Erp implementation methodologies

Different companies may install the same ERP software in totally different processes. The same company may implement different ERP software in the same approach. There are three commonly used methodologies for implementing ERP systems. The Big BangCompanies layout a grand plan for their ERP implementation. The installation of ERP systems of all modules happens across the entire organization at once. The big bang approach promised to reduce the integration cost in the condition of thorough and careful execution.

This method dominated early ERP implementations, it partially contributed the higher rate of failure in ERP implementation. Today, not many companies dare to attempt it anymore. The premise of this implementation method is treating ERP implementation as the implementation of a large-scale information system, which typically follows SDLC (Systems Development Life Cycle). But an ERP system is much more than a traditional information system in the fact that the implementation of ERP continuously calls for the realignment of business processes.

Many parties involved in ERP software systems are not IT professionals. ERP more than automates existing business processes. ERP transforms the business processes. Modular ImplementationThe method of modular implementation goes after one ERP module at a time. This limits the scope of implementation usually to one functional department. This approach suits companies that do not share many common processes across departments or business units.

Independent modules of ERP systems are installed in each unit, while integration of ERP modules is taken place at the later stage of the project. This has been the most commonly used methodology of ERP implementation. Each business unit may have their own " instances" of ERP and databases. Modular implementation reduces the risk of installation, customization and operation of ERP systems by reducing the scope of the implementation. The successful implementation of one module can benefit the overall success of an ERP project.

Process-Oriented ImplementationThe process-oriented implementation focuses on the support of one or a few critical business processes which involves a few business units. The initial customization of the ERP system is limited to functionality closely related to the intended business processes. The process-oriented implementation may eventually grow into a full-blown implementation of the ERP system. This approach is utilized by many small to mid-sized companies which tend to have less complex internal business processes.