

Introduction to Small Business ERP System Implementation

Objetivo

This presentation aims to show both the benefits and the difficulties of implementing an ERP system in small businesses. Why a company chooses to implement this type of system and the transformations it brings to the company.

Motivation

Some studies show that in 2015 Brazil will have around 9 million micro-enterprises (Sebrae-SP MSE Observatory), which takes one company for every 24 people.

Based on this growth, these companies to sustain themselves need to have better and more secure control of their information. This is the proposal of an ERP system.

Content

ERP's (Enterprise Resource Planning "Enterprise Management System" is software that allows the existence of a unified information system for all areas (Finance, HR, Marketing, Production, etc.) of a company.

It integrates and promises a single database, an application and an interface for the entire company to improve its processes. This optimized information system quickly delivers information correctly, securely and without contradiction.

The company gains agility in the flow of information that generates several advantages such as: improvement in stock turnover or cost reduction with the consolidation of information.

- ERP was built to be platform independent, offering a client/server architecture as well as a graphical user interface.

History

— 50's - first control made through mainframes, but its cost was very high and its automation was slow.

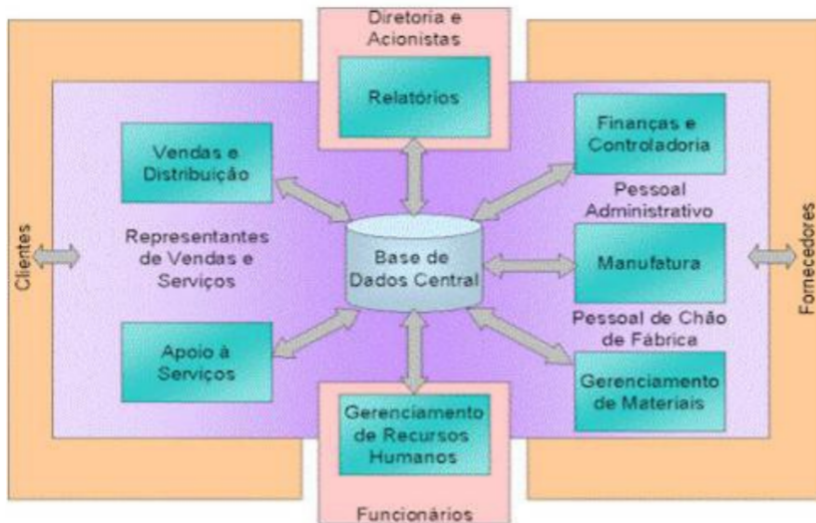
— 1970s - MRP (Material Requisition Planning or planning of material requisitions) and MRP II (Manufacturing Resource Planning, planning of manufacturing resources). Predecessors of ERP systems

— The 1980s – Streamlined the communication processes between the company's sectors. Inclusion of management packages (financial, sales, commercial, human resources, etc.)

— 1990s – The ERP nomenclature gained strength due to the development of communication networks between computers, the spread of client/server architecture with competitive prices without the need for the use of mainframes.

Features

- It serves all areas of the company;
- Allows the integration of all areas of the company;
- Supports the need for information from the areas



Aspects relevant to successful implementation

The term implementation in this work comprises the ERP adoption process, involving the selection, implementation and tests that must be planned, and going through stages of analysis of the needs of the company and the system itself, in accordance with the strategic use.

Expected results

The results are only noticed after a certain amount of time using the system. If the focus is maintained by concentrating efforts on obtaining system results, the survey reveals that companies will feel the benefits of ERP after some time of use, as the potential of its use is perceived.

Marketplace

The market for ERP software has grown at an accelerated pace in recent years. The industries represent the market segment that spent the most in the implementation of these systems in Brazil and in the world.

From 1997 until today, medium and small industries have reserved a large part of their investments in ERP systems.

In the Brazilian market, SAP is the leader in the large companies segment. The dispute will now be for the medium and small market, where it is not defined whether the high cost of implementing the ERP compensates for those with a turnover of less than 250 million dollars. In this competition for the market, SAP has as competitors companies such as Datasul, Oracle, J.D.Edwards, Peoplesoft, Baan, SSA and IFS

Barriers and Difficulties

1. Hiring an experienced team:

- difficulty in providing service by the supplier: vendor response time is slow, technical support is inadequate, consultant is unprepared;
- External consultancy is expensive and the project has to be well monitored, involving people with technical and business knowledge.

2. Employee resistance:

- adaptation to changes in the work routine resulting from the introduction of the system;
- resistance from senior management and older employees for not having basic computer skills;
- employees without technical qualifications to support and use the system;
- lack of reliability in the information extracted from the system.

Final considerations

An ERP system divides the company into sectors, creating a module to control each sector, in order to facilitate control. These sectors can be Finance, HR, Marketing, Production etc, depending on the branch of the company. Data entries are made by users in each area, who may have restricted access to some information, depending on their hierarchy within the company