Please stay tuned....

The Presentation will start in 4 Minutes

11/2/2012
Please stay tuned....

The Presentation will start in

3 Minutes

11/2/2012
Please stay tuned....

The Presentation will start in 2 Minutes

11/2/2012
Please stay tuned....

The Presentation will start in 1 Minute

11/2/2012
HOW TO SELECT & IMPLEMENT ERP SYSTEMS

Presented By:
Madura Gamanayake

For Every Business Problem There is a Solution
Definition Of ERP

Software solution that addresses all the needs of an enterprise with the process view of an organization to meet the organizational goals and integrate all the functions of the enterprise.
What is ERP?

ERP is a solution which;

- Facilitates Company-wide integrated Information Systems Covering all functional Areas
- Performs core Corporate activities and increases customer service augmenting Corporate Image
- Organizes & Optimizes the data input methodologies systematically
Evolution of Business Applications

- MIS - Management Information Systems
- EIS - Executive Information Systems
- CIS - Corporate Information Systems
Evolution of Planning Systems

- Materials Requirement Planning (MRP)  1970’s
- Manufacturing Resource Planning (MRP II)  1980’s
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Evolution of ERP

MIS + EIS + CIS + MRP + MRP II → ERP

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Broad Market Categorization for Business Software

- Small Market
- SME
- Mid Market
- Enterprise
Small Market

- Number of employees – up to 20
- Number of Users – up to 5
- Annual revenue – up to 100 million
SME

- Number of employees – 20 to 100
- Number of Users – 5 to 40
- Annual revenue – up to 300 million
Mid Market

- Number of employees – 100 to 1000
- Number of Users – 40 to 250
- Annual revenue – up to 1000 million
Enterprise

- Number of employees – 1000 +
- Number of Users – 250 +
- Annual revenue – 1000 million +

Total ERP market revenue grew to over $28B in 2006, driven by a combination of strong customer demand and leading vendors expanding their product portfolios through acquisition.
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Source: AMR Research

$60B

2006 $28.8B
2007 $32.3B
2008 $35.8B
2009 $39.4B
2010 $43.4B
2011 $47.7B
# How to Select and Implement ERP Systems

## ERP vendors ranking 2011

<table>
<thead>
<tr>
<th>Revenue Rank</th>
<th>Company</th>
<th>Revenue ($M)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>SAP</td>
<td>10,500</td>
</tr>
<tr>
<td>2</td>
<td>Oracle</td>
<td>6,105</td>
</tr>
<tr>
<td>3</td>
<td>Sage Group</td>
<td>1,496</td>
</tr>
<tr>
<td>4</td>
<td>Infor</td>
<td>1,100</td>
</tr>
<tr>
<td>5</td>
<td>Microsoft</td>
<td>1,000</td>
</tr>
</tbody>
</table>

*Source: AMR Research*
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- Head Office – Germany
- Clear Leader among fortune 1000, Global 5000 and Enterprises
- Support for Different Verticals
- SAP All in One, SAP Business One
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- Head Office - USA
- Number two in ERP Market
- Oracle E-Business, Oracle PeopleSoft,
- Oracle JD Edwards

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- Head Office - UK
- Number three in ERP Market
- Sage ERP X3, Sage 500 ERP, Sage Evolution ERP,
  Sage 300 ERP

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Certified Consultant
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- Head Office - USA
- Forth largest ERP Manufacturer
- Vertical Oriented
- SyteLine, BAAN, MEPICS
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- Head Office – USA
- Among top 5
- Strong Manufacturing and Distribution capabilities
- Dynamics, GP (Great Plane), NAV (Navision),
  AX (Axapta),
Why ERP?
Profitability

Increase Revenue

or / and

Reduce Cost
Can We wait?

Wait if you have:

- Good systems running.
- No management commitment.
- Financial problems.

Do not wait if you have:

- Tough competition in the market.
- Multiple location operations.
- Plans to grow Globally.
- Management Commitment for change.
SELECTING ERP SYSTEM

FOR YOUR COMPANY
How to Select and Implement ERP Systems

Execution phases

- ERP product/implementation partner selection
- Implementation Stage
- Post-Implementation
ERP Product/Partner selection Phase

- ERP Team formation for selection
- Appointment of Consultants [if needed]
- Scoping study
- Product selection
- Implementation partners selection
- Hardware/Communication cost estimation
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Product Selection - Parameters

- Reputation of the ERP product
- No. of installations in the geographical vicinity
- % of the overall functional availability
- Customization possibilities
- After sales support
- Your investment plan & budget
- Implementation partner’s track record
Vendor/Partner selection

- Develop customized RFP for your organization
- Distribute your RFP to software vendors
- Rank vendor responses
- Plan vendor demos
- Schedule site visits
- Consider other factors
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ERP Product selection Criteria

Goal: To select the Most Suitable Software Package Solution

5 Strategic Requirement Levels

- Functionality
- Technology
- Vendor
- Support
- Costs

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Certified Consultant
ERP product acceptance - options

- Adapting directly, all the functions available in the ERP Product
- Change the way the firm does the business to fit the product [Compromising]
- Customize the ERP product to suit the business Processes [Customization]
Implementation Phase I

- Framing ERP Implementation Strategies
- Formation of Steering committees
- Functional & IT team formation
- Scope finalization
- GAP analysis
- Action plan to resolve the gaps
- Steering Committee Meeting
GAP Analysis

This is the process to identify the gaps by mapping the expectations of the company with the capabilities of the ERP product.

Results of Gap Analysis

- Directly Supported
- Workaround suggested
- Extension required
- Change in business process – suggested
- Not full supported
- Manual – not under the scope of ERP
Implementation Phase II

- Installing the software & hardware
- Tuning the software to meet the customization needs
- Master & Control data arrival as per the Product data structures
- Location & people specific roles & rights allocation for module access & security
- Steering Committee Meeting
Implementation Phase II
Contd..

- Class Room Pilot (CRP)
- Training the end users
- Parallel Run
- Steering Committee Meeting
- Resolving the Parallel run issues
- Live run
- Sign Off Meeting
Post-Implementation Phase

- Regular monitoring
- Tuning [hardware/software] to solve the performance issues
- Phone, Online & Site Visits
- Regular Latest Version Upgrades
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- ERP System and Modules
How to Select and Implement ERP Systems

ERP MODULES

Financial

- Accounts Payable
- Accounts Receivable
- General Ledger
- Import Cost Allocations
- Multi-Currency Manager
- Cash Book
Sales And Distribution

- Quotation and order processing
- CRM
- Multi-stores
- Credit management
- Mobile sales
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Purchasing

- Procurement management
- Inventory management
- Multi-ware house

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Manufacturing

- BOM and MRP planning
- Job manufacturing
- Project costing
- Advance manufacturing
Retail Operation

- Point of sales
- Batch and serial no tracking
- Bar-coding
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HRM

- Time attendant
- Payroll
- HRM
Other Modules

- Fixed assets
- Business Intelligence
- Service management
- Other industry related modules
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Q & A
SESSION

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Madura Gamanayake
THANK YOU