

Introduction to ERP-Overview and Evolution of ERP-II through MRP, MRP-II & ERP; Opportunities and Problems of ERP; Identifying Benefits of ERP; Conceptual Model of ERP; ERP and the Competitive Advantage

# ERP

ERP is a *business management software* that is implemented by many business houses to increase their productivity and performance. It is a very powerful business tool. It is used to collect, store, manage and interpret data from many business activities like Product planning, cost, Manufacturing or Service delivery, Marketing and Sales, Inventory management, Shipping and payment etc.

ERP software is very useful for large organization. It comes in many modules:

- ▣ Human Resources
- ▣ Financial Accounting
- ▣ Supply Chain Management
- ▣ Customer Relationship Management
- ▣ Inventory
- ▣ Purchasing
- ▣ Project management

# ERP Module



# Features of ERP systems

The main feature of an ERP system is a shared database that supports multiple functions used by different units. For example: Accounting and sales can rely on the same information.

# ERP systems typically include the following characteristics:

- ▣ An integrated system;
- ▣ Operates in (or near) real time;
- ▣ A common database that supports all the applications;
- ▣ A consistent look and feel across modules;
- ▣ Installation of the system with elaborate application/data integration by the Information Technology (IT) department, provided the implementation is not done in small steps;
- ▣ Deployment options include: on-premises, cloud hosted, or SaaS.

# Advantages/ Benefits of ERP

- ▣ It facilitates employees to do their job more efficiently.
- ▣ Reduces risks and improves financial compliance.
- ▣ Automates core business operations.
- ▣ Increases customer service because it provides one source for billing and relationship tracking.
- ▣ Provides a global, real-time view of data that enables companies to do improvements.

# Top ERP Vendors

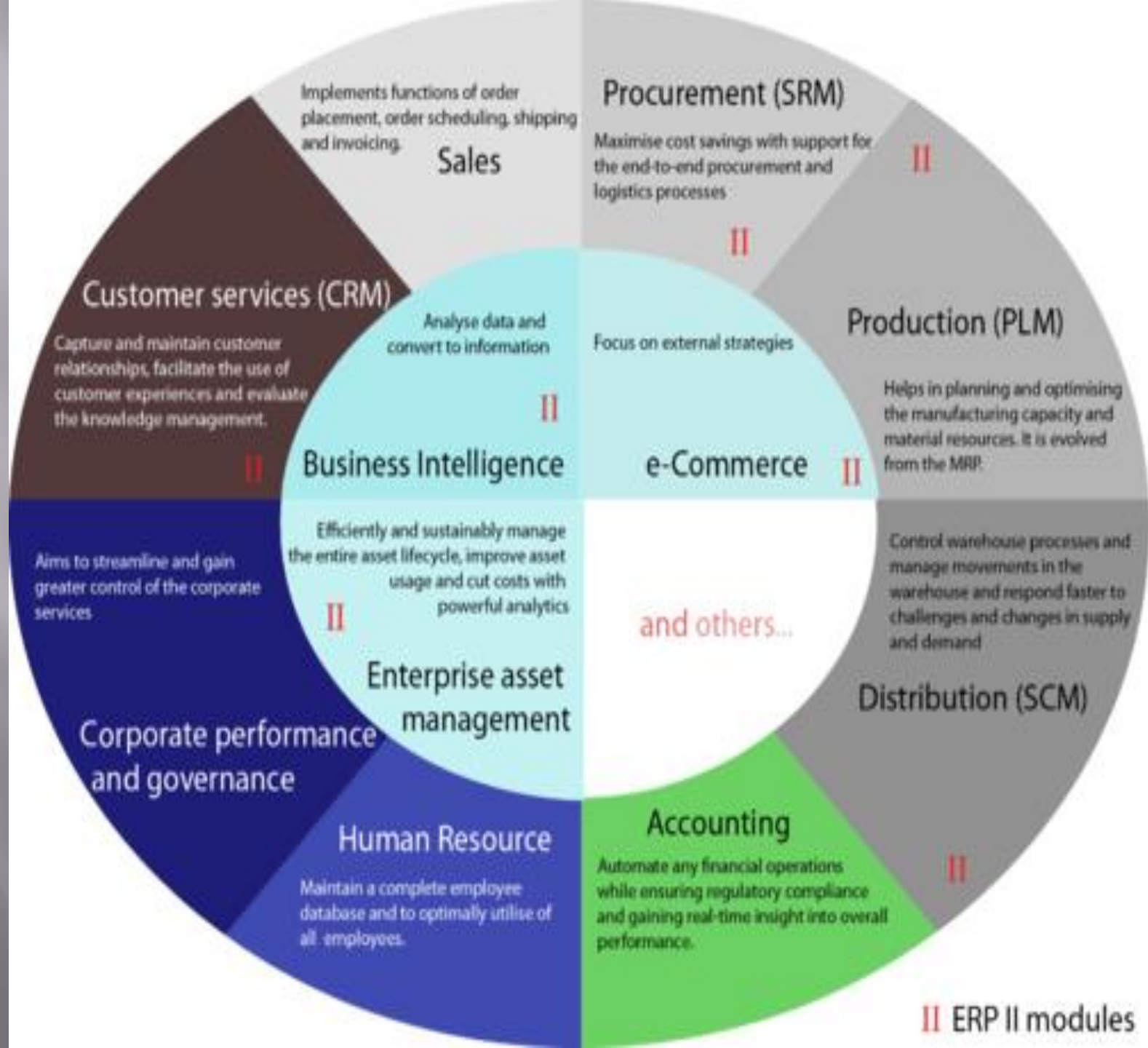
- ▣ SAP
- ▣ Oracle
- ▣ Microsoft



# Implementation

- ▣ Time and Cost are the important factors that need to be considered before buying or implementing an ERP system.
- ▣ The implementation can take several months to couple of years.
- ▣ The cost is also not fixed and varies on the basis of your requirements and the features provided by the vendor.

Note- It is advisable to thoroughly analyze the vendor's ERP package modules, features and supporting infrastructure before implementing the ERP.



- An ERP system covers the following common functional areas. In many ERP systems, these are called and grouped together as ERP modules:
- Financial accounting: general ledger, fixed assets, payables including vouchering, matching and payment, receivables and collections, cash management, financial consolidation
- Management accounting: budgeting, costing, cost management, activity based costing
- HumanResources: recruiting, training, rostering, payroll, benefits, retirement and pension plans, diversity management, retirement, separation
- Manufacturing: engineering, bill of materials, work orders, scheduling, capacity, workflow management, quality control, manufacturing process, manufacturing projects, manufacturing flow, product life cycle management

- Order processing: order to cash, order entry, credit checking, pricing, available to promise, inventory, shipping, sales analysis and reporting, sales commissioning
- Supply chain management: supply chain planning, supplier scheduling, product configurator, order to cash, purchasing, inventory, claim processing, warehousing (receiving, putaway, picking and packing)
- Project management: project planning, resource planning, project costing, work breakdown structure, billing, time and expense, performance units, activity management
- Customer relationship management (CRM): sales and marketing, commissions, service, customer contact, call center support – CRM systems are not always considered part of ERP systems but rather business support systems (BSS)
- Data services: various "self-service" interfaces for customers, suppliers and/or employees

- ▣ <https://youtu.be/a4ZBhskPgE8>

Very important link

How ERP Works