UNIT IV
POST IMPLEMENTATION

Overview of ERP software solution. Maintenance of ERP-Organizational and Industrial impact;Success and Failure factors of ERP Implementation.
Case Study of Success Story and Failure of Processing Sector.

Maintenance of ERP:

ERP maintenance presented a key definitions. First, we offered definitions for traditional business systems maintenance. We defined maintenance of a traditional business system as consisting of (at least) *enhancement* (changes to the functionality/requirements of the system) and *correction* (changes made to correct errors in the system).

Then we offered comparable definitions for the ERP setting. We defined maintenance of an ERP system as consisting of the following:

- **Customization** (changes made to ERP functionality via internal configurationswitches)
- **Extension:** changes made via ERP system "exits"to...
  - **Custom-code"add-ons"**
- **Third-party vendor"bolt-ons"**
  - **Legacysystems**

- **Modification** (changes made to the code of the ERP itself--either by the user or thevendor)

The underlying concern here was that, with the large level of maintenance/enhancement needed by traditional information systems, it might not be possible to perform comparable changes to an ERP. If that were the case, the longevity of use of an ERP could be severely compromised.

We asked whether the respondents had made changes to their ERP's

functionality since implementation

Everyone had done "customization" (using configuration switches); all but one had done "extensions" (half of those had done "add-ons" and/or "bolt-ons" and/or linking to legacy code); a third of the total had used the vendor-supplied language to build extensions. Two-thirds of the respondents had had modification performed (changes to the ERP code itself), largely done by the users themselves or (to an extent half that for user changes) by the vendor of the ERP. (Note: User package software modification is generally considered to be a very badpractice.)

We then asked the respondents to compare the ease of ERP changes with comparable changes to a traditional, custom-built information system. A third of the respondents chose not to express an opinion on this matter (likely coming from the user community instead of a traditional IS background).

4.0   ERP SYSTEM CAN MAKE IMPACT ONORGANIZATION:

With the fast developing of industries and the need for managing procedures and resources, it has become very important to have a tool which can help you coordinate several activities, and the best one is ERP. The advantages of having ERP are many. It gives you the opportunity of integrating every procedure of your business while improving the quality of several areas simultaneously. These areas include human resources, accounting and operations. In addition, ERP helps to increase your production levels and to control your costs more efficiently, and this means that you will be able to control the whole enterprise more efficiently.

A very important facility of the ERP systems is that they increase the availability of the information, helping companies to have information in real time to make decisions and accurate prognostics regarding the organization. It is important to mention that ERP systems are a very powerful tool when it comes to processing and organizing financial data. It improves the development of the commercial activity in the short and long term.

In the enterprise management module you can perform integral strategic planning, keeping an eye on the daily activities and having fluent communication with the investors. The human resources module allows you to make decisions and optimize the company's investments regarding employees. With all of this one can see that an ERP system brings visibleadvantages.

Another important consideration to make is that the implementation of ERP takes time and generates deep changes in the way you do business. But the important thing to remember is that every enterprise can see the benefits of the ERP systems, although for the first period it may only seem like an investment. The benefits indeed are really bigger than the costs,

and it is very valuable l to invest in an ERP system.

4.1 **SUCCESS FACTORS OF ERPIMPLEMENTATION**:

Not quite. In order to keep your ERP solution working at peak efficiency – and providing the business advantages you're paying for – you need to have a plan for maintenance or you risk having your ERP system eventually become obsolete. Without a maintenance plan, the efficiency of your system will decline and its lifespan will be shortened. However, this kind of maintenance isn't so much nuts-and-bolts as it is figuring out how your company uses the ERP solution and figuring out ways to enhance its performance for yourcompany.

Stay Up-to-date: Of course, one of the primary components of ERP maintenance is keeping abreast of upgrades from your vendor. Not only do these updates contain important bug fixes and increase your security, they also keep your solution from getting stale since many upgrades improve the functionality ofyour solution or add features. This is one way you can ensure that your ERP solution continues to meet your company's needs. You may feel that some upgrades aren't necessary for your company, but many need to be done sequentially. If you fall too far behind on the updates, it may be too difficult to catchup.

Changing Business Operations: Your business is constantly changing and so are your needs. If you don't have regular maintenance and support your ERP solution is likely to become static. The longer that goes on, the less it will fulfill your requirements. You may have added new customers, new services, or new technology – all of which can have an impact on how your run your organization. If your ERP solution can't keep up with these changes, employees will develop ways to get their desired results by working around it, thus diminishing the efficiency of the system. You should have an annual review of

your business, its needs, and how it has changed so you can ensure that your ERP solution is keeping up with thetimes.

Training: Remember that people are an important component of [ERP success](). Yes, you had them trained when you installed the system, but do they remember everything they learned? Brush up training can help them use the system more efficiently, learn about the system's new functionalities, and get rid of bad habits that impede efficiency. Not to mention that you probably have new employees who have only learned the system through on-the-jobtraining.

Improving the System: You will probably want to make adjustments to the system as the employees get used to it. They will use it differently after a year than they do when they're newly trained. Ask your employees for suggestions on how to enhance thesystem's
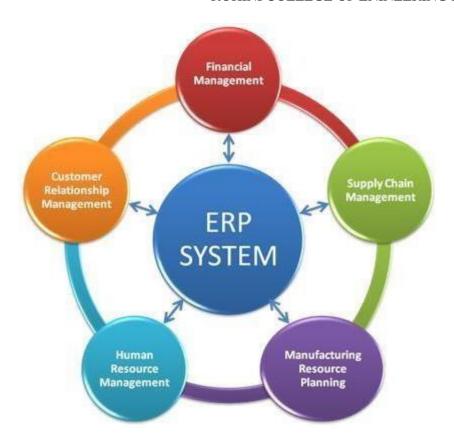
functionality. You'll get more out of your solution if it can adapt to more knowledgeable users. Equipment: Hardware can decrease in efficiency or wear out. Look at your equipment's metrics to see if there's been a drop off in performance. Sometimes the technology needs maintenance or such declines point to where you need maintenance on your ERP solution. Or there might be new technology on the market that can really improve your ERP solutions efficiency or effectiveness. You owe it to yourself to review your hardware needs and capabilities on a regular basis.

A true Enterprise Resource Planning (ERP) system integrates both internal and external information flows used by the organization within a single, comprehensive solution. An [ERP]() solution incorporates the practical systems used by organizations to manage the basic commercial functions of their business, such as: planning, inventory/materials management, purchasing, manufacturing, finance, accounting, human resources, marketing and sales, services etc. The objective of the ERP

solution is to drive the flow of information between all internal business functions while managing connections, or"touchpoints.

ERP solutions run on a variety of computer hardware and network configurations, including "on premises" (i.e. client/server) or hosted (i.e. "cloud-based" or Software as a Service). ERP solutions use a common database to hold information from the various business functions that's accessible in some form or another by various users. The use of an integrated database to manage the solution's multi-module application framework within a common information system is one of the primary ERP benefits of this kind of system over "point solutions.

Unlike point solutions (historically used by small to midsize businesses) that rely on multiple (sometimes duplicating) databases which strain IT resources, ERP solutions standardize the use of one application to run an entire business. This not only increases efficiencies, but also decreases the overall total cost of ownership (TCO), thereby reducing operational costs and improving the company's profitability.

Key benefits of ERP software:

1. Scalability: An ERP system is easily scalable. That means adding new functionality to the system as the business needs change is easy. This could mean easy management of new processes, departments, andmore.

2. Improved reporting: Much of the inefficiency in operational work stems from improper reporting. With an ERP system, this possibility is eliminated as reporting follows an automated template system, allowing various departments to access informationseamlessly.

3. Data quality: As compared with manual record-keeping or other traditional approaches, an ERP system improves data quality by improving the underlying processes. As a result, better business decisions can be reached.

4. Lower cost of operations: An ERP system introduces fundamental innovations in managing resources, which eliminates delays and thus reduces cost of operations. For instance, use of mobility allows real-time collection of data, which is indispensable to loweringcosts.

5. Better CRM: A direct benefit of using a good ERP system is improved customer relations as a result of better businessprocesses.

6. Business analytics: Having high-quality data allows businesses to use the power of intelligent analytics tools to arrive at better business decisions. In fact, many good ERP systems have built- in analytics functionality to allow easier dataanalysis.

7. Improved data access: Controlling data access properly is always a challenge in organizations. With an ERP system, this challenge is overcome with the use of advanced user management and accesscontrol.

8. Better supply chain: Having the right ERP system in place means improved procurement, inventory, demand forecasting, etc., essentially improving the entire supply chain and making it moreresponsive.

9. Regulatory compliance: Having the system in control means organizations can better comply with regulations. Further, the most important and recurring regulatory requirements can be built right into thesystem.

10. Reduced complexity: Perhaps the most elegant argument in the favor of ERP systems is that theyreduce the complexity of a business and introduce a neatly designed system of workflows. This makes the entire human resource chain moreefficient.

There are many more benefits of an ERP system, but these are the chief ones. Needless to say, a goodERP system is indispensable in the modern economic scenario.