**ENTERPRISE SYSTEMS**

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# **QUESTION 1**

# **INTRODUCTION**

Organisations, in today’s competitive business environment, try to provide customers with goods and services less expensively and faster than their competitor (Soltanzadeh & Khoshsirat, 2012). An enterprise resource planning system, by serving as a business wide computing atmosphere, can help an organisation integrate its processes across a shared database delivering consistent data in real time. Frequently, integrated information system provides an efficient system required to success in the emanating dynamic business environment (Babaei, et al., 2015).

# **Challenges at Kingdom Office Depot**

The challenges Kingdom office depot is likely to face include the following:

* **Replying on manual processes:** Kingdom office depot takes inventory by recoding in an excel spreadsheet and hand counting. Most often, manual data entry is prone to errors due to the amount of stress it comes with. Due to that, Kingdom office depot unnecessarily order stock increasing inventory cost, and other times, inadequate supply of products resulting in unhappy customers and empty shelves.
* **Ensuring everyone has access to the inventory information they need:** Kingdom office depot needs up to date statuses on product orders and stock availability. Because, they need to negotiate the best, per unit, price to warrant buying products in higher quantities, to know which products are moving fast, to know the procurement need and to ensure only minimal stock finance are reported. According to (Hamisi, 2010) incomplete and inaccurate information sharing is a limitation to enterprises.
* **Setting stock levels:** The consequence of the challenges facing kingdom office depot is that stocks are set at inappropriate levels. Businesses gather excess inventory when demand is unpredictable and complete/accurate information is unavailable because they want to always maintain high customer service (Kot, et al., 2011).

# **Adoption of An Enterprise System**

The reasons why Kingdom Office depot what to adopt enterprise system to support the company meet its strategic objective of low cost leadership include the following:

* To assure the customer of the availability of goods and services at local, national, regional and global scales (levels).
* To provide multiple reliable systems to consolidate the company’s business processes.
* To ensure the provision of Integrated IT support.
* To improve Companywide decision support.
* To reduce inventory stock outs and costs.
* To keep track of Kingdom office depot’s products/goods in transit and ensure they reach their correct destinations.

# **Supply Chain Management Applications**

# **QUESTION 2**

# **2.1 The Risks and Benefits of going for a Big-Bang Conversion versus using the Phased or Parallel Approaches.**

# **2.1.1 Big Bang Approach**

Within a comparatively shorter period of time than if the project were parallel or phased, the big bang implementation approach converts from the old to new system (Madkan, 2014). The benefits are lower and simplicity implementation costs. In a shorter period of time of an enterprise resource planning, it condenses the difficulty and pain, even though the pain can be more pronounced sometimes, if things go wrong.

The risks of implementation of the big bang approach are that often the project is rushed, details overlooked and for the organization, business processes that may not changes may not be the best ones.

# **2.1.1.1 Pros of Big Bang**

* Time is shorter in implementation.
* Employees training is only required for the new system, not for the transition period.
* Everyone is aware of the date the implementation takes place on the Go-Live date.

# **2.1.1.2 Cons of Big Bang**

* The amount of time for the training of employees on the new system is less.
* It can affect the other module, if one module fails.
* It is very difficult to be recovered if failure happens.

# **2.1.2 Phased Approach**

The phased approach is done by geography or functional business area. The benefit here is that it permits project team’s customization in the planning to take their time while continuing with day-to-day jobs testing of the system.

The risks are that phased projects often lack the urgency and project focus of a big bang on constant change which can cause employees to become burned out and can also lead to fatigue. According to (Mabert, et al., 2003) , within a shorter period of time instead of getting the project over longer periods, these projects involve constant change to employees which can be draining.

# **2.1.2.1 Pros of Phased**

* Reduces overall risk and hence it is less complex.
* Requires lesser number of resources.

# **2.1.2.2 Cons of Phased**

* It is costly and hence more time consuming.
* Numerous compromises are required and for implementation more times it takes.

# **2.1.3 Parallel Approach**

In an organization, between an old IT systems to a target IT system, the parallel approach is done by transferring from active system concurrently for a length of time to the new enterprise resource planning system and keeps both inheritance system (Khanna & Arneja, 2012).

To reduce risk, for some period of time after which the old and new system run simultaneously, if the new system meets the criteria, the old system is disabled. The method entails careful planning, system resources, control and labour hours are important investment.

# **2.1.3.1 Pros of Parallel**

* Implementation it is the least risky.
* The old system still continues, in case of any unanticipated failure with the new system.
* Overlap it allows and fall-back controls.

# **2.1.3.2 Cons of Parallel**

* This is the most expensive solution in terms of pure monetary terms.
* In both system, employee has to enter data.
* Users have psychological issues when letting go off the old system.

# **2.2 Enterprise-Wide System Implementation Strategy**

The management and other stakeholders determine the direction and imperatives their organisation should go and thus take key decision towards the implementation of an enterprise resource planning strategy. With the overall corporate goals and objectives, the implementation approach is described by the plan for change that confirms alignment with the strategies (Al-Mashari & Zairi, 2000). As suggested by (O’Leary, 2005) determining whether to implement an enterprise resource planning system or choosing other implementation strategy starts with the use of a costs-benefit analysis process.

The strategy to use while implementing an ERP system is the next step. The ERP strategy to adopt is phased strategy which is also known as Step-by-Step strategy. It is less risky and more flexible than big bang ventures due to the structure, size, complexity and controls. Conversely, with a phased rollout, the strategy calls for a more progressive move off the legacy system, either by location, business unit, business function or module.

# **QUESTION 3**

# **3.1 Critical Success Factors (CSF’s) of ERP Implementation**

The critical success factors of ERP implementation in organisation include the following:

* **Top Management Commitment and Support:** At the top management level, the perception is that, the organisation should have the need for devoted leadership (Finney & Corbett, 2007). Persistent and active involvement of top management is very much depends on successful enterprise resource planning and is key in all organisational levels (Zabjek, et al., 2009 ) (Sarker & Lee, 2003).

The project would usually fail if the organisations hand over their enterprise resource planning responsibility resulting in a failed project. The organisation success and use of IT (enterprise resource planning) should include top management participation, as that reflects that the top management works vigorously together with the rest (Byrd & Davidson, 2003).

* **Communication:** The failure or success of an enterprise resource planning implementation is dependent on the accomplishment of a fluent and open communication between top management and the system user (Huang, et al., 2004). (Motwani, et al., 2005) argues that, in the implementation process, an organisation inspiring its workers to contribute vigorously is more likely to succeed than an organisation that does not. Moreover, (Motwani, et al., 2005) deliberate on the current updates concerning open communication regarding news of the transformation of ERP systems.
* **Training and Education:** (Somers & Nelson, 2004 ) describe education and training to be vital when ERP system is being implemented. Lack of user training on enterprise applications for many organisation is source of failure of the ERP implementation process. Within the framework of the system, a huge amount of knowledge is required to enable people to solve problems that occur in the enterprise resource planning.
* **Change Management:** Structures and culture of the organisation must change to provide enabling environment for the success of the ERP implementation. The management of the organisation must ensure that the change is smooth paying attention to the organisation, people and culture (Legare, 2002). The enterprise resource planning processes and the pre-existing organisational structures found in most organisations are not in sync with the new tools, structure and information requirements of the new system (Umble, et al., 2003).
* **User Involvement:** As a result of the regularly cited failures in relation to change management, organisations frequently encounter user resistance. In many cases the users are afraid that the implementation of enterprise resource planning will change their job status, role, responsibilities and valuable information access (Shaul & Tauber, 2013). Therefore, the involvement of the user should be related to an emotional state of a person as significant to the system (Bhatti, 2005).
* **Business Process Reengineering:** (Francoise, et al., 2009) state that customization and BPR is critical of the project in the different phases. An enterprise resource planning project pushes best practices already embedded in the system to an organisation enabling them to revisit and scrutinise their business procedures.
* **Use of Consultants:** (Somers & Nelson, 2001)suggested that, in order to facilitate the implementation process, organisations should use consultants as they may be acquainted to particular industries, possessing knowledge about modules meant for determining capability which will be a better fit.
* **Project Support:** A new enterprise resource planning implementation is the responsibility for an organisation technically, economically and time wise. Thus, the need for support is to be considered important. Educating and training the users of the system to support the process is indeed a way, nevertheless, ready to be kicked into gear there should be support, that need external help if something goes wrong (Kremers & Van, 2000).
* **ERP Selection:** The success of the process of implementation is crucial when selecting from the start, the right ERP system. The implementation stages need to be cautiously worked through for an organisation to be able to select the right enterprise resource planning system (Motiwalla & Thompson, 2012).
* **Project Management:** (Nah, et al., 2001)state in ERP project implementation that a good project management is important. In the ERP life cycle, the project management actions, span the first four phases from start of the project until it closes (Somers & Nelson, 2004 ) (Somers & Nelson, 2001)**.**

# **3.2 Adoption of an ERP Solution Software-As-A-Service**

The adoption of ERP solution such as software -as- a- service resulted in more successful adoption prior to implementation aided by communicated with workers. Change matters that includes job roles changes, concerns training, employee numbers reduction should be managed efficaciously. To the application this would ensure that workers buy-in. Result of high rates of non-utilisation emanates from failure to attain workers buy-in to the new system. Thus, companies should emphasis on managing workers transition appropriately. For the users, there must be regular and adequate training irrespective of the simplicity of the application provided for the users. Companies who properly trained their worker in the use of the application obtain Success in the adoption and use of the application reflected in increased performance. User training should not necessarily be only on the technical aspects of SaaS ERP systems but also on the business processes. This will result in more companies willing to adopt it and this will make the users using the applications more adept.

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