

WINDS OF CHANGE AT MEASUREMENT EQUIPMENT SUPPLY COMPANY, INC.

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SYNOPSIS

Bill Smith was the long-time owner/operator/CEO of Measurement Equipment Supply Company, Inc. (MESCO), a distributor of pressure, flow, and temperature measurement equipment for the oil and gas industry in West Texas and eastern New Mexico. A recent phone call from an equipment manufacturer brought urgency and clarity to Smith's situation. This manufacturer wanted to cut MESCO out of the supply chain and deal directly with MESCO's customers. Bill must now decide the best response to this problem, including the use of information technologies to improve operating efficiencies and thus remain a viable competitor in the industry's distribution network.

LEARNING OBJECTIVES

The objectives of this case are that students will:

1. Understand the role of distribution in supply chains.
2. Distinguish between logistics-intensive distributors versus product knowledge-intensive distributors.
3. Assess the impact of disruptive technologies that change business processes and alter the face of competition in an industry.
4. Analyze the possible role of information technologies in competitive positioning and managing change.
5. Summarize common problems in implementing an enterprise resource planning (ERP) system.

APPLICATION

This case is intended for use in undergraduate courses in operations and supply chain management. It is also useful for courses in ERP, MIS, and other enterprise systems, logistics, distribution management and marketing.

KEY WORDS

Distribution models, disintermediation, disruptive technologies, ERP systems.

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