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CRITICAL SUMMARY OF PHARMA INC. ERP IMPLEMENTATION SYSTEM By

Location Introduction Extensive research has been documented in the past concerning enterprise resource planning (ERP) systems. The research has established that significant benefits could accrue to the organizations implementing these systems. On the other hand, many implements are never conclusively successful. Apart from supporting and automating business transactions, ERP systems can lower operational costs and improve integration of data and operations (Röthlin, 2010, p. 105). The degree to which an organization prepares for the implementation of an ERP project influences the problems they encounter and the benefits they sought to achieve (Adam & Sammon, 2004, p. 140). Also, the short-term solutions applied to the problems experienced during the implementation of ERP systems have substantial side effects whenever the systems go live. The essay presents an investigation into the management strategies adopted by the Pharma Inc. project team in their efforts to stimulate what is now referred to as the best practices of ERP implementation.

Case study

The case involves a multinational pharmaceutical firm that decides to implement specific technical skills (SAP) to a large number of worldwide sites (Tan & Payton, 2010, p. 77). The single instance SAP is implemented through the manufacturing subsidiary department of the Pharma Inc. Ideally, the manufacturing subsidiary is termed a 'primary site' since it produces active ingredients used in other secondary sites that tablet and package the drugs. One attractive feature in this case study is that previous ERP implementation was only carried out on secondary sites. The manufacturing

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subsidiary in this case study was the first primary site to be implemented based on the new SAP system. Based on the skills gained in developing the global template, project members were solicited by the Pharma Inc. team to assist in the rollout of other primary sites.

Analysis

The overall level of preparation done by the project team members on the local site was right. The success of the project was encouraged by the fact that other manufacturing sites had already gone live based on the global template of an ERP system (Tan & Payton, 2010, p. 246). Project members understood that their primary objective was to comply with the industry standards in order to withstand any audit from the Food and Drug Administration. From this point of view, the project was seen as a necessary investment to avoid extra costs. All the stakeholders involved agreed in unison that the benefits derived from the ERP system would for the greater good of the multinational corporation. No particular advantage was attached to the particular local site.

During the early stages of development, project team members were uncertain about the tasks at hand. They feared the SAP would endanger the work accomplished in the previous years (Anderson, et al., 2009, p. 461). They perceived their objectives as being far-fetched from what other Pharma Inc. sites had achieved in terms of key performance and customer satisfaction. The local management was worried about the thinking that global roll-out of the ERP system would affect their customer satisfaction rating (Grembergen & Baker & Taylor, 2004, p. 161). But, their impression of the project was slowly reversed over time. Core competencies that made the

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project team noticeable from other subsidiaries include customer responsiveness, new product introduction, 'can do' attitude, innovation, research and development, manufacturing knowledge and ability as well as project delivery track record.

Conclusion

The success rate of ERP systems can never be high by investing in huge sums of money. The case study on Pharma Inc. illustrates the best practice in implementing a reliable ERP system. In particular, the project shows the importance of proper project governance and the necessity for multi-level structure spanning for local and corporate levels involved in the implementation process. Also, it shows how good selection of team members can inspire the successful implementation of an enterprise resource planning system.

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