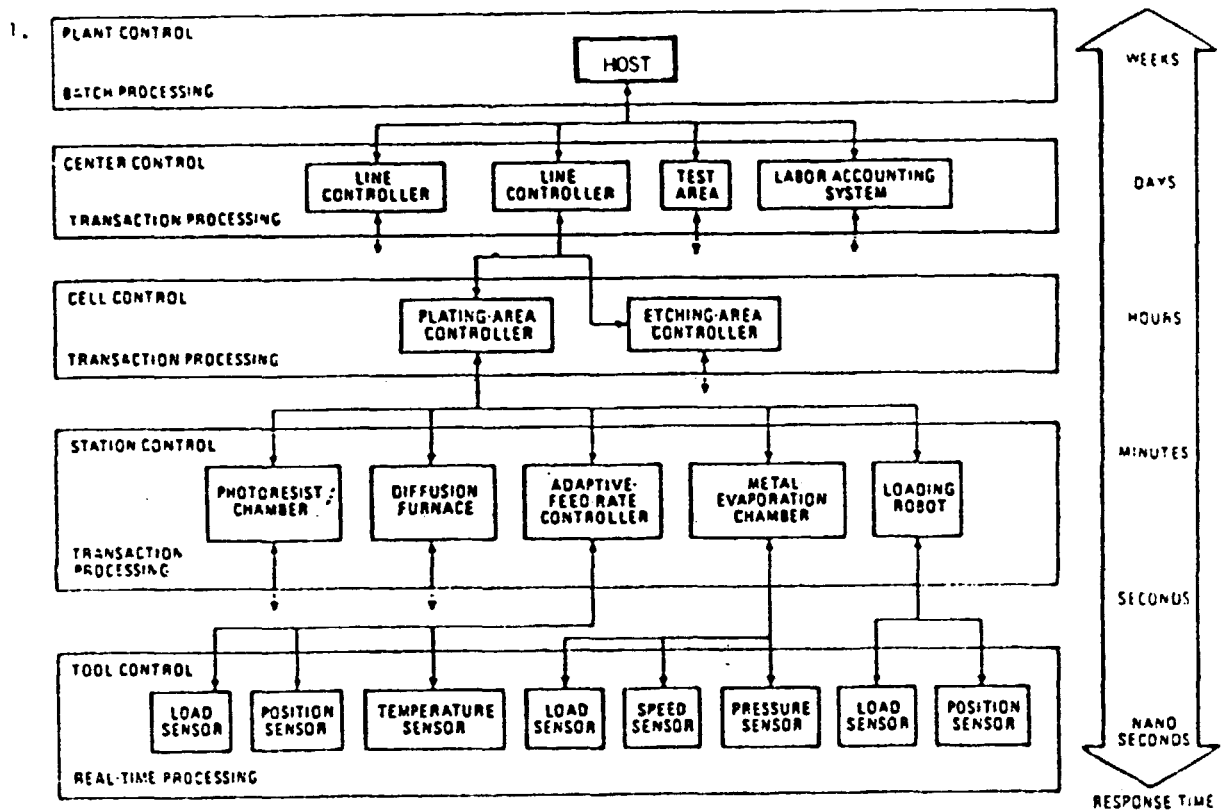


C I M terminology:

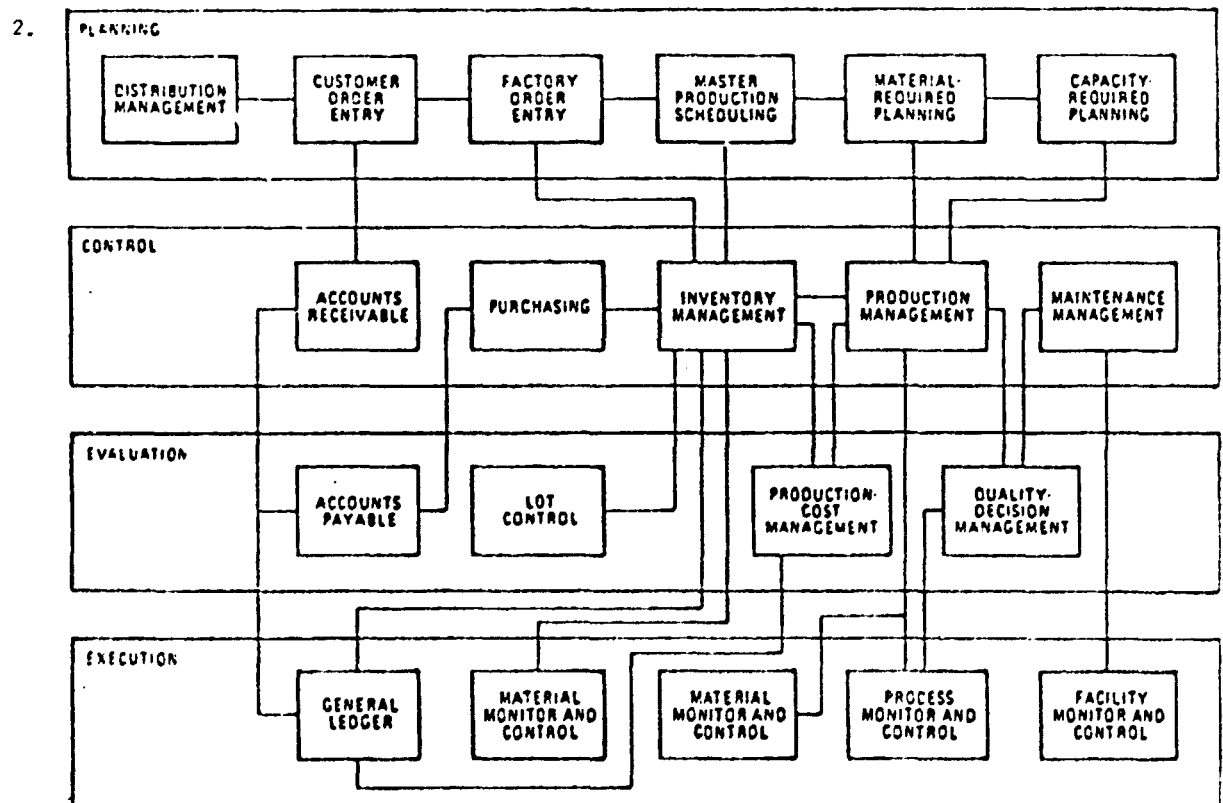
- CAD: Computer aided design, the wide application of computer graphics to design.
- CAE: Computer aided engineering, the wide application of computer systems and computer graphics to engineering analysis.
- CAM: Computer aided manufacturing, the use of computer system in the manufacturing process. analysis
- CAPP: Computer aided process planning, a system which enables the planner to create, simulate and modify interactively the process plans.
- CNC: Computer numerical control, the use of electronic processors / computers for the control of machines.
- DNC: Distributed numerical control, the use of electronic processors / computers for the distribution of programmes and for the controlling of machine groups.
- DRP: Distribution resource planning, a system for planning the most effective use of all resources involved in the production process and product distribution.
- DSS: Decision support system, the application of computer technology in supporting all managerial decisions making process.
- FMS: Flexible manufacturing system, work cells without human labour.
- GT: Group technology, coding and joining parts into part-families based on similarities in their production process.
- JIT: Just in time production system, for the minimization of inventory required for production.

- MIP and CS: manufacturing planning and control system, a computer supported manufacturing information system, providing plans and also control functions.
- MRF: Manufacturing resource planning, an efficient system for planning all resources integrated in the manufacturing process.
- PROCESS CONTROL: A system providing automation for continuous operations or processes.
- QMC: Quick mold change.
- WCDF: Work cell device programming, design, coding/monitoring and test of programmes for the electronic/computer-controlled machines in work cells.
- WORK CELL: An individual defined production center, consisting of one or more machines (group of machines) and persons.

CIM - ARCHITECTURE AND DATA BASE: (source Hewlett-Packard Co.)



1. Computer Control: Hierarchical and distributed control architecture is required for all Computer-Integrated-Manufacturing Systems. This architecture increases both computing and control efficiency, eases fault-finding, and makes the system easy to modify.



2. CIM-Data Base: Design, production, management and accounting data feeds the manufacturing data base for a real-time electronic mode of the CIM environment. Application software for each of these functions provides the data control and processing tool.

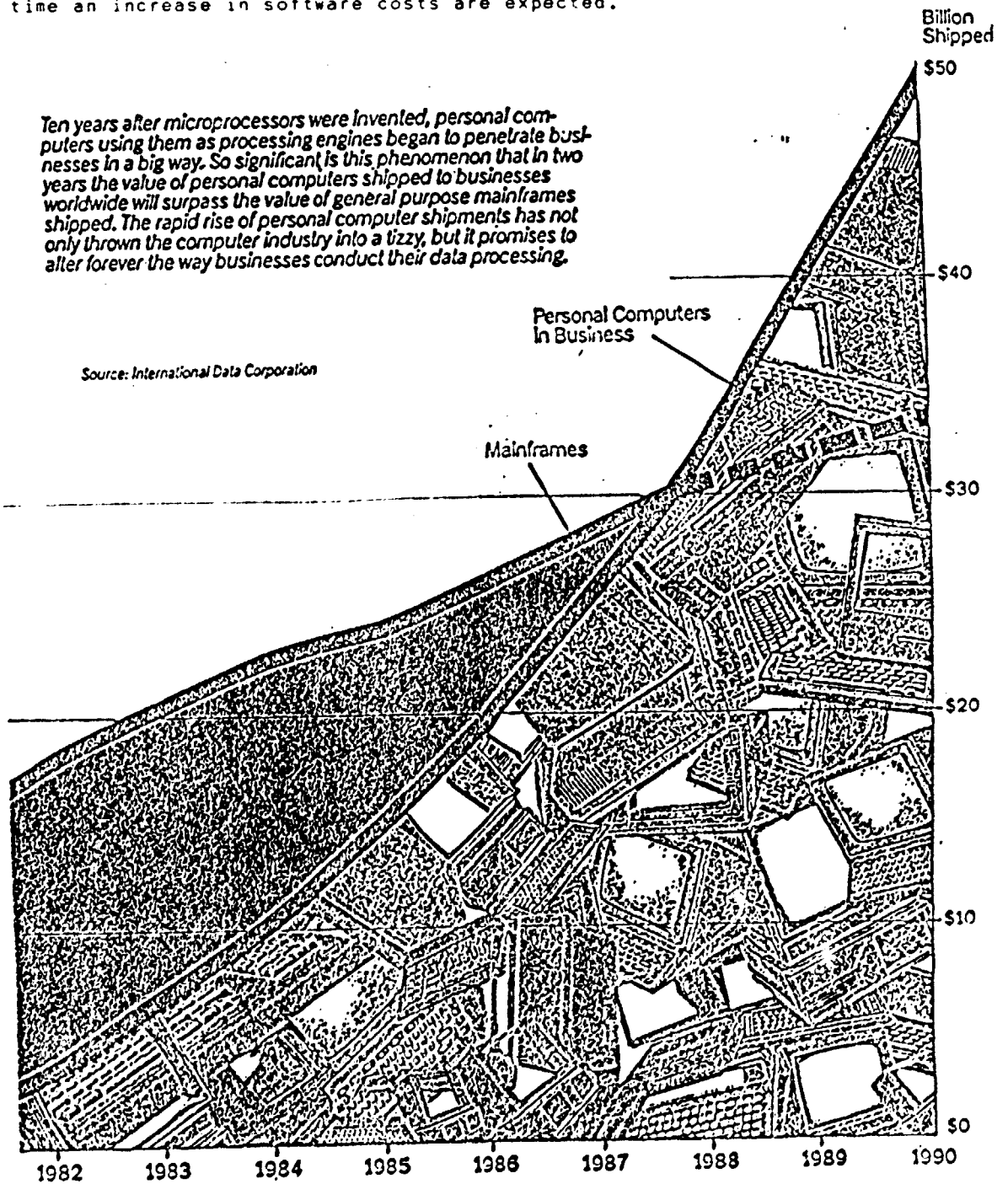
The following pages showing the future developments of software packages and hardware systems. The future aim is to produce for computer application the next generation of:

- circuits (micro-chips) which are much smaller than those are used in computers of today.
- increasing the memory capacity of today's systems (laser-disk based memory etc.).

This will conduct a decrease in hardware sales price, but at the same time an increase in software costs are expected.

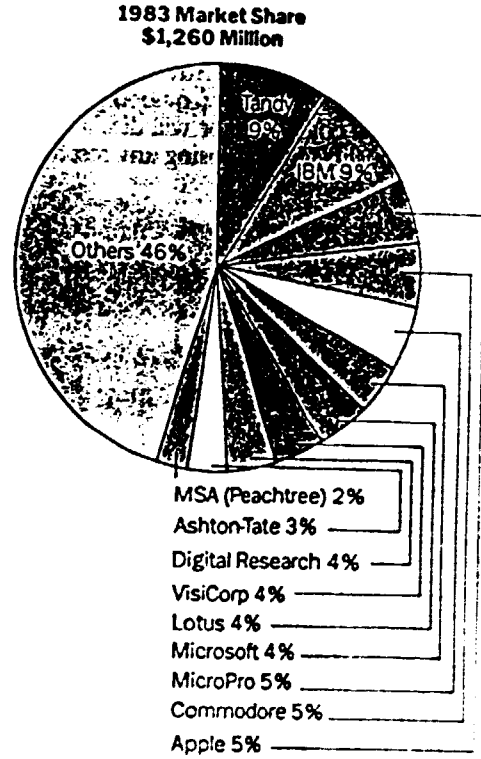
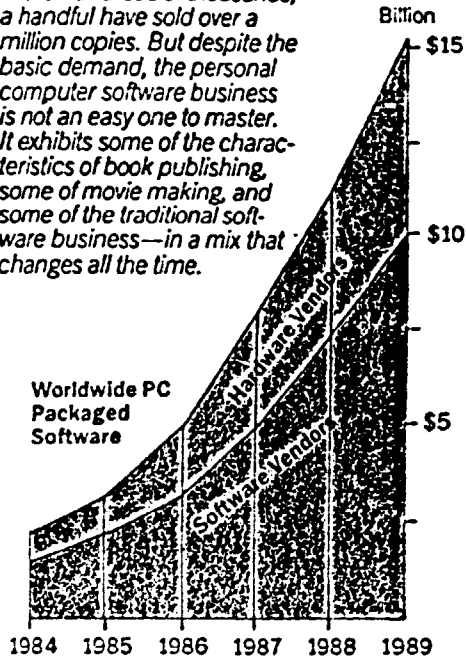
Ten years after microprocessors were invented, personal computers using them as processing engines began to penetrate businesses in a big way. So significant is this phenomenon that in two years the value of personal computers shipped to businesses worldwide will surpass the value of general purpose mainframes shipped. The rapid rise of personal computer shipments has not only thrown the computer industry into a tizzy, but it promises to alter forever the way businesses conduct their data processing.

Source: International Data Corporation



SOFTWARE DEVELOPMENT FOR PERSONAL COMPUTERS

The proliferation of personal computers has permitted great economies of scale in software development; dozens of programs have sold in the hundreds of thousands, a handful have sold over a million copies. But despite the basic demand, the personal computer software business is not an easy one to master. It exhibits some of the characteristics of book publishing, some of movie making, and some of the traditional software business—in a mix that changes all the time.



Figures below showing the budgeted investment for research and development of the new so called "Supercomputer" in the USA.

Five year budgets (1985-1990), million of dollars (US\$):

	National science Foundation	Univers.+ States	Corporate contribut*	Total
Cornell	\$ 22	\$ 12	\$ 95	\$ 129
Univers. of Illinois	44	22	50	116
Princetown	70	31	23	124
Univers. of California/ San Diego	60	25	15	100
	\$ 196	\$ 90	\$ 183	\$ 469

Data: Participating institutions

*Figures represent each center's goal for cooperate contributions, including the value of equipment and personnel donated by computer vendors.

