

Enterprise : Company/Business, enterprise means group of people works together to achieve common goal with the help of resources

Resource: Anything which is used to run an enterprise/company. For example men, material, machines, money etc.

Planning: means optimum utilization of organizational resources. It also include what we want to achieve and how it will be achieved?

What is ERP

Enterprise resource planning is a software which provides infrastructural support for integration of day to day business activities with the aim of optimum utilization of enterprise (organizational) resources. No of departments works in an enterprise e.g. production, procurement, inventory management, HR, Finance, sales, marketing etc.

ERP provide centralized database over which every department share their data.

Every department has own database, and to get access to other department data it usually takes time due to which decisions are delayed, resources are not efficiently used. ERP solve the problem by providing a central database for all department.

Needs / Importance of ERP SYSTEM

- Integration of Business
- Fast and easy flow of information
- Critical decision making
- Forecasting
- Reports generation
- Improved collaboration
- Better resource management
- Improved productivity
- Sustainable competitive advantage

Modules in ERP :

- HR
- Marketing
- Finance
- Production
- Inventory Management
- Quality Management

Feature of ERP

- Flexible (changes can be accommodated easily)
- Modular (combination of different module like HR, Marketing)
- Best business practice
- Minimize human efforts
- Comprehensive
- Facilitates strategic planning
- Easy to use

Advantages

- Better resource utilization
- Fast decision making
- Cost reduction
- Better customer service
- Improved Efficiency
- Forecasting is easy

Disadvantages:

- It is expensive
- Difficulty in implementation, it takes time.
- Difficulty in integration.

