

Erp (sap) processes and functions in a company

[Business](#), [Company](#)



Nestlé's SAP functional components are discussed at large for this illustrate the ERP components for the enterprise and observe the integration achieved for the company and its subsequent benefits. The first section discusses the change management that was taken care at large for Nestle and involves a discussion of the various points of concern are discussed for that purpose. The purposes for SAP implementation and the consequences of change are discussed at large.

The second section focuses on the procurement and the inventory management for Nestle which is one of the most crucial parts of their business to control cost of products and enrich its quality. The third section discusses on the materials planning and manufacturing execution of Nestle and surface for better planning and forecasting using the SAP software.

The fourth section concentrates on human capital management which primarily focuses on hiring and retention of talent for using them at advantage for Nestle. The fifth section labels the sales order and the financial accounting of the firm which concentrates on financial part for managing all investments and their allocation of time, effort and money.

The last section takes up management accounting and project management to optimize the execution of projects and manage schedules, costs and resources. Finally the merits and demerits of SAP implementation at Nestle are pronounced at this stage to mark the success and failure components and watchful eye in future.

Nestle is one of the largest manufacturing companies in the area of food products with one of the largest chain of 200 operating countries in 80

countries around the world. It had taken up SAP ERP to manage its global operations with \$200 million contract with SAP and an additional \$80 million for consulting and maintenance to install an ERP (Enterprise Resource Planning) system for its global enterprise (Worthen, 2002). The SAP ERP maintained by the enterprise consist of a single database for a variety of business functions such as Manufacturing, Supply Chain Management, Financials, Projects, Human Resources and Customer Relationship Management (Worthen, 2002).

Nestle, headquartered at Switzerland has taken full advantage of the centralized feature of SAP to bring together 200 operating companies and subsidiaries in 80 countries on the same page. The SAP functional modules are used extensively in every business process that they behold. The SAP project has saved them not only the visible costs, but the costs arising due to effort and time. They have saved over \$325 million and the number is rising every year (Worthen, 2002).

The change management process would not be too hard to implement as they already have taken a great initiative in implementing the SAP system (Hayes, 2006). The very process to curve out and implement SCM and CRM with direct integrations with the ERP system would make the change management principal work really well (Hindu. com, 2008). The various points of concern would be high lightened as follows:

Nestle has evolved with their SAP system and have reaped the benefits in their distribution channel quite well. This success has led them to understand their business penetrations well and their need to have a SCM system in place to manage the supply chain of its preliminary process and also the

product distribution process. E-Commerce has been identified as a cost-effective solution to interconnect with various geographical locations catering effectively to the 200 operating companies of Nestle.

Thus accessibility and managing the process transformation and product delivery management are some of the crucial demands of Nestle which it desires to manage with SCM and E-Commerce business processes (Erpwire.com, 2008).

The various assumptions taken in the process is to bring every process and resource into the system which would enable a strict control on their working mechanism and detail their operations. Such assumptions are questioned over time for a successful process for change and embalm the present processes for their benefits and goodness.

The various teams of Nestle who previously fought with various knowledge issues on their working principal needs to be understood better for their functions. The primary analysis of their business process involvement and direct and indirect penetrations would ensure better management of the current processes which Nestle desires to imbibe into their business namely SCM and E-Commerce. The various teams of the Nestle enterprise would be the primary source of information.

The business functions would be rather revolutionized and undergo some framework changes to envelop better ways to do so. There would not be severe changes but at the same time the implementation of the B2B and B2C model in their E-Commerce initiative would be introduced and integrated with their present ERP-SAP modules.

The primary purpose was to exercise control over the large scale global operations and optimize the invisible costs arising due to time and effort of performing various business processes and data exchange among each other. The reduction of cost, reduction in business process lead time and change. The very concept of binding a large enterprise with various operating grounds all over the globe is taken care by SAP.