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# What is erp

ERP stands for Enterprise Resource Planning. It is a type of business software that organizations use to manage day-to-day business activities, such as accounting, procurement, project management, human resources, and supply chain operations.

ERP software provides a single, integrated view of a company's data and processes, which helps organizations make better decisions and operate more efficiently. Instead of relying on separate, siloed systems for each business function, an ERP system centralizes all data and processes into one comprehensive solution.

ERP systems can be customized to fit the specific needs of an organization, and they can be deployed either on-premises or in the cloud. The implementation of an ERP system can be a complex and time-consuming process, but it can bring significant benefits, such as increased productivity, better decision-making, and improved customer service.

# erp different from conventional software packages and programs

ERP (Enterprise Resource Planning) software is different from conventional software packages and programs because it integrates a wide range of business processes and functions, such as finance, human resources, supply chain management, inventory control, customer relationship management, and more.

* To compare ERP with traditional accounting software, it's necessary to define ERP first. ERP stands for enterprise resource planning and is a comprehensive software package that covers all aspects of your business operations, including accounting, manufacturing, marketing, and human resources. In contrast, accounting software only handles accounting aspects. While both cover banking, financial reporting, accounts payable, and accounts receivable, ERP has additional modules for various business functions, making it more comprehensive than any accounting software
* Accounting software is limited in its ability to provide real-time data because it cannot communicate with other software programs. In contrast, ERP systems consolidate all aspects of your business, streamlining your business processes and eliminating the need for multiple software programs. This reduces the chance of errors and provides immediate access to data. Furthermore, many ERP systems offer cloud-based programming, which allows you to access your data from anywhere at any time.
* This next point is important to consider regardless of which solution you choose. GAAP, or Generally Accepted Accounting Principles, is a set of commonly accepted methods for recording and reporting financial information, as well as authoritative standards set by policy boards. GAAP compliance is necessary for accurate financial reporting. However, both standalone standard accounting software and ERP solutions may not be GAAP compliant, and even if they are, it may be challenging to navigate and use the compliance features correctly. Therefore, it's important to inquire whether the software you choose can help you comply with local tax laws, financial regulations, and GAAP standards.
* This statement implies that standard accounting software lacks the ability to cater to industry-specific needs. While software companies may design their accounting software to be "one-size-fits-all," this approach provides little value to consumers who require industry-specific solutions. For example, standard accounting software may not have the capability to track inventory, and users may need to install third-party add-ons that may not effectively address their needs. However, industry-specific ERP solutions offer more specialized accounting features that can be more beneficial to users on a daily basis.
* Accounting software is solely dedicated to accounting functions and does not include any customer service management features. This can result in difficulty keeping track of all the numbers. For example, if you have to apply a discount to a customer’s order due to a complaint, you have to enter the change into a whole new system, which may cause errors.In contrast, an ERP solution includes a seamless CRM module that combines all elements, including accounting and customer service. You can access all previous customer interactions, update their information, and more. With an ERP, you get more capabilities than you would with standalone accounting software and a more streamlined experience overall.
* ERP vs. EPM
  + You may also be curious about the distinction between ERP and EPM, or enterprise performance management, and how they compare to other programs in your business. EPM solutions complement your ERP and often replace spreadsheets. They can be used for budgeting, management reporting, financial consolidation, and other purposes.
  + Compared to ERP, EPM can typically be implemented more quickly because it is less comprehensive. Using EPM software can significantly benefit your finance department and CFO in developing budgets and goals.
* ERP vs. SCM
  + There's often confusion about the difference between ERP, SCM, and CRM in the business world. SCM, or supply chain management, deals with external operations involving connected manufacturers and individuals. In contrast, ERP is an internal solution that combines all aspects of a company, whereas SCM programming focuses on the supply chain and is more specialized. Additionally, SCM is more relationship-based, whereas ERP is task-based and centrally focused.
* ERP vs. CRM
  + To get more insights about your customers, you can use customer relationship management (CRM) software to manage their data, forecast sales, and create targeted marketing campaigns. However, compared to ERP, which covers different parts of your company in a centralized way, CRM's scope is more limited, as it only deals with customer-facing operations

# ERP implementation life cycle

Implementing ERP is a big project and should be done one step at a time. Even though each company's ERP implementation process is different, there are eight standard stages that all companies go through. These stages are very important for the success of the project. The time it takes to complete each stage may vary depending on your personal decisions, but it usually takes around six months to one year to complete the whole process. It is important to complete each step fully before moving on to the next one to make sure that the project is built on a solid foundation.

* Planning and Organization  
  it is about getting ready before choosing an ERP system. You need to get approval from your leaders and IT team to start the project. You will also need to put together a team of people from different departments to help with the project. Lastly, you need to decide how you want to set up your ERP system, such as using a cloud-based, private cloud, or a mix of both.
* System Selection
  + You need to convince your team members that the new ERP technology will be good for them and the company, just like you convinced the leadership team. Some employees may not like the idea of changing the way they work, so you should address their concerns and explain how the ERP system will benefit everyone.
  + Create a plan for the project together with your team responsible for implementing the ERP system. The plan should include assumptions, costs, deadlines, and specific objectives.
  + Selecting an ERP vendor is equally important as choosing the software. You need to partner with a trustworthy vendor and avoid being convinced by deceitful partners.
* Installation
  + What happens in this step depends on the type of ERP deployment you selected in Step 1. If you decided to go with a cloud-based ERP solution, you won't need to install any software and there won't be much time needed for installation. If you opted for a private-cloud or hybrid model, it may take several days to weeks to receive the hardware and software, and to install the software and other necessary infrastructure components.
* Data Migration
  + After installing the chosen ERP system, you need to check the company data to ensure it is accurate and delete any duplicated or unnecessary data. Then you have to transfer all of your company data to the new ERP system's database, which includes important files such as customer, vendor, and item master files, production facilities and routing information, and general ledger charts of accounts. Prior to the system's official launch, all ongoing transactional data will be converted and/or transferred to the new ERP software.
* Training
  + During the ERP implementation process, certain employees (such as members of the IT and finance teams) should receive specialized training so they can become experts in using the software. These employees will then be able to teach others how to use the software and answer any questions that arise after the implementation is complete. All other employees will also need to be trained on how to use the new system to perform their specific job functions.
* Testing and Validation
  + In this step, you need to develop and execute a testing plan to check if the ERP system is suitable for your business needs or requires modifications. IT resources should be used to ensure that the system is working correctly and that all migrated data is accurate. This process helps to ensure user acceptance and proper functionality.
* Go live
  + When you're ready to implement the ERP system throughout your company, you can choose from three approaches that best suit your context. These include:
  + Big Bang: where the new ERP system is activated and used exclusively going forward.
  + Phased: where the new ERP system is activated in phases to minimize disruptions in operations.
  + Parallel: where both the legacy system and the new ERP system run at the same time.
* Ongoing Improvements and Feedback
  + Implementing an ERP system doesn't stop after Go Live. As your employees use the software and as your business evolves, you'll gather feedback and make ongoing adjustments to the system. So, it's essential to choose an ERP solution that can adapt to your changing needs.

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