

CS 128.2 Case Study

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1. Was the CFO's justification for the need for a new ERP system sound? If yes, state specifically why. If not, state why not, making sure to highlight the flaws in his justification. Your answer should also highlight the role accounting must-play for an ERP systems implementation project to be successful.

Answer: Yes, it was justified. Having inaccuracies with production, inventory, and lack of knowledge regarding maximum production capacity and job progress are good reasons for implementing an ERP system as this gives a company a more structured and streamlined business cycle from production, logistics, finance, and customer relationship management to name a few. Having an ERP system would also have a centralized data warehouse where all divisions of the company upload and download data from one existing warehouse, making it easier for other divisions to gather the necessary information needed for their work. It was also stated by CES that it must be capable of managing its costs to satisfy customer requirements profitably by having an ERP system that would provide better cost data of pricing remanufactured products to remain profitable. With issues on inventory, tracking of sales, and sales forecasting. Having a system that would be able to monitor production, analyze customer sales and support, and keep track of the finance would be a viable option, especially for businesses in a competitive market.

2. Assume that the CES board of directors has asked you to examine the ERP system implementation process. Please identify:
 - a. Business issues related to ERP system implementation.

Answer: One business issue is the division of the ECS and EME. Implementing an ERP system individually will cause many problems because an ERP system must be utilized by the whole company. Problems with implementation and cooperativeness will soon arise due to the differences of having two ERP systems in one company. The ECS and EME divisions should only use one system for this matter. Another business issue is putting the focus first in the ECS division to "experiment" if the suggested ERP system would work in the company. The main problem with this is it will cost the company more since they will be allocating more time and resources to "fund" this implementation. IT Managers from both divisions should first come up with a plan on how to implement the ERP system for both divisions as a whole. With this type of planning, all the business processes from production, logistics, customer support, and finance would be then covered no matter what division it is. Making the business more streamlined, utilizing most of the ERP's features. The board also shouldn't exclude IT managers from this matter as they have more knowledge on how to

implement the system with the business process of the company. Employees should also have certain days dedicated to the implementation of the system, the company should provide them with the necessary modules and training for the new system.

- b. Organizational issues related to ERP system implementation. What would be the best practices for handling those issues?

Answer: An organizational issue that might have caused a major impact on the implementation of the new ERP system is the fact that it was not clear who the project manager was, even when the IT manager was assigned to the role. The IT manager was only given little decision-making authority, which hindered him in developing a clear-cut plan that could have shown that the implementation was not feasible. Another issue was that the CFO was not welcoming to issues that the IT department would encounter in migrating to the new ERP system. It is the responsibility of the CFO to be flexible in financial planning to better guide the company in the strategic directions it must take. Perhaps the best practice in handling these issues would be to strengthen the roles in project management by allowing the assigned expert in executing their role and responsibilities, being welcoming to inputs from other employees, and by being prepared in unanticipated situations, to allow for better decision-making skills and to avoid aggravating problems and unnecessary expenses.

3. Assume that the CES board of directors has stated that it will set up a project management office (PMO). From the issues related to the project management process with the ECS division ERP implementation, specify actions that should be taken related to the project management process to ensure the success of the EME division's ERP implementation.

Answer: There have been a lot of problems with the ERP implementation in the ECS division. The first thing that should be addressed is the limited budget and time allocation for the project. Data migration is one of the things that takes time, having to migrate all the data into a new system shouldn't be overlooked. The budget shouldn't be limited as it will also limit the development process of the new system and affect the employees as well. A project manager should also be assigned so that there is clear communication between the developers and the board. This would also provide the developers with a clearer understanding of their objectives. The IT managers and middle line managers should also have decision-making authority as they are the heavy users of the system. As said earlier, they also have knowledge about the company's business process in the system. A clear project plan must also be needed so that tasks and dependencies are known by everyone and CES should follow Epicor's 126 step project planning process.