ERP

Features – Multi platform, multi facility, Support Strategic and Business Planning activities, End 2 End Supply Chain Management, Company Wide Integrated Information System, Performs Core Activities, Bridges Gap Across Organizations

Factors 2 be considered b4 Undertaking ERP – Integrate Financial Info., Customer Order Information, Standard and Speed up manufacturing Process, Reduce Inventory required, Standardized HR Info

Benefits – Huge Benefits! Reduce costs, paper documents, Increase profits, sales, more efficient cash collections etc.

Factors 2 be considered b4 Implementation of ERP – a) Success depends on how people closely work in the organization b) Expected to improve the flow of information – helps to improve how 1 works which normally requires additional efforts c) Standard Package may undergo Change – Requires Customization d) Roles and Responsibilities of employees to be clearly identified e) Ability to Support and manage dynamic business changes

IMPLEMENATION METHODOLOGY

↓

Identifying the needs – Why should it be implemented, will it reduce costs, improve profitability etc

↓

Evaluating the "AS IS "Situation of the business – Total time taken by the processes, No. of decision points, Department and Locations, Flow of Info and its routing, No. of Reporting Points and Location

↓

Deciding the "Would be" Situation – Benchmarking is used. Done on cost, quality, service etc.

↓

Evaluation of various ERP Packages – Flexibility, Comprehensive, Integrated, Beyond the Company, Best Business practices, New Technologies

↓

Finalizing of the ERP Package

Installation of Hardware and Networks

↓

Finalization the Implementation Consultants – Factors are - Skill set, Industry Specific experience, Cost of hiring the Consultants

Implementation of ERP Package – Formation of Team, Preparation of plan, Mapping of Business Process, Gap Analysis, Customization and Test runs, User Training, Parallel run etc

Post Implementation - Many post implementation problems can be traced to wrong expectations and fears. A few popular expectations are : An improvement in process, Increased productivity, Total automation and disbanding of all manual processes, Improvement of all key performance indicators, Elimination of all manual record keeping, Real Information Systems available to concerned people on a need basis, Total integration of all operations.

ERP Implementation also endangers a host of fears – Job redundancy, Loss of importance, change in job profile, fear of loss of proper control, increased stress and individual fear of loss.

Risk and Governance issues in an ERP – Single point of failure, Structural changes, job role changes, online real time, change management, distributed computing experience, Audit expertise.

Post Implementation blues – Investment in ERP is substantial for any organization. The implementation itself is a onerous task and the most important is its utilization. Knowing the limitations of an ERP is the best way to avoid wrong expectations. One can ensure return on the capital invested in the ERP by carrying out an independent audit.