

Role of ERP Software in an organization



ENTERPRISE RESOURCE
PLANNING

By: Ashwin Raj

Role of ERP Software in an organization

By: Ashwin Raj

Enterprise Resource Planning (ERP) is the latest high end software solution, Information Technology has lent to the world of business application. An ERP software solution seeks to streamline and integrate operations, processes and information flows in an enterprise, to synergize the resources of an organization namely men, material, money and machine. In other words, ERP systems integrate all data and processes of an organization into a unified system. A typical ERP will use multiple components of computer software and hardware to achieve the integration. A key ingredient of most ERP systems is the use of a unified database to store data for the various system modules.

Most organizations across the world have realized that in a rapidly changing business environment, it is impossible to create and maintain a custom designed software package which will cater to all their requirements and also be up-to-date. Realizing these requirements of organizations, companies have designed and developed ERP software, which offer an integrated software solution to all the functional processes in an organization.

Although, in the initial stage ERP originated in the manufacturing environment, now ERP software solutions typically cover all basic business process/functions of any organization, regardless of the organization's business or charter. A typical ERP module include: Manufacturing, Supply Chain, Financials, Customer Relationship Management (CRM), Human Resources, Warehouse Management and Decision Support System. These solutions are often incorrectly quoted as back office solutions indicating that customers and the general public are not directly involved. This is contrasted with front office systems like Customer Relationship Management (CRM) systems that directly deal with customers, or ebusiness systems such as eCommerce, eGovernment, eTelecom, and eFinance, or Supplier Relationship Management (SRM) systems. In reality, ERP modules are cross-functional and enterprise wide software solutions. All functional departments that are involved in operations or production can be integrated in one system using it. In addition to manufacturing, warehousing, logistics, and Information Technology, it also includes; accounting, human resources, marketing, and strategic management.

There are many different flavors of ERP that serve businesses' varying procedure types. An ERP solution has numerous benefits depending on the type of business that it serves; these are business solutions and industry solutions. The industry solutions are designed for people who are working in specific industries, like finance, communications, education, healthcare to name a few.

Importance of ERP software for businesses:

ERP software's business solutions are designed for companies that work in a wide variety of areas. IT combines a large number of different elements into a single unit. Three of the most important ERP tools available today are manufacturing, human resources, and finance.

The finance tools allow companies to successfully maintain their financial information like that of the assets, accounts, budgets and cash. ERP can also assist a company in managing internal as well as external factors affecting it. A company that uses ERP financial products can save a great deal of money over the long term, the reason being, the productivity of the organization will be improved. Enterprise Resource Planning is instrumental in getting rid of time consuming activities as paper management. A company is able to study their processes, earnings, and performance by merging their operational information with their financial information. Once this information is connected together, a company can become more competitive and productive. Synergy is an important part of ERP solutions. The concept of combining multiple processes into a single whole will allow the company to become successful in the long term.

In addition to finance and business processes, it is also important to look at materials maintenance. Enterprise Resource Planning will allow a company to successfully automate the process of buying materials and maintaining them. There are modules that track the supplies that are purchased and can also make calculations about how these materials should be distributed. It also becomes possible for a company to "predict" the demand of the market based on history, economic statistics, and data from their employees. They can even decide when a product should be produced, and they can do this based on the raw material that is available.

Implementation:

Business Process Reengineering is a pre-requisite for going ahead with a powerful planning tool, ERP. An in depth BPR study has to be done before taking up ERP. Business Process Reengineering brings out deficiencies of the existing system and attempts to maximize productivity through restructuring and re-organizing the human resources as well as divisions and departments in the organization.

Implementing an ERP module in an enterprise is never a “cake-walk”. Most ERP experts estimate that the total time required for a successful implementation can take from 18 to 24 months. The long time frame accounts for a necessary phasing of the software across the enterprise because an immediate switch in all levels of the organization has the potential to yield disastrous results. Also, as ERP software depends heavily on its end users, it is advisable, that a company gradually introduces the software, department by department. This will allow for “kinks” in the system to be worked out in small chunks rather than opening the business up for organization-wide failures as users acclimate to a new way of doing business. Gradually stepping the business into the system also provides the opportunity for the first sets of end users to gain expertise and help train new users, thereby reducing the strain on IT professionals and consultants during the latter stages of implementation. Training is undeniably the most important part of a successful ERP implementation.

ERP software solutions have the ability to make a business more profitable as it allows automation of most of the functional business processes across the enterprise. Knowing this fact, more and more companies across the globe are offering customized ERP software solutions to their clients that are helping them to streamline their business and be more productive.

About the Author:

Ashwin Raj Author is a Marketing Executive with an Offshore Software Development Service provider located in India. The company deals in [offshore software development](#) and offshore outsourcing. For more detailed information about the company and its services visit: <http://www.otssolutions.com>

To read more articles on [Textile](#), [Industry](#), [Technical Textile](#), [Dyes & Chemicals](#), [Machinery](#), [Fashion](#), [Apparel](#), [Technology](#), [Retail](#), [Leather](#), [Footwear & Jewellery](#), [Software](#) and [General](#) please visit <http://articles.fibre2fashion.com>

To promote your company, product and services via promotional article, follow this link: <http://www.fibre2fashion.com/services/article-writing-service/content-promotion-services.asp>