

Potential value to managers of it

Technology



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This article provides a glance of ERP Systems to IT managers who are in the process of deciding ERP Packages for their organization. This article also discusses the factors that should be considered while migrating to an ERP system from the existing The article provides effective input to the IT managers for choosing database - Microsoft SQL or Oracle and discusses the potential benefits and concerns associated with each database.

Finally the article gives an idea to IT managers regarding security modules used in ERP solutions. I fully agree with the article that database should be meticulously chosen because a lot depends on it and the choice of the database affects the performance of the ERP system. I also agree that while choosing ERP packages such solutions should be chosen which can address the undergoing changes in the business world like merger, acquisition etc. I also agree with the authors concern about the security module of ERP packages.

Finally I would support the author that the new ERP provider should be able to convert the existing ERP data to its new system with minimal effort, that is, by using data translators, scripts and useful programming techniques.

This article left little to disagree with; it contained very few opinions and has left some major questions un-answered. The article was mostly focused on giving a glance about ERP systems to the IT managers and fails to address some major issues.

In addition the article says that only a two-member team is required for generating reports and solving minor problems that surfaces up when a lot of varied data is in the database, which is true in case of a small / mid-sized

company. However if ERP is implemented in a big company a team of two members shall be too small unless some outsourcing agents or ASPs are hired. Finally I feel that the article has been written with the assumption that organizations implementing ERP are already equipped with all the other factors which are responsible for successful implementation of ERP.

With this assumption the article did not make an attempt to address the issues related to it. My contention is that such important factor should not be assumed. Companies have spent fortunes on ERP software and implementation only to find that business performance has not improved at all. These large investments and negative ROIs have created a whirlpool of controversy, rampant company politics and even a number of lawsuits. Much of the time, ERP software vendors are the targets for blame when anticipated results do not materialize.

It is often argued that ERP system logic is sometimes illogical, functionality is missing, and functions perform poorly and so on. But accountability for ERP software selection and implementation usually lies to varying degrees with internal personnel and often with external consultants. Selecting and implementing a new ERP system, and the process changes that go with it, is unquestionably a complex undertaking. Regardless of the size and perceived resources, an ERP implementation is not something that should be approached without a great deal of careful planning.

The purpose of ERP technology is to support the business processes that support the company's strategic opportunities. No amount of advanced information technology can offset the problem of a flawed business strategy

and poorly performing business processes. Business strategy that would give a competitive advantage should be defined after analyzing the current business process. Once this step is done, ERP software selection and implementation can support the strategic and process objectives better. In addition, Flexible ERP information technology should be acquired that can accommodate rapidly changing business conditions.

Finally the implementation should be led by a senior executive who has the authority to make changes happen quickly. Management generally has a limited knowledge of what to expect from ERP. Often, there is a misconception that the skills necessary to select and implement ERP already exist in the organization. That may be partly true, but few organizations have the skills they need to implement ERP effectively within a reasonable timeframe. Consultants may be able to fill some of the skills gap, but given the high risk involved, it's important to make sure they're genuinely qualified.

Another commonly overlooked area is the issue of information technology change. Often, the IT infrastructure changes required to implement a new ERP system are not given the high priority these technology issues deserve. Certainly, implementing ERP should be driven by business issues, not technology. But it is IT's understanding and skills that support the technology that improves business processes. Ignoring the preparation and education new information technology requires is asking for trouble. Further, IT personnel often must make the technology transition quickly.

If the technology and infrastructure transition are not done well, the project, at the very least, will be delayed. Evaluating and selecting ERP software is a complex task. The process requires an objective and comprehensive methodology to guide you through the selection process. It means a thorough evaluation and selection process based on the company's own strategy and business process model. In some companies, management is so preoccupied with other, seemingly more important activities that ERP is delegated completely to the IT department.

The idea that this is strictly a technology project because software is involved is wrong and, in fact, is one of the leading causes of ERP failure. The IT function is not well-positioned to evaluate the business implications of various tradeoffs or to determine their impact on day-to-day operating results versus strategic intent. Certainly, this shouldn't be the case as operating decisions belong with senior operating management and not IT. The ERP software search, evaluation and selection process must be done right to minimize this risk.

Successfully implementing ERP the first time requires a structured methodology that is strategy, people and process-focused. This is the only way to manage the risk effectively. One very common mistake is not having the employees prepared to use the new processes and support system. The consequence here can range all the way to total failure, but they are avoidable. Evaluate your business strategy and ERP plan before you commit to software acquisition and installation. Doing it right the first time is the only cost-effective way to go.