Brief Review
on
Components and indicators
Which influences
on
ERP Development System

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

Before ERP examples:- Vendor Sales dept. Demographic Files Warehouse Inventory Files Purchasing dept. Purchasing Files Accounting dept. Accounting Files Order parts Checkforparts Callback"notinstock" Weorderedparts "weneedparts" "weorderedparts" Place order Sends report Ship parts. Sends report Callback"notinstock" Weorderedparts Ship parts. Ship parts.

Typical Business Process : Key observation ☐ A typical enterprise has many Departments/ Business units(BU). ☐ These Departments/ BU continuously communicate and exchange data with each other.
☐ The success of any organization lie's in effective communication and data
exchange within the Departments/ BU as well as associated third party such as
Vendors, Outsourcers and Costumers.
☐ Also known as Decentralized System.
Problems with Decentralized System
☐ Numerous disparate information system are developed individually over the
time.
☐ Integrating the data becomes time and money consuming.
☐ Inconsistencies and duplication of data.
☐ High inventory, material and human resource cost.
Vendor Order parts Sales Dept. Accounting Purchasing Dept. Warehouse
Database Inventory data Purchasing data Ship parts Books Inventory Order is
placed Invoice Accounting Financial data exchange Centralized System : ERP
example

Centralized System: Key observation

☐ Data is maintained at a central location and is shared with various
Departments.
☐ Departments have access information/ data of the other Departments/ BU/
Benefits of Centralized System 9
☐ Eliminates the duplication, discontinuity and redundancy in data.
☐ Provides information across departments in real time.
☐ Provides control over various business processes.
☐ Increase Productivity, better inventory management, promotes quality,
reduced material cost, boosts profits.
☐ Better Customers interaction, increased throughput, improves customer
services.

ERP Application Components Source :

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

ERP Components

 \Box Financial Management At the core of ERP are the financial modules, including general ledger, accounts receivable, accounts payable, billing and fixed asset management.

If your organization is considering the move to an ERP system to support expansion into global markets, make sure that multiple currencies and languages are supported, as well as regulatory compliance in the U.S. and in foreign countries.

Other functionality in the financial management modules will include budgets, cash-flow, expense and tax reporting. The evaluation team should focus on areas that are most important to support the strategic plans for your organization.

ERP Components

□ Business Intelligence Business Intelligence (BI) has become a standard component of most ERP packages. In general, BI tools allow users to share and analyse the data collected across the enterprise and centralized in the ERP database. BI can come in the form of dashboards, automated reporting and analysis tools used to monitor the organizational business performance. BI supports informed decision making by everyone, from executives to line managers and accountants.

□ Supply Chain Management Supply Chain Management (SCM), sometimes referred to as logistics, improves the flow of materials through an organization by managing planning, scheduling, procurement, and fulfillment, to maximize customer satisfaction and profitability. Sub modules in SCM often include production scheduling, demand management, distribution management, inventory management, warehouse management, procurement and order management.

ERP Components



