Part Project 1
Analyzing Business Processes for an Enterprise System

Teaching Objectives

- To analyze the role of enterprise resource planning (ERP) in today's competitive business environment.
- To define an ERP.
- To analyze a business process for ERP.

Teaching Suggestions

What is ERP? ERP stands for Enterprise Resource Planning. In order to analyze a business process for ERP, you must first understand how ERP functions in a business. ERP integrates the departments and functions across a company's computer system.

Remind students that this is a difficult job to handle while building a single software program that serves the needs of the entire company. ERP combines them all together into a single, integrated software program that runs off a single database. As a result, different divisions within the company can run off of one single database so they are able to share and communicate with each other.

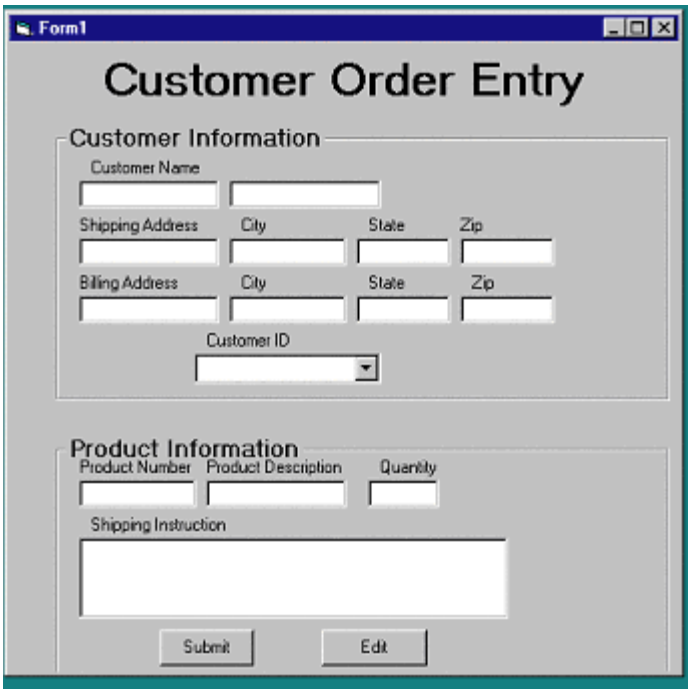
The average ERP process generally takes about three to six months to implement. In order to effectively implement ERP, businesses will need to change not only the way they do business, but also the way that the people do their jobs. The key is that the company understands the need and will want to improve. Most companies have major reasons for implementing an ERP system; many attribute it to the fact that businesses around the world are increasing their reliance on ERP programs and are achieving cost savings. First to integrate financial data, ERP creates a centralized truth since everyone is using the same system. For example, as head of operations in a major company you may try to understand the company's overall performance. Without the use of the ERP system, it would be difficult to figure out what the company is producing and what the losses are.

Secondly, in standardizing the manufacturing process, this method enables ERP to use a single, integrated computer system that will not only save time, but also increase productivity. The disadvantage, however, is that it will reduce headcount, meaning that the ERP system will reduce actual bodies being present in the workplace. An advantage to ERP is that it will revolutionize your business, if you are willing to wait for it. However, most ERP programs suffer from shortcomings, which makes it especially difficult for small and mid-size companies to enjoy the benefits of an ERP system. All the leading ERP solutions providers have created specific tools to accelerate the process. The ERP Software Company developed SAP and PeopleSoft.

ERP applications are the most business-critical applications running on the enterprise network. Thus, the network needs to be available to ensure that applications can be accessed from anywhere, at any time, by any of its users. ERP systems are also often the foundation for numerous other business-critical applications such as customer service. All this means having to implement fault-tolerant networks that consist of redundant components, links, and services, together with intelligent software capable of ensuring fast, application-transparent detection and recovery around any failures.

ERP systems are a suite of software applications that have revolutionized the way enterprises do business. They support the reengineering of business processes in all areas of activity, including

manufacturing, human resources, finance, accounting, and sales. ERP applications automate and integrate business processes across departments and functions. They allow information to flow seamlessly from one end of the company to the other and provide a single, unified business environment. For example, with an ERP system, a purchase order entered by a sales person easily passes to the manufacturing application for the factory, while recording the order in general ledger as revenue. ERP systems make tremendous demands of an IT organization's network infrastructure. In order to ensure the success of these business-critical applications, it is crucial that the networking group is involved at an early enough stage, so that they can plan the deployment of a scalable, resilient, and intelligent infrastructure. This will help ensure that the ERP system meets expectations of both the business managers and the users.



Example of the front end of a simple ERP.