EFFECTIVE EXECUTION OF ENTERPRISE RESOURCE PLANNING (ERP)

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ABSTRACT

Enterprise Resource Planning (ERP) scheme is made up of a number of programs employed in unifying the various business activities in an organization or firm. Since these programs deliver the answers to the demands of a firm, they may be may be considered as necessities. Effective execution of these schemes will guarantee full utilization of the schemes by the company. The execution procedure is however expensive, requires plenty of time and entails well measured plans and policies. When this procedure is effectively done, a number of gains are achieved by the organization involved. But then, if not effectively implemented, this scheme can bring losses to the organization. By studying the literature involved on this matter, this writing is mainly concerned with the effective execution of the Enterprise Resource Planning scheme and the key elements for making it successful. This writing gives guidance to companies involved on how to effectively execute the ERP scheme.
Keywords- Enterprise resource planning, unified solution, success elements, effective execution

1.INTRODUCTION

The major reason for implementing the ERP scheme is to tackle the issue of information breakdown where separate information sets exit in separate places in the same company. A number of programs are available in these schemes, which handle the all events happening in every section of the company. The sections being handled include: finance, customer care, sales, human resource management etc. [22]. Application of these programs can be done in a number of fields such as finance, telecom, hospitality, tourism, learning etc. It's also necessary to note that growing companies have experienced hard times executing these ERP schemes because they have been conventionally linked to the already established organizations [22]. In order to conform to the requirements of these schemes, the small growing firms planning to implement it have to adjust their organizational structure and activities [20]. To maintain their significance levels, firms have to implement these schemes so as to strike the full potential of IT schemes. The Manufacturing Resource Planning (MRP) was formerly used by companies, though it was not able to tackle the existing market issues due to its nature of being responsive instead of being proactive [20].

2.EXECUTION PROCESS

An Enterprise resource planning scheme which is effectively executed aids in speeding up activities in a company and simultaneously developing aspects like dependability, quality, reducing redundancy and client satisfaction. A number of techniques have been recommended by some analyses which can be adopted to implement the ERP scheme. With reference to earlier analyses, effective execution of the ERP scheme can be achieved through the following steps:

A.Planning

This is the first step in the execution course. In small, growing companies, [18] this step consider as part of the planning phase. When dealing with execution course for bigger companies, [15] recommends that a feasibility study is to be done by the administration so as to determine the needs of the company. Generally, this first step requires the company to assess the current computer programs, databases and all the IT facilities so as to decide on which areas to strengthen. With this, the company can now simultaneously define the objectives which the ERP scheme should meet and determine the main benefits that execution of the ERP scheme will come along with. It is vital for the company executives to take part in this step. Junior staff in the company should also be part of this process. Their involvement will allow recognition of the various needs and opinions from all the sectors in the company so as to come up with a system that takes care of all the necessities. Every participant of the crew that has been established, inclusive of the company executives and other junior workers, is assigned a separate obligation which is to be finalized after a specified time [8]. Reengineering activities occur during this step which includes the reformation of a number of tasks and getting rid of those which have been identified as ineffective.

B.Training

The participants in this execution course have to be sufficiently trained so as to successfully undertake the tasks assigned to them [10]. In the case of smaller companies, education only cannot be sufficient enough because of their size. This calls for the recruitment of fresh employees with the required capabilities and know-how. Consulting companies may be contracted to do the training. The workers are usually taught on the use of software programs associated with the ERP schemes. Throughout the training period, it is necessary to display all the results the initiative is achieving and the overall objectives of the enterprise. It is common for adjustments to encounter resistance in most companies and, therefore, carrying out these training activities offers the management a chance to fully explain the need for new, improved structures in a company [10]. In the case of bigger, well developed companies, positioning project personnel in the different sections of the company will be helpful in boosting communication of the plans. Additionally, the project crew can obtain responses from the project representatives about probable sections that can raise concerns. The idea of educating the entire crew and the project representatives is very vital since these kinds of personnel require respect and trust from all the sections of the company [26].

C.Analysis

After the preferred ERP scheme has been identified, it is important to assess its gains and needs in place to sustain it. This includes acts like appointment of external advisors and system specialists to assess the benefits of executing this scheme and also deciding on the best contractors to supply the ERP facilities [9]. An appropriate dealer is to be identified from the group of dealers seeking the contract, and this necessitates the effort of the sponsors for the initiative. Discussions about the costs and conditions in the deal with the supplier have to take place. During this phase, detailed studies of the adjustments that are likely to take place in the company are examined. These adjustments can have an impact on the ERP scheme, where they can either disrupt or increase the gains which the ERP scheme comes along with. For the gains which the company anticipates after implementation of this scheme, it is vital to examine all the limiting factors that may pop up during the realization of the gains [7]. Additionally, rights of the gains should be plainly outlined and the duration taken for them to be fully implemented.

D.Installation and testing

During this phase, the company is supposed to confirm that the basic hardware installed is operative and also consistent. The personnel involved in the implementation should resolve on the functioning of the system, referring to the activities the company usually undertakes. This necessitates configuration of the ERP system to act normally with company activities [6]. During this phase, the data that the ERP scheme requires as input is transformed to the necessary standard. Fresh data should also be gathered and their sources identified e.g. the use of spreadsheets may be adopted for the purpose of accumulating and arranging the data. Data precision and its significance also have to be checked after entering it into the ERP catalogue [13]. This approach necessitates filtering the data to get rid of any insignificant proportions in it. In order to successfully achieve this phase, it may be necessary to either completely close down the activities of the company or employing the phased technique. In the case of shutting down the company activities, a specific date should be set for this to happen [6]. The phased technique however involves integrating the various section of the company into the newly developed system in a certain order, where each section is handled separately and completed before engaging the next section. During this stage, the personnel involved in the implementation develop a test strategy for the following tests: unit tests, approval tests, system tests, etc. [21].

E.Final assessment

After a successful execution of the ERP scheme, implementation of a final project report should be done in order to decide on the future maintenance practices of the system. This includes re-assessing the future consequences and effects of implementing the system. The company should decide on which features of the system where they would be required to make internal acquisitions and those which would be subcontracted. Initiating an education program and a training facility is one of the approaches that can be adopted by the company to equip the workers with the necessary skills needed to work with the newly installed system.

3.MAIN ELEMENTS FOR SUCCESS

Taking into account that this is an expensive and risky task, it is very important to get to know the main elements which will guarantee success. Through consideration of these elements, the company can evaluate, prior to the execution, if the task would be successful are a total failure. Because of this, the company can make informed decisions on whether to make the necessary adjustments or whether the execution should proceed under the current conditions [24]. Different companies have varied elements which may guarantee success because of the difference in the activities they undertake. The following is an analysis of the main elements for success which can be adopted by both developing and already developed companies.

A.Executive's dedication to the project

Any type of project in a company requires dedication by the executive for it to be achieved. The executive should give the required directions and finances in order to achieve the desired outcomes [14]. The executive should therefore provide for the costs incurred during the execution process, realize the gains of the project and assist in incorporating the system into the company activities [5]. Additionally, on their part, the top executives require responses and returns from the project. These are elements that make the project a successful venture. A supervisor, who is supposed to be a valued individual in the company, should be appointed to spearhead the execution process.

B.A capable project team

Participants selected to take part in the execution process should be given their respective positions on merit. This is because they would continually be making very important judgments that affect the company as a whole [15]. The crew should come up with a strategy for the whole project and therefore the resolutions they agree on in this phase will decide on whether the project would be successful or a total failure. This crew provides a coordination of the opinions from the executive and those from junior staff in the company. A decision they make should therefore, translate to both sides [12]. This crew is also supposed to allocate different jobs to the workers in the company. This will generally decide on the success of the project and if it will be finalized in the specified time period. Additionally, this crew should make sure that the right quantities of resources and of the correct value are applied at the right time.

C.Sufficient training

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D.Data Precision

Previous illustrations indicate that separate activities are incorporated by the ERP system into a unit. This entails entering of precise data into these systems. Feeding of inaccurate data into the system will mess up with the activities in the whole company, causing confusion in every single section. The workers should realize the need to preserve data accounts that are precise and employ correct measures when doing the data entry [23]. Outdated systems that may temper with the precision of the data must be avoided by the workers.

E.Estblishment of a standerd for measurement

It is essential to get to know the influence the new system will make in a company. The company will therefore have to formulate a standard of measurement that will determine the performance of the new system and relate it to the agreed goals [17]. Due to this, any adjustments that may arise will be realized. Additionally, these assessments should be applied when honoring the execution crew and also the workers whenever a previously set standard is accomplished [28]. The project should be under keen observation, not only during the execution course, but throughout. The standard of measurement that is established should offer specific targets with respect to the system performance [27].

F.Outlind objectives and deliberate targets

The objectives and targets of a company need to give direction to the process of executing the ERP system. A clear vision should be provided by the company of what it aims to attain in a specific duration of time. With this, the company is able to estimate the efficiency of the ERP system and the necessary adjustments can be made on time. This will also allow the ERP system to deal with separate demands individually in the company and the employees can get to know better why the system is being implemented [16].

4.ADVANTAGES OF AN ERP

The idea of putting in place an ERP system is expensive and very risky, therefore, a company should first familiarize with the advantages of such a venture before proceeding with the implementation. Below are some of the advantages of an ERP that has been effectively executed [1].

A.Efficiency

Efficiency in a company is improved with the implementation of an ERP system. The ERP system eradicates all the manual activities in a company [11]. This makes storage and access to data very effective and also a number of activities in the company are incorporated. A single developed system displaces earlier databases that functioned separately and data can be fed into the system or accessed as one [3].

B.Improved reports

An ERP system generates better-quality reports, where a number of reports are obtained from the single system. This is vital for larger companies that have access bigger quantities of data [4].

C.Improved communication

In the case of bigger companies or institutions, ERP systems improve communication in the various sections. Teamwork is easily attained by the workers in the different sections since all the activities are incorporated into one central point [19].

D.Safety and reliability of data

Use of precise and reliable data is a necessity for using the ERP system. The reliability of the data is increased by these systems between the various departments in an organization. This is influenced by the willingness of the executive to enforce rules that govern the quality of the data that is entered into the system [2]. Security of the data is enhanced since those who shouldn't access the data are limited.

E.Improved clients satisfaction

Since the speed of activities in a company is increased, clients are served within the appropriate time. Additionally, data used here is of better quality thereby guaranteeing better quality output from the data. Through incorporation of the separate activities taking place in the company, clients are entitled to diverse services from the company [11]. The system addresses the data about the customers as at present, allowing the company to realize the requirements of its clients.

5.CONCLUSION

This writing provides an analysis for the main steps involved in the execution course of an ERP system. From the content it can be deduced that different companies have separate needs and therefore, the procedures adopted may not be equal. This writing provides a summary of the procedures which may adopted by all types of companies. The writing has also analyzed a number of vital elements which may be adopted by a company to guarantee success in the execution of the ERP system. After familiarizing with these elements is when the company can know of its capability to effectively execute the ERP systems. Lastly, this analysis has stated the advantages that come along with execution of the ERP system. This writing deals mainly with the advantages alone even though a number of disadvantages also exist. It would be vital for upcoming analyses to focus also on some of the disadvantages related to these systems so as to balance the interpretation.

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