

# ERP IN MANAGEMENT

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OBJECTIVES:

01

**Architecture**

02

**ERP Implementation**

02

**Benefits and Limitations of ERP**



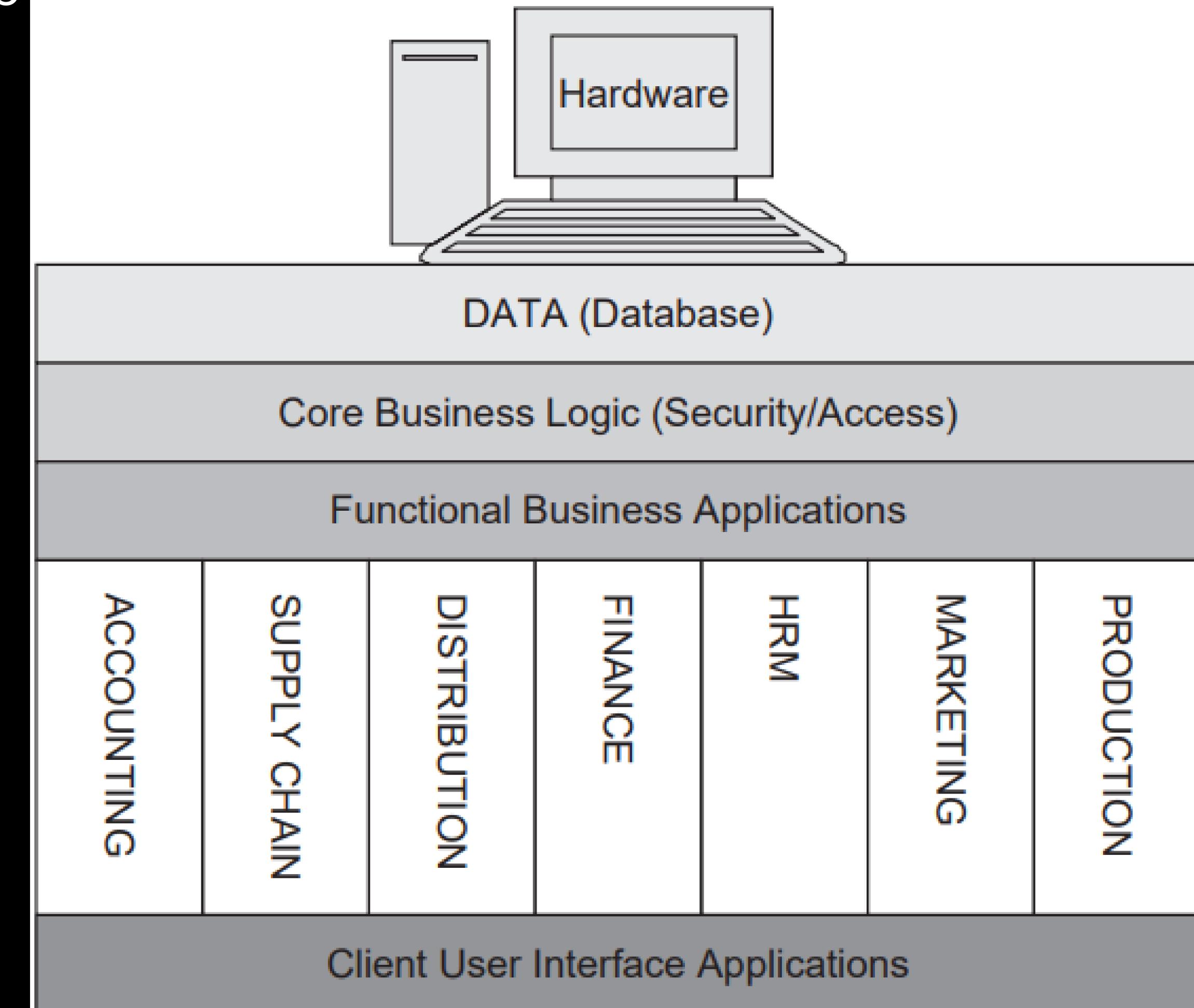


# Architecture

- must be conceived after the selection of ERP software
- usually, the architecture is conceived before buying or developing software in other IT implementations

## 1.2 Types of ERP Architecture

# Logical



## 1.2 Types of ERP Architecture

# Logical

- Lowest tier: Database Schema of Entities and Relationships
- Second Tier: core business processes and business logic

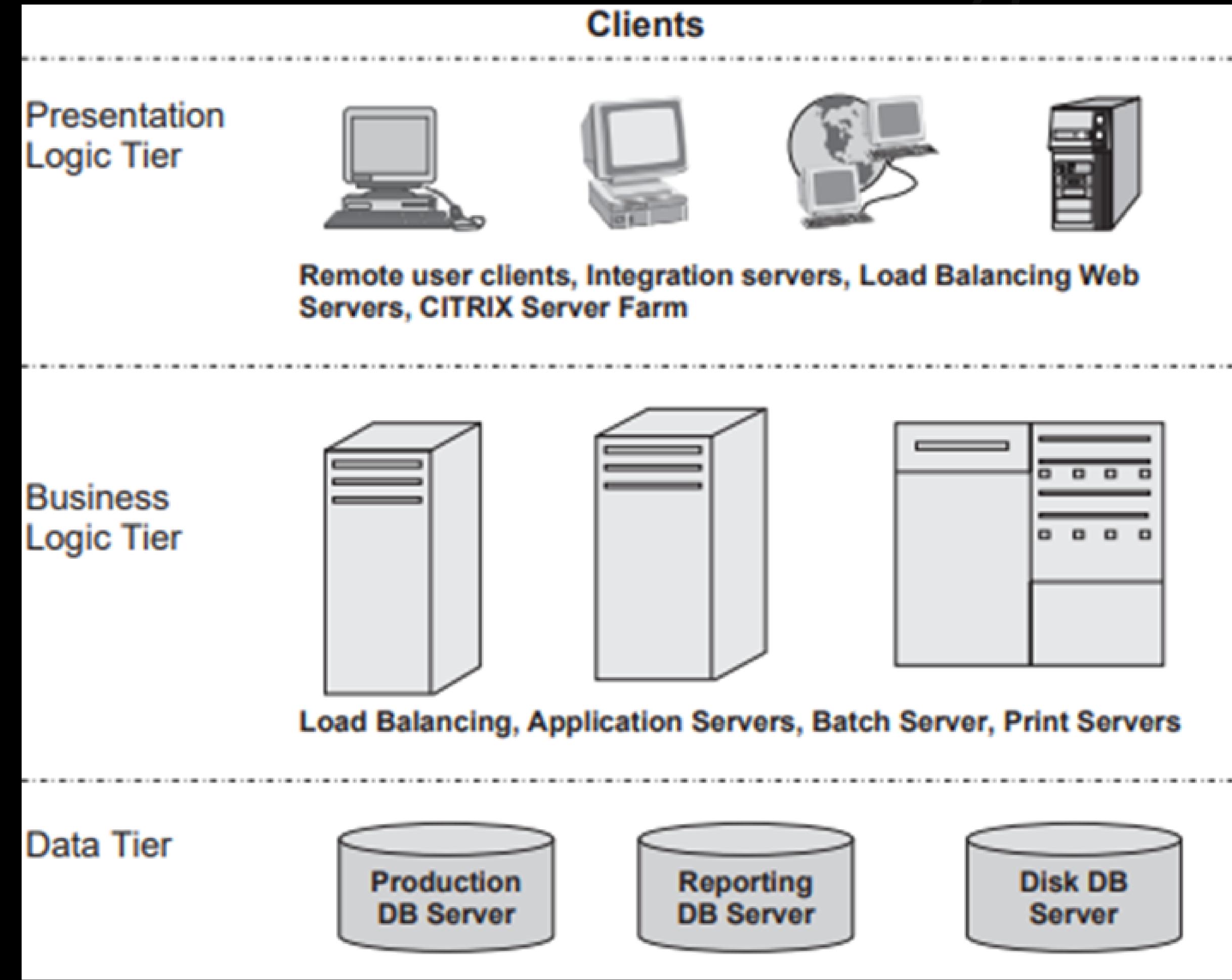
## 1.2 Types of ERP Architecture

# Logical

- Third Tier: provides details on the applications that support the various business functions built in to the ERP system

## 1.2 Types of ERP Architecture

# Physical



# Business Process Management

- is the understanding, visibility, and control of business processes

## 2.1 ERP Implementation

# Business Process Management

Requirements  
Gathering/Gap  
Analysis

General System  
Design

Build and Test

Implementation

Stabilization  
and Production  
Support

Functional

Technical

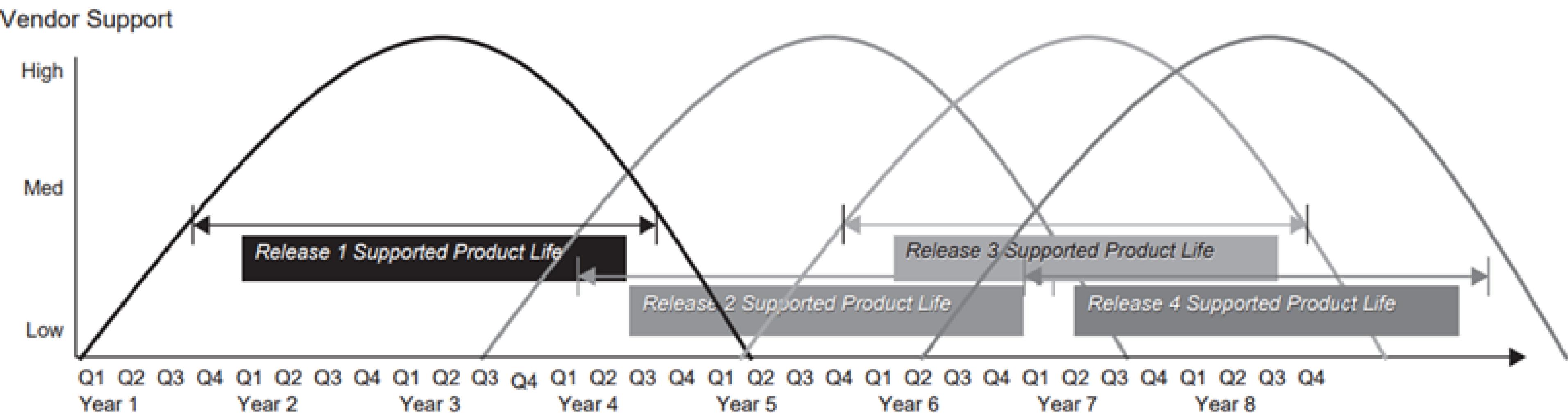
Change Management

## 2.2 ERP Lifecycle

# ERP Lifecycle



Introduction to Enterprise Systems for Management



# Chocolate

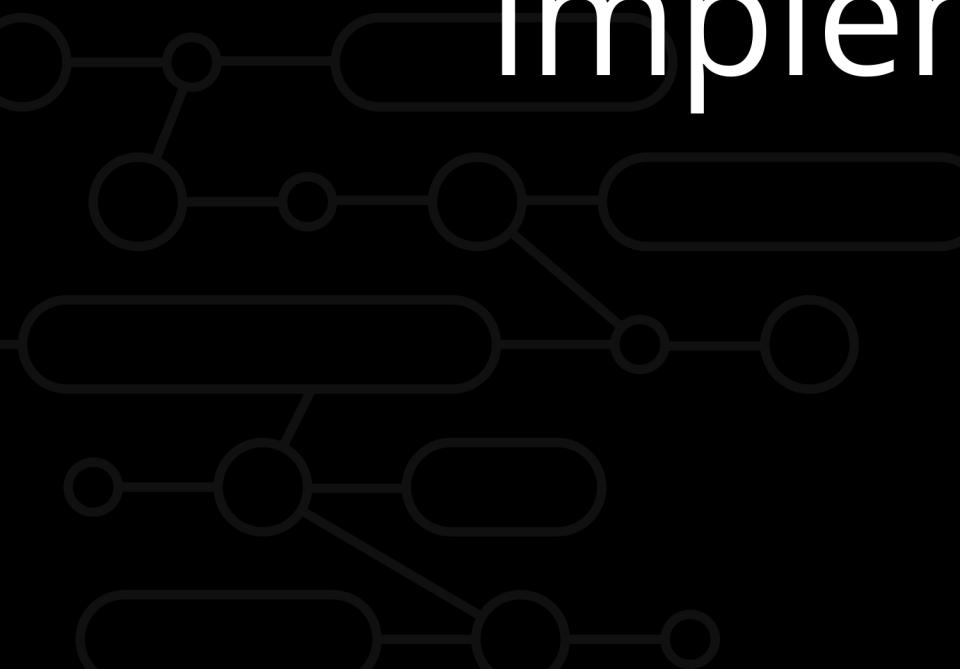
- An implementation with considerable modifications to the ERP software package
  - increase the chances of success with the users

## 2.3 ERP Implementation

# Chocolate



- modifications increase the investment in the system and introduce higher implementation risk



## 2.3 ERP Implementation

# Vanilla

- are minimally modified (or as-is)

### 3.1 Benefits and Limitations of ERP

# Benefits and Limitations of ERP

- require investment in terms of cost, time, and people

### 3.1 Benefits and Limitations of ERP

## Benefits of ERP

- Integration of data and applications across functional areas of the organization

### 3.1 Benefits and Limitations of ERP

## Benefits of ERP

- This positively affects security, consistency of inputs, ease of maintenance, and efficiency

### 3.1 Benefits and Limitations of ERP

## Limitations of ERP

- Complexity of installing, configuring, and maintaining the system increases, thereby requiring specialized IT staff, hardware, network, and software resources

### 3.1 Benefits and Limitations of ERP

## Limitations of ERP

- corporate white-collar crimes such as questionable accounting and marketing practices, privacy violations, unauthorized data sharing, spam mail, viruses, snooping, phishing, and identity theft

### 3.2 Functional Silos

# Functional Silos



- are basically compartmentalized operating units isolated from their environment

### 3.2 Functional Silos

# Horizontal Silos



Organization

Planning

Organizing

Staffing

Directing

Coordinating

Reporting

Budgeting

### 3.2 Functional Silos

# Vertical Silos

