Innovation Management - DBM





- ERP software is a large suite of integrated applications that manage everyday business processes and automate back-office functions.
- It's designed to centralize and optimize operations with its connectivity while reducing manual labor.

- An system to tie in customers and suppliers
  - 1. Allows automation and integration of many business processes
  - 2. Shares common data bases and business practices
  - 3. Produces information in real time

Coordinates business from supplier evaluation to customer invoicing

### Primary benefits:

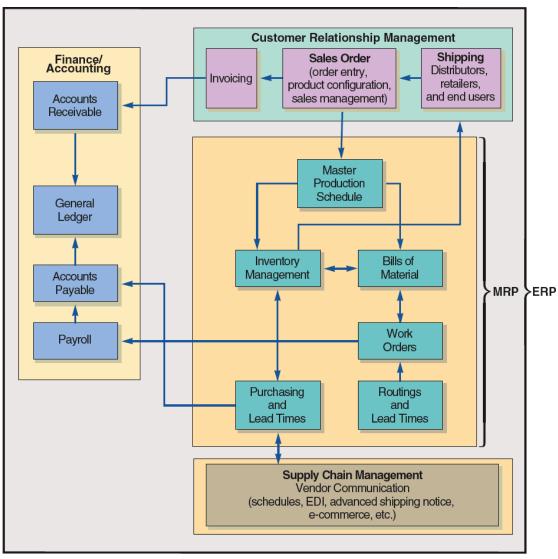
- Saves Costs
- Better Planning
- Improves Productivity
- Boosts Department Collaborations
- Enhances Customer Service

- ERP modules include
  - Basic MRP
  - Finance
  - Human resources
  - Supply chain management (SCM)
  - Customer relationship management (CRM)
  - Sustainability

- ERP systems have the potential to
  - Reduce transaction costs
  - Increase the speed and accuracy of information
- Facilitates a strategic emphasis on JIT systems and supply chain integration
- Can be expensive and time-consuming to install

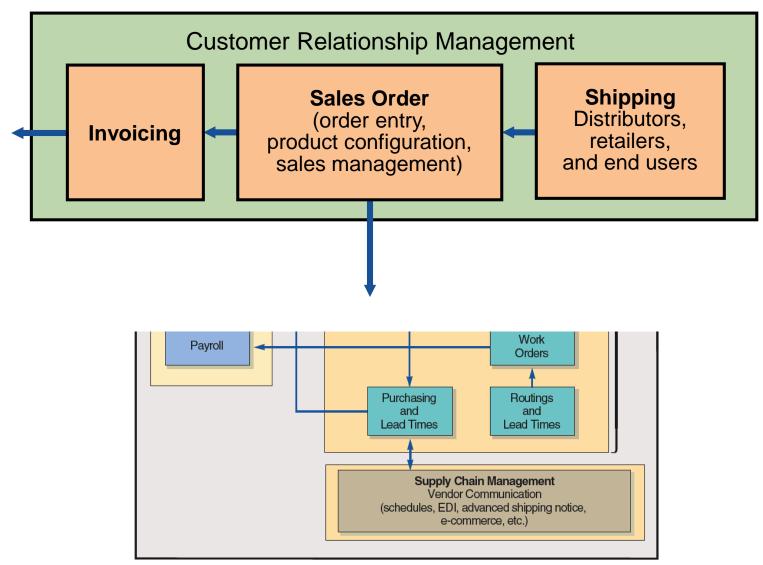
Figure 14.10

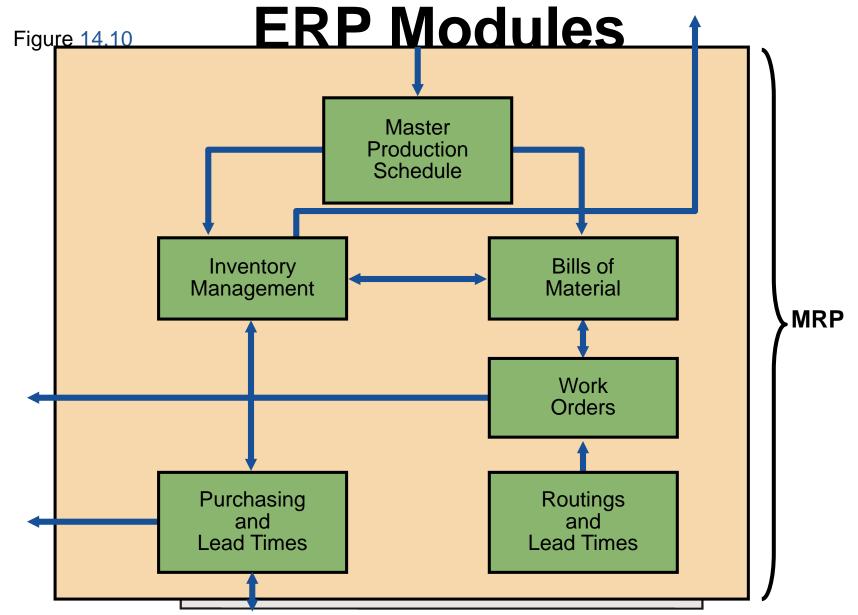
### **ERP Modules**



#### Figure **14.10**

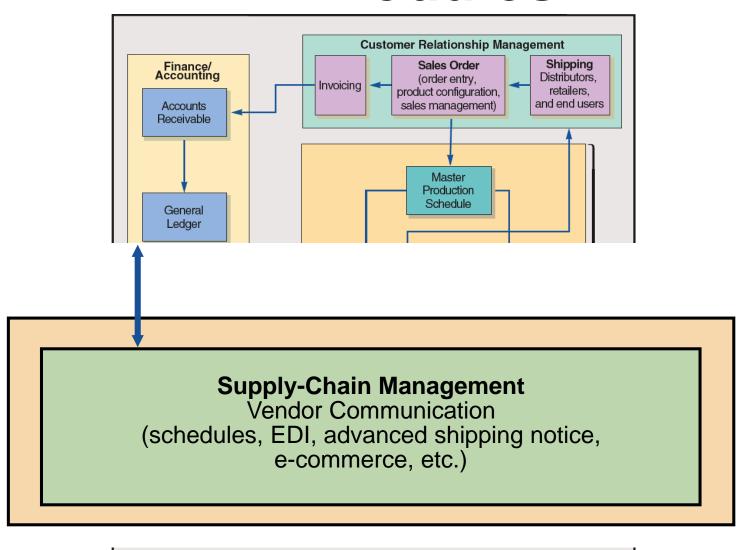
## **ERP Modules**

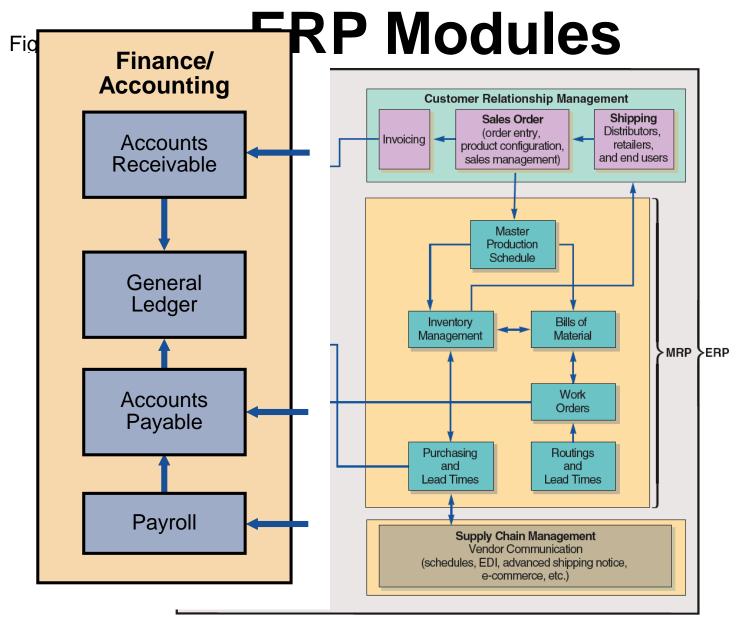




#### Figure 14.10

### **ERP Modules**





### SAP's ERP Modules

**CASH TO CASH** 

Covers all financial related activity:

Accounts receivable
Accounts payable

General ledger Treasury Cash management
Asset management

#### PROMOTE TO DELIVER

Covers front-end customer-oriented activities:

Marketing

**Quote and order processing** 

**Transportation** 

**Documentation and labeling** 

After sales service

Warranty and guarantees

#### **DESIGN TO MANUFACTURE**

Covers internal production activities:

Design engineering

Production engineering

Plant maintenance

**Shop floor reporting** 

Contract/project management

Subcontractor management

#### RECRUIT TO RETIRE

Covers all HR- and payroll-oriented activity:

Time and attendance

**Payroll** 

Travel and expenses

#### **PROCURE TO PAY**

Covers sourcing activities:

**Vendor sourcing** 

**Purchase requisitioning** 

**Purchase ordering** 

**Purchase contracts** 

**Inbound logistics** 

Supplier invoicing/matching

Supplier payment/

settlement

**Supplier performance** 

#### **DOCK TO DISPATCH**

Covers internal inventory management:

Warehousing

Distribution planning

Forecasting

Replenishment planning

Physical inventory Material handling

### **ERP in the Service Sector**

- ERP systems have been developed for health care, government, retail stores, hotels, and financial services
- Also called efficient consumer response (ECR) systems
- Objective is to tie sales to buying, inventory, logistics, and production

