Erp in rolls-royce

The paper " ERP in Rolls-Royce" is a wonderful example of an assignment on business. Rolls-Royce, a global business with facilities over 14 countries offering a wide range of products such as aero propulsion and industrial gas turbines, power generation, etc. and after sales service. Rolls-Royce had over 1500 legacy systems, such as MERLIN (Mechanised Evaluation of Resources, Logistics, and Inventory), that did not provide accurate, consistent and accessible data to enable good and timely decision making. These systems were stand alone and could not communicate with other systems. Rolls-Royce decided to undergo an enterprise-wide (covering all plants) IT implementation project with EDS to overcome their current problems with legacy systems. They faced the following three problems during IT implementation. 1) Cultural problems – Reluctance to adapt to the new system because of familiarity and dependence on the old system. Resolution by IT training. 2) Business problems – SAP R/3 required rigid business structure. Resolution by Business Process Reengineering. 3) Technical problems – Retrieval and formatting of data from old legacy systems. Resolution by SAP solution. The following were the implementation stages: 1) Phase 1 – Scope of the project and plan was prepared. ERP Core Team was formed to control and oversee implementation.

2) Phase 2 – Detailed plan and prototype installed. Enterprise model based on Rolls-Royce Allison was developed and all projects merged.

3) Phase 3 – Implementation in two waves concerned with changing working practices.

a. Wave 1 – Replacement of legacy systems. Introduction of Integrated Program Management (IPM) and Shop Floor Data Management (SFDM).

b. Wave 2 – Older systems gradually replaced by IPM.

4) Changes to the existing system

a. Suite 1 – Plan the supply chain. Schedule of key programmes.

b. Suite 2 – Plan and schedule factory. Schedule the shop.

c. Suite 3 – Operate the factory.

5) ERP Pilot – Small-scale pilot runs for 3 months. Creation of new roles; MRP controllers and Capacity owners. Second and third pilots were carried out for non-production purchasing and exploring interplay between Metaphase PDM and SAP.

6) Go Live – Transferring data from legacy systems.

Question: Advantages and disadvantages of IT implementation.

Answer: IT systems offer benefits such as business process automation, timely access to management information, and improvement in the supply chain. Disadvantages include re-engineering of business processes, customization, and training of employees to adapt to new systems, which can be costly.