ERP Questions/Answers

1. What is an ERP system?

ANS:- Enterprise Resource Planning is as a comprehensive package designed to support and integrate organizational processes across functional.

2. How are ERP systems different from legacy systems?

ERP is a company-wide computer software system used to manage and coordinate all the resources, information, and function of business from shared data stores. An ERP has own structure which is connected by the hardware and software units.

Legacy system means old and traditional system which adopted only the physical procedures and process to meet the requirements.

3. What are advantages of ERP systems? Disadvantages?

The advantages presented by the ERP are:

- Optimization of business processes.
- Accurate and timely access to reliable information.
- The ability to share information between all components of the organization.
- Elimination of unnecessary operations and data.
- Reduction of time and costs of litigation
- Then, as each module of the ERP system enters the same real-time database, another advantage is that no duplicate records or playback operations, ie, redundancy is avoided.
- The performance of all work units that make up their business because better use time is increased. If you previously had to make reports and take them from one place to another, now the time is spent on other activities.
- To improve performance and save time, optimize the control and analysis of management decisions there in the long term, reduced costs for the company.
- Another obvious advantage is in terms of customer service, because the response time is reduced attention to them.
- When a company has an ERP system is more competitive in the environment in which it operates.

Disadvantages of ERP are:

- The installation of the ERP system is costly. ERP consultants are very expensive take approximately 60% of the budget.
- The success depends on the skills and experience of the workforce, including education and how to make the system work properly.

- Resistance in sharing internal information between departments can reduce the efficiency of the software.
- The systems can be difficult to use.
- Change of staff, companies can employ administrators who are not trained to manage the ERP system of the employing company, proposing changes in business practices that are not synchronized with the system.
- Having an ERP system has many advantages, but does not guarantee the total success of the company. Organizational culture, know how to involve staff and anticipate changes that will suffer the organization using this system of administration, are important elements for the completion of the implementation.
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- The effectiveness of the ERP system may decrease if there is resistance to share information between business units or departments. Due to strong changes that implementation of the ERP system brings in the culture of work, there may be poorly trained or disinterested in making use of the same staff...
- The benefits of having an ERP system are not presented immediately with the implementation of the software, they will be evident long after the system is running.
- The culmination of the implementation depends on the ability and skill of the workforce, also involves education and training, to make the system is correctly applied.

In conclusion, it is essential to analyze whether the ERP system will be implemented in your company is right for your needs and that does not violate the interests of their organization.

4. How do ERP systems support industry best practices?

5. What are the differences among the three tiers that describe the ERP market?

Figure 1-5: Characteristics of ERP Vendor Tiers

Tier 1	Tier 2	Tier 3
High complexity	Medium complexity	Limited functionality
Highest cost of ownership	Medium cost of ownership	Lowest cost of ownership
Many industry solutions	Fewer industry solutions	Fewest industry solutions
Large companies	Mid-market companies	Small to mid-sized companies
Global functionality	Global functionality	Few locations

Source: Ultra Consultants

6. Explain the differences between mainframe and client-server architecture?

7. What are the advantages of storing data in a relational database?

8. What are the three types of database relationships? Give an example of each?

9. Discuss the advantages and disadvantages of customizing ERP software?

10. List reasons a company would want to employ cloud computing for its ERP system?

11. How does reengineering relate to ERP?

12. Explain the pros and cons of clean slate versus technology enabled reengineering?

13. What is the difference between BPI and BPR?

14. List and describe several problems with business processes?

15. Describe the steps in the BPI life cycle?

16. What are the benefits of process mapping?

17. What steps are involved in creating a process map?

18. List the symbols used in a process map and explain their uses?

19. Who are the important roles during process mapping and what do they do?

20. What are some tips for creating professional-looking process maps?

21. What are the four stages in the ERP life cycle?

22. Explain the four business case rationales for an ERP system?

23. What are some decisions that the steering committee is responsible for regarding the ERP project?

24. List steps in the package selection stage of the ERP life cycle?

25. How can the buyer ensure that an ERP software demo runs as smoothly as possible?

26. What are the different types of testing performed during ERP implementations?

27. What are the pros and cons of each ERP implementation strategy?

28. What does change management mean and why is it important in an ERP implementation?

29. What are the various types of customizations that are performed during an ERP system implementation? Hint: RICEF

30. What factors can help ensure a successful ERP implementation?

31. List three benefits of implementing ERP Financial Management?

32. What are three ERP financial accounting components and what functionality do they provide?

33. What are three ERP management accounting components and what functionality do they provide?

34. List in order the steps of the asset management life cycle?

35. Explain the difference between a cost center, a profit center, and an investment center?

36. Define CRM and discuss how it evolved?

37. List the steps in the order-to-cash process?

38. Explain how CRM and ERP overlap?

39. What activities are involved in order fulfillment?

40. What are the steps for creating a knowledge management system?

41. List three input files to material requirements planning (MRP) and explain why each is important?

42. List the steps in the purchase-to-pay process and note which ones represent financial transactions?

43. Describe basic functionality in an ERP Warehouse Management system?

44. List benefits of electronic data interchange (EDI) to both the supplier and the buyer?

45. Explain why the Plant Maintenance module is useful in a manufacturing environment?

46. List key reasons organizations implement the HCM modules?

47. List the steps in the employee life cycle?

48. Explain the functionality in the Career and Talent Management module?

49. What are some advantages of using employee self-service?

50. What are some of the risks to outsourcing HR functions?

51. List three examples of program change controls that should be implemented to guard against unauthorized changes to the ERP system and database?

52. Explain the concept of role-based access control and how it relates to logical access?

53. Contrast the differences among the elements of identity access management (IAM)?

54. What are the three main risk areas focused on in systems implementation assurance? Give an example of each.

55. List three examples of data center controls that should be implemented to protect computer facilities?

56. Give an example of a lower-level analytic and a higher-level analytic and explain each?

57. What are the four characteristics of a data warehouse?

58. Explain the importance and tenets of big data?

59. List the four perspectives of the balanced scorecard and describe each?

60. Explain the importance of leading and lagging measures in the context of the balanced scorecard?

Keywords;

Application control Back office system Best practice Business process Change agent Change management Core competency Core ERP Cross-functional Enterprise resource planning (ERP) system Enterprise space Extended ERP Industry solution Integration partner

IT auditor Legacy system Manufacturing resource planning (MRP II) system Material requirements planning (MRP) system Module Process-centered Small-to medium-sized enterprise (SME) Tier Tier 1 ERP vendor Tier 2 ERP vendor Tier 3 ERP vendor Vertical solution Associative entity Best of breed Business logic Cardinality Client

Client-server computing Cloud computing Composite key Concatenated key Configuration Configuration data Customization Data access logic Database normalization Determinant Development (DEV) Distributed computing Entity Entity integrity rule Entity relationship diagram (ERD) Fat client Field First normal form (1NF) Foreign key (FK) Graphical user interface(GUI) Instance Junction table Mainframe architecture Many-to-many relationship Master data Middle ware Mobility On-premise One-to-many relationship One-to-one relationship Partial dependency Presentation logic Primary key (PK) Production (PRD) Quality assurance (QA) Query Record Referential integrity rule Relation Relational database management system (RDBMS) Sandbox Second normal form (2NF) Server Service level agreement(SLA) Software as a service (SaaS)Structured Query Language (SQL)System System landscape Table Thin client Third normal form (3NF) Three-tier client-server architecture Transaction data Transitive dependency Two-tier architecture

"As is" process Authority ambiguity Benchmarking Bottleneck Business process Business process improvement (BPI) Business process management (BPM) Business process

reengineering (BPR) Clean slate reengineering Constrained reengineering Core competency Cycle time

Data duplication Handoff Intermediary Internal control

Manual step Old ways Paper records Process inventory Quality assurance Quality control Rework Role ambiguity Segregation of duties Segregation of duties violation Shared services Technology enabled reengineering "To be" process Value-added activity Walkthrough

Activity "As is" process map Cross-functional flowchart

Decision point Flow time Group interview method

Off-page connector On-page connector One-on-one interview method Phase Process evaluator Process flow line Process implementer

Process map

Process map facilitator Process owner Role Self-generate method Start/stop

Subject matter expert Swim lane Swim lane diagram System Systems diagram (SD) "To be" process map Trigger

Business case Business case rationale Business metric Casual user licensing Change request Concurrent user licensing ERP selection team Fit/gap analysis Full-time equivalent (FTE) Heavy user licensing

Identity and access management (IAM) software Named user licensing Program manager Project charter Project governance Project manager (PM) Project team Reference visit Request for proposal (RFP)

Requirements analysis Requirements document Scope creep Scope management Scope statement Software contract value

Steering committee Subscription-based licensing Total cost of ownership (TCO) Vanilla software Weighted score sheet

A la carte approach Authorization testing Balanced approach Big bang implementation strategy Bolt-on Centerof Excellence (COE) Change agent Change management Conference room pilot (CRP) Configuration Configuration table Conversion Customer-driven approach Customer exit Customization Data cleansing Data collection Data extraction Data harmonization

Data loading

Data mapping testing Data migration Data migration testing Data owner Data scrubbing

Direct cutover implementation strategy Enhancement ETL (Extract, transform, load) Form Incremental implementation strategy Integration testing Interface Modification

Parallel implementation strategy Performance load testing Phased implementation strategy Post-go-live audit Power user

Report Retro-fit

Risk management Software implementation Software installation Stabilization Super user

Train-the-trainer Turnkey approach Unit testing User acceptance testing Vanilla implementation Waved implementation strategy

Accounting cycle Accounts payable (AP) Accounts payable (AP) subsidiary ledger Accounts receivable (AR) Accounts receivable (AR) subsidiary ledger

Activity Activity-based costing (ABC)

Balance sheet

Bill of material (BOM) Chart of accounts (COA) Control account Cost accounting Cost allocation Cost center Cost driver Cost object

Cost pool

Credit management Direct cost Financial accounting General ledger (GL) Generally accepted accounting principles (GAAP) Income statement Indirect cost International Financial Reporting Standards (IFRS) Investment center Liquidity forecast Management accounting

Parallel accounting

Planned trip-to-payment process Product costing Profit center Profitability segment Routing Source document Statement of cash flows Statement of retained earnings Subsidiary ledger Time period principle Transaction Trial balance

Account Association Available to promise (ATP) Back-office system Bill of lading Chief knowledge officer (CKO) Contact Contact-to-contract-to-cash process Customer relationship management system (CRM) Event monitoring Explicit knowledge Field service Front-office system Hybrid approach Intellectual capital Invoice Knowledge

Knowledge base

Knowledge management (KM) Knowledge management (KM) system Lead Lead management Opportunity

Order acknowledgement Order fulfillment Order-to-cash process Organizational knowledge Packing slip Partner channel management Personalization Point of sale (POS) system Predictive modeling Pricing Profiling Prospect

Qualify Quotation Quote-to-cash process Remittance advice Sales order Sales pipeline

Segmentation Social CRM Social media Social media monitoring Tacit knowledge

Active tag Bill of material (BOM) Bin

Blocked stock Capacity plan Cash-to-cash cycle Catalog management Contract management Coordinate Customer independent requirements Cycle counting Dependent demand Dynamic cycle counting EDI translator Electronic data interchange (EDI) Goods/services receipt

Inspection lot Inventory status report Master production schedule (MPS) Material Material requirements planning (MRP) Passive tag Planned independent requirements Procure-to-pay process Purchase order (PO) Purchase order acknowledgment

Purchase requisition Purchase-to-pay process Purchasing plan Quotation Radio frequency identification (RFID) Request for quote (RFQ) Restricted stock Routing Serpentine picking Sourcing Spend analysis Supplier performance management (SPM) Supplier relationship management (SRM) Supply chain

Supply chain management (SCM) Three-way match Tolerance limit Trading partner Transceiver

Two-step picking Unrestricted stock Value-added network (VAN) Vendor managed inventory (VMI) Wave picking Work center

Bench strength Data owner Employee performance management (EPM) Employee self-service (ESS) Human capital Human capital management (HCM) Job pricing

Onboarding Outsourcing Recruit-to-retire process Service provider Succession planning Talent profile

Audit trail Authentication Authorization Availability Biometric software Certified in Risk and Information Systems Control (CRISC) Certified in the Governance of Enterprise IT (CGEIT) Certified Information Security Manager (CISM) Certified Information System Auditor (CISA) Create, read, update, delete (CRUD) Data center control Dual-factor authentication Edit check Identification

Identity and access management (IAM) Impact analysis Information Systems Audit and Control Association (ISACA) Input control

Interface control Internal control IT application control (ITAC) IT control IT general control (ITGC) IT governance

IT risk management Logical access control Multi-factor authentication Negative test Output control Physical access control Processing control

Program change control Reliability Risk management Role Role-based access control (RBAC) Segregation of duties (SoD) Systems implementation assurance (SIA) Unqualified audit report

Alert

Balanced scorecard (BSC) Big data Business analytics (BA) Business intelligence (BI) Corporate performance management (CPM) Dashboard Data Data governance

Data governance committee Data life cycle management Data mart Data mining Data quality Data visualization Data warehouse

Enterprise performance management (EPM) Key performance indicator (KPI) Knowledge discovery Lagging indicator Leading indicator Predictive analytics Predictor Report Query Query by example (QBE) Scorecard Strategy map Structured data Unstructured data Value driver