

to manage the system's decisions. On the other hand, from a system's point of view, it is a lot easier to manage a centralized system. Moreover, a central system enables a firm to dedicate a set of skilled and experienced RM professionals focused solely on managing, developing, and maintaining the system. If the firm is using multiresource optimization, then RM by necessity has to be performed centrally as information has to be aggregated in real time. (For example, the hierarchical Bayes models of Section 9.3.6 requires information from multiple resources.)

With the increasing use of Web-enabled applications and interfaces, a compromise solution is to do the processing at a central office for all the units but let unit managers control the results, prices, or allocations, via a Web-enabled interface.

11.6.2.4 Operational Responsibility

Once the system is in operation, a different set of organizational issues comes up. To begin with, who should have operational responsibility of the system? Again, some interdepartmental coordination is unavoidable. While certainly the inventory control or pricing department "owns" the system as they are the daily users, they need the IT department to support the system, the operations research department to support the models and the science, and the pricing, sales, and marketing departments to coordinate prices, deals and promotions.

As mentioned, many firms with ongoing RM practices are finding that it is best to merge pricing and inventory-control departments. Pricing and RM are so strongly linked that unless one unit is responsible for both, no real coordination can be achieved. For instance, if prices are changed, forecasting based on historical data (as is done currently) can be unreliable. Analyst intervention is then required to manually adjust the forecasts. However, the processes for such close communication get complicated if the responsibility resides in different departments. Another reason for having pricing and inventory control under the same roof in the airline industry is the emergence of pricing decision support systems that complement RM systems.

11.6.3 Training

As regards training employees for RM, the abiding sentiment in industry is that there can never can be enough it. Most vendors offer on-site training programs. In addition, many consulting firms and professional schools have customized education and training programs by industry.

Training classes, both before and after implementation, should be conducted at various levels of management. For midlevel managers, the main emphasis should be on the principles of RM. For supervisors, more