MIS - Enterprise Resource Planning

ERP is an integrated, real-time, cross-functional enterprise application, an enterprise-wide transaction framework that supports all the internal business processes of a company.

It supports all core business processes such as sales order processing, inventory management and control, production and distribution planning, and finance.
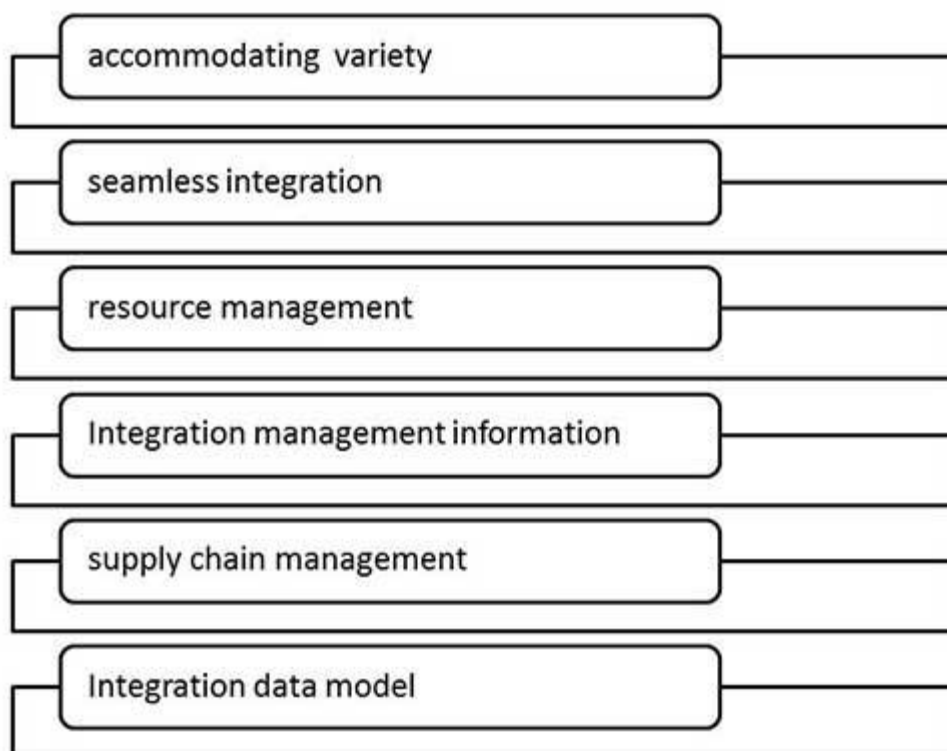

Why of ERP?

ERP is very helpful in the follwoing areas −

- Business integration and automated data update
- Linkage between all core business processes and easy flow of integration
- Flexibility in business operations and more agility to the company
- Better analysis and planning capabilities
- Critical decision-making
- Competitive advantage
- Use of latest technologies

Features of ERP

The following diagram illustrates the features of ERP −

| accommodating variety |
| seamless integration |
| resource management |
| Integration management information |
| supply chain management |
| Integration data model |

Scope of ERP

- **Finance** − Financial accounting, Managerial accounting, treasury management, asset management, budget control, costing, and enterprise control.
- **Logistics** − Production planning, material management, plant maintenance, project management, events management, etc.
- **Human resource** − Personnel management, training and development, etc.
- **Supply Chain** − Inventory control, purchase and order control, supplier scheduling, planning, etc.
- **Work flow** − Integrate the entire organization with the flexible assignment of tasks and responsibility to locations, position, jobs, etc.

Advantages of ERP

- Reduction of lead time
- Reduction of cycle time
- Better customer satisfaction
- Increased flexibility, quality, and efficiency
- Improved information accuracy and decision making capability
- Onetime shipment
- Improved resource utilization
- Improve supplier performance
- Reduced quality costs
- Quick decision-making
- Forecasting and optimization
- Better transparency

Disadvantage of ERP

- Expense and time in implementation
- Difficulty in integration with other system
- Risk of implementation failure
- Difficulty in implementation change
- Risk in using one vendor