ENTERPRISE RESOURCE PLANNING

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https://www.slideshare.net/SiddharthModi1/complete-knowledge-of-enterprise-resource-planning-best-ppt

What is ERP?

Definition:

- ENTERPRISE RESOURCE PLANNING(ERP) is a cross-functional enterprise system driven by an integrated suite of software modules that supports the basic internal business processes of a company

What is ERP?

- The practice of consolidating an enterprise's planning, manufacturing, sales and marketing efforts into one management system.
- Combines all databases across departments into a single database that can be accessed by all employees.
- ERP automates the tasks involved in performing a business process.

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Before ERP example

CUSTOMERS

Order parts

Ship parts.

Sales dept.
Demographic Files

Sends report

Accounting dept.
Accounting Files

Vendor

Ship parts.

Ship parts.

We ordered parts

Call back "not in stock"

Check for parts

Warehouse
Inventory Files

"we ordered parts"

"we need parts"

Place order

Sends report

PURCHASING

Purchasing dept.
Purchasing Files

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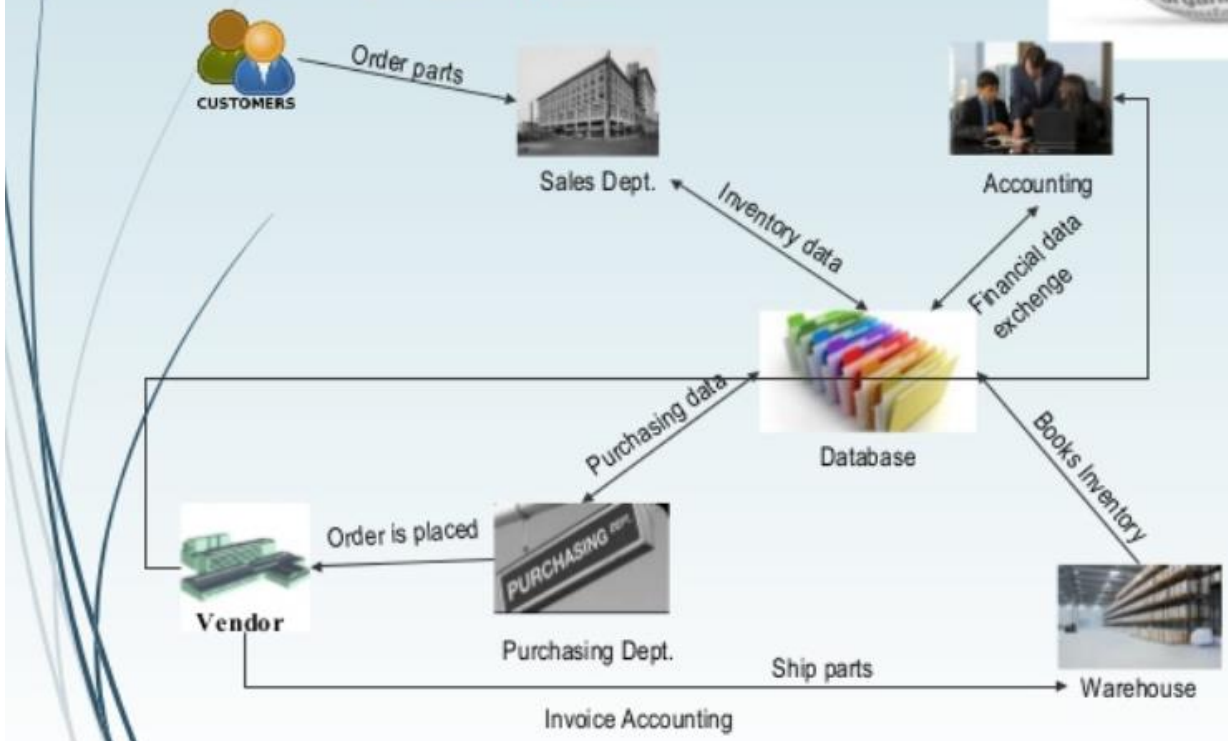
Centralized System : ERP example

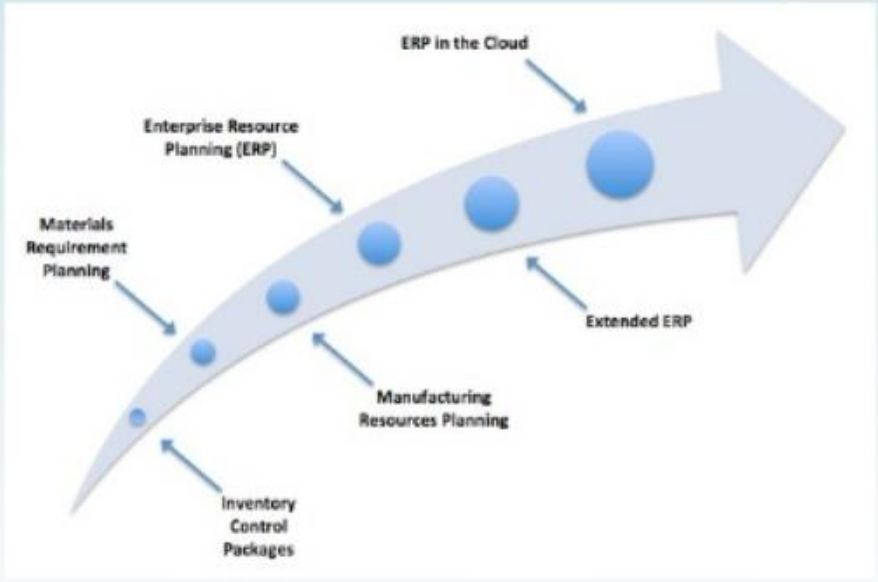


ERP Application Components

Source : https://www.linkedin.com/pulse/20140926221018-366028342-10-emerging-trends-in-erp

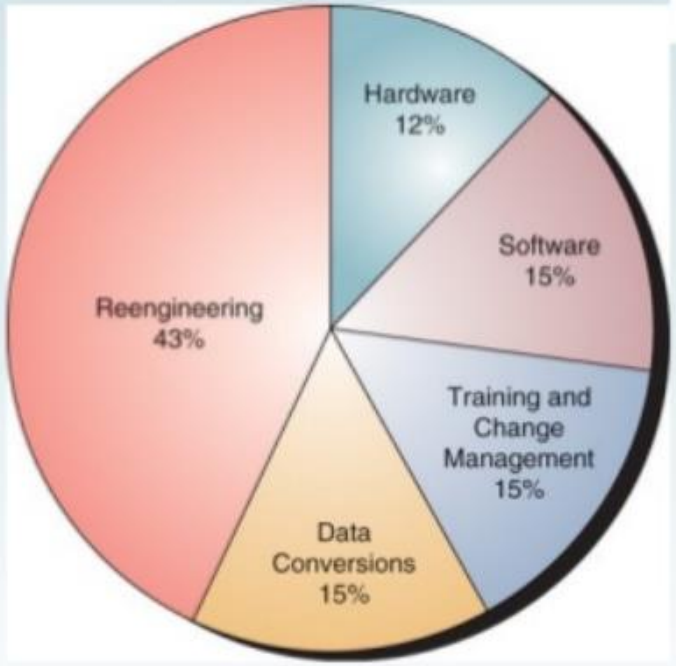
ERP Evolution

From manufacturing co-ordination to enterprise wide backend solutions.



Costs of ERP

manufacturing
customer
ERP
data
management
organization


Hardware
12%
Software
15%
Training and
Change
Management
15%
Data
Conversions
15%
Reengineering
43%

Hidden Costs of ERP

- Training
- Integration and testing
- Data conversion
- Data analysis
- Consultants
- Replacing best and brightest staff after implementation
- Implementation teams can never stop
- Waiting for ROI
- Post-ERP depression

ERP Implementation

- Biggest IT project that most companies ever handle,
- Changes the entire company, and
- Has repercussions in all departments and divisions of the organization.
- It is essential that all the key players understand the scope of the project.
- This is an **IT-Related** Project.