

Success & Failure of MIS/ERP

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Factors contributing to the success of MIS/ERP:

MIS and ERP development projects are high-risk, high-return projects. The following are critical factors for success in MIS/ERP development and implementation:

1. **Top management support:** The top management should be completely convinced and support the MIS/ERP. The patron or a sponsor for the system should be a member of top management.
2. **User involvement:** All users including managers and other employees should be made an integral part of the development, implementation, and use of the system.
 - ✓ Change management and training will ensure acceptance and effective use.
3. **Support staff:** There should be good support staff with necessary technical, business, and interpersonal skills.
4. **Selection of MIS/ERP:** Success of an MIS/ERP system is dependent on selecting and configuring an appropriate MIS/ERP application and IT services.
5. **User requirements:** Understanding and interpreting the organization's business processes and user requirements is key in MIS/ERP success.
 - ✓ MIS/ERP should be oriented, defined and designed in terms of the user's requirements.

Factors contributing to the success of MIS/ERP:

5. ***User friendliness:*** The system should be simple, easy to operate and understand without adding much complexity.
 - ✓ The design of the MIS/ERP should have features which make up a user-friendly system.
 - ✓ It is a best practice, not to add up an entity unless there is both a use and user for it.
6. ***Response time:*** The system should be fast.
7. ***Implementation plan:*** The implementation process should follow a definite goal and time.
8. ***Training:*** All the users including the top management should be given proper training, so that they have a good knowledge of the function of the system, and can use it fully for various activities.
9. ***Outputs:*** It must produce useful outputs to be used by all managers.
 - ✓ It should concentrate on the mission critical applications serving the needs of top management.
10. ***Integrated to organizational processes:*** The system should be well integrated into the management processes of planning, decision-making, and monitoring.

Factors contributing to MIS/ERP failure:

The common factors which are responsible for this are listed as follows:

1. Lack of training on MIS/ERP to stakeholders.
2. MIS/ERP does not meet certain critical requirements of its users.
 - ✓ Inability to get the processing done in a particular manner, lack of user-friendly system and dependence on the system personnel.
 - ✓ A good MIS/ERP is one where human intervention is minimal.
3. Lack of administrative discipline in following the standardized systems and procedures.
4. MIS/ERP is conceived as a data processing tool and not as an information system.
 - ✓ MIS/ERP does not provide that information which is needed by the managers but it tends to provide the information generally.

Factors contributing to MIS/ERP failure:

5. Underestimating the complexity in the business systems and not recognizing it in the MIS/ERP design leads to problems during implementation.
6. Adequate attention is not given to the quality control aspects of the inputs, the process and the outputs leading to insufficient checks and controls in the MIS/ERP.
7. MIS/ERP is developed without streamlining the transaction processing systems in the organization.
8. A belief that the computerized MIS/ERP can solve all the management problems of planning and control of the business.

Note: Risk

- ✓ *Managers must consider the risks of designing, developing, and implementing systems.*
- ✓ *Information systems can sometimes be costly failures.*

Use of Information Systems in Different Areas

MIS can be used in the following areas:-

- Finance and Accounting Systems
- Sales and Marketing Systems
- Manufacturing and Production Systems
- Human Resources Systems
- Academic Management Systems.
- Hospital Management Systems

Use of MIS in Finance and Accounting

- Finance and accounting systems share related functions such as keeping track of an organization's financial assets and fund flows.
- **Financial MIS:** Provides financial information to all financial managers within an organization.
 - ✓ *The finance function is responsible for managing the firm's financial assets, such as cash, stocks, bonds, and other investments*
 - ✓ *It is a sub system of organisational management information system.*
 - ✓ *This sub system supports the decision making process of financial functions in an organisation.*
- **Accounting MIS:** Provides aggregated information on accounts payable, accounts receivable, payroll, and other applications.
 - ✓ *It is responsible for maintaining and managing the organization's financial records-receipts, depreciation, and payroll to account for the flow of funds in an organization.*

Use of MIS in Manufacturing and Production

- The manufacturing and production function is responsible for producing the firm's goods and services.
- ***Manufacturing and Production information systems*** deal with the planning, development, and maintenance of production facilities; the establishment of production goals; the acquisition, storage, and availability of production materials; and the scheduling of equipment, facilities, materials, and labor required to fashion finished products.
- Manufacturing MIS subsystems and outputs include design and engineering; master production scheduling; inventory control; manufacturing resource planning; process control; computer-integrated manufacturing (CIM) and quality control and testing.

Use of MIS in Human Resource

- **Human Resource MIS:** This functional information system supports the functions of human resource management of an organisation.
 - ✓ Concerned with all of the activities related to employees and potential employees of the organization.
 - ✓ It tracks employee performance records and payroll data.
- The human resource function is responsible for attracting, developing, and maintaining the organization's workforce.
- ***Human resources information systems*** support activities such as personnel selection and recruitment, maintaining complete records on existing employees, training and skills inventory, wage and salary administration etc.

Use of MIS in Sales and Marketing

- **Marketing MIS:** Supports managerial activities in product development, distribution, pricing decisions, and promotional effectiveness.
- Marketing is concerned with identifying the customers for the organization's products or services, determining what they need or want, planning and developing products and services to meet their needs, and advertising and promoting these products and services.
- Sales is concerned with contacting customers, selling the products and services, taking orders and following up on sales.
- Sales and marketing information systems support these activities.
- Marketing MIS subsystems and outputs include marketing research; product development; promotion and advertising; and product pricing.

Use of MIS in Academic Management

- **Academic MIS:** Supports student academic management activities such as admissions, course registration, fee payments, hostels management & room booking, timetabling, examinations and graduation.
- It manages student academic records and performance from the time of admission to graduation.

Execution of a model MIS/ERP

- The basic ingredient of high quality information systems performance is extensive and meaningful involvement of managers and end users in governance of the MIS/ERP function.
- Proper involvement of managers in MIS/ERP requires the development of governance structures that encourage the active participation of managerial staff in planning and controlling the uses of MIS/ERP.
- By being involved in MIS/ERP decisions that affect their business units, managers avoid IS performance problems.
- Several major levels of management involvement in governance of MIS/ERP include:

Execution & Management of a model MIS/ERP

■ Executive MIS/ERP Committee

- ✓ This is a top level committee of top executives who do strategic information system planning and coordinate the development of major information systems projects.
- ✓ They are the sponsors of the MIS/ERP project and provide the necessary resources required for MIS/ERP.

■ MIS/ERP Steering Committee

- ✓ This is a committee of business unit managers, operational managers, and management personnel from the MIS/ERP department who oversee the progress of MIS/ERP systems development projects.
- ✓ They provide leadership and oversight in MIS/ERP project management.

■ MIS/ERP Technical Implementation Committee

- ✓ They carry out the day to day MIS/ERP implementation activities.
- ✓ They act as a link between the users and management in MIS/ERP implementation.
- ✓ Direct end user management of MIS/ERP in functional units, including participation in developing key information systems.

END

Thank You

Q & A ?