A Study on Erp in Business Sector

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ABSTRACT

This paper is prepared to study the important of ERP system in public, manufacturing and banking sector. A survey has been taken to find out the solutions for the important of ERP system by considering the articles related to the topic. This study shows many merits by using ERP system as compare to demerits. Finally this article concludes that ERP system make the organization process easier and also states the reason for non utilization of this ERP system by small sector due to high cost.

INTRODUCTION

Enterprise Resource Planning (ERP) is the software that enables the company to manage and integrate the organization effectively and efficiently. The term ERP was authored in 1990 by Gartner1, however its underlying foundations date to the 1960s. In those days, the idea connected to stock administration and control in the assembling part. Programming engineers made projects to screen stock, accommodate parities, and investigate status. By the 1970s, this had developed into Material Requirements Planning (MRP) frameworks for booking creation forms.

In the 1980s, MRP developed to incorporate all the more assembling forms, provoking many to call it MRP-II or Manufacturing Resource Planning. By 1990, these frameworks had extended outside stock ability to control and other operational procedures to other back-office capacities like bookkeeping and HR, setting the phase for ERP as we’ve come to know it.
In 2000, the Gartner Group again contributed to the historical backdrop of ERP when it portrayed ERP II. This, it stated, was web empowered programming that gave ongoing access to the ERP arrangement. It additionally depicted programming that went past an organization, to give administration and usefulness that helped an organization to coordinate with frameworks outside of the business. This included the mix of store network administration, client relationship administration (CRM) and business insight.

In the year 2000s, connection by means of cell phones advanced and more online usefulness developed. Besides there was much solidification of providers. Various mergers and acquisitions saw the business change and go into the 2010s to wind up noticeably commanded by a considerably more modest number of sellers, including Microsoft, Oracle, SAP, Infor, Sage and NetSuite.

Business Processes included in ERP is the business process and it includes Human Capital Management (e-Recruiting, Training, Payroll), Operation (Production Planning, Sales & Distribution, Material Management, Logistics Execution and Quality Management), Financials (Management Accounting, Financial Accounting and Financial Supply Chain Management), and Corporate Services (Health and Safety, Environment, Travel Management and Real-Estate Management).

REVIEW OF LITERATURE

1. Mabert, soni, vekataramanan (2003) have analyzed the undertaking of Enterprise Resource Planning (ERP) frameworks have encountered an exceptional development over the most recent 5 years and at exhibit they are inescapable in the US fabricating division. This paper portrays an endeavor to annual this wonder through a progression of contextual investigations and a broad review. Assembling organizations going in estimate from a couple of million dollars in yearly incomes to over a hundred billion dollars are incorporated into this investigation. The key finding from this examination is that organizations of various sizes approach ERP usage distinctively over a scope of issues. Additionally, the advantages contrast by organization measure. Bigger organizations report changes in budgetary measures though littler
organizations report better execution in assembling and coordinations.

2. Mishra, mishra,D(2010) analyzed the ERP system can reduce accelerate production cycle, reduce operating costs, forecasts of demand and enchanche customer services. This paper concludes that ERP system providing some ideas and challenges faced by the implementation of ERP system in FMCG business.

3. An ERP framework has turned into the most essential fields under the Information frameworks enormous umbrella. It has a potential market in the Middle East and in Saudi Arabia. Executing an ERP framework in Government has a considerable measure of thought and faces a great deal of difficulties. This paper will address real difficulties and some key methodologies that need to be considered when arranging the ERP framework. To help the paper, a contextual investigation from an extensive scholastic government association is portrayed. This association has yearly spending plan around 300 million dollar and more than 3000 workers at the distinctive levels of administration. We will center in this paper with their experience including all ERP usage stages with some talk of key lessons that can be added to the field.

4. Wieder, booth, matalcsy, ossimitc (2006) have examined the deeper analyze of the adoption of enterprise resource planning (ERP) systems and the organizational performance impacts. This study is based on the data collected from the organizational performance adopted in the companies like SCMS or ERPS and the companies respective control group. The result of this study gives higher performance to the adopters those who taken the ERPS or SCMS.

ERP SOFTWARE IN MANUFACTURING SECTOR

Manufacturing sectors occupied in production of new product from detained raw material are in want of software to leverage their in and out operations. ERP software solutions acquired by all the manufacturing industries to complete process automate and to attain successful production. It provides a single scalable approach to attain profitable position. Varied functionalities like finance module,
production process, requirement of raw materials, inventory management etc are covered under integrated platform scrutinizing production process to give out effective outcomes. Automated system gives a complete solution in order to avail fast growth.

**ERP SOFTWARE IN BANKING SECTOR**

There are many approaches to support implementation of ERP; it may differ from one organization to another depending upon the organizational capabilities. Implementation approaches includes; the pilot implementation, comprehensive implementation, phased implementation.

The banking systems use almost all the ideas of Enterprise Resources Planning (ERP), all approach suits the banking business needs and operations. Therefore, this method will encompass all the business activities.

In organization an ERP system adaption can save price, reduce the time taken to complete a business process, decision making and facilitate day-to-day working of the business. however, several resources have to be allocated, the implementation cost and time are cost-effective.

**ADVANTAGES AND DISADVANTAGES OF ERP SOFTWARE**

**Advantages**

ERP system helps to integrate all the business functions of every department in to a single system and it also enables the business process to manage and improves the organization efficiency levels. The main advantage of the systems is provided that a single interface for tracking and managing all the day to day routine actions that performed in the industrialized sector. This software helps to automate the routine organizations business transactions and made the processes more efficient. ERP software supports all the business practices and processes. It enables to follow the companies financing and accounting helps to managing, forecasting, planning and reporting. The new ERP systems offering better user interface for the users. ERP software makes easier for the corporate for tracking the inventory, sales order, costs and forecasting the potential sales and profits. ERP software is more secure as the private data cannot be reveal with the unauthorized users, data can be handled only for authorized users. It provides better
communication and collaboration between global sites. ERP systems can be integrated with the E-Commerce.

Disadvantages

The main disadvantage of ERP implementation in small organization is that it is very expensive to install. Other than this it is very complex so the most of the organization can’t adjust to the ERP software, it need experts to handle the software and also it required training for the employees to work with software is also expensive.

CONCLUSION

ERP systems bring enormous changes in the business sector. It helps to work effectively and efficiently such as to manage all the business functions in a single system and also to share the information to everyone, to manage all the day to day activities of the manufacturing industries in the single interface, the activities of the business sector is automated in routine transaction and also it make easier to follow the sales order, inventories, manufacturing and distribution. By doing this research, it is analyzed that the small sector are not using this system due to cost efficiency. If the small sectors utilize this ERP service it will reach in the wider way. Finally this study finds that its makes large organization process easier in all the departments like finance, human capital management, operation management and corporate service.

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