ERP Implementation Benefits Risks and Organizational Success Factors

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Benefits of Enterprise Resource Planning

In modern society, most operations utilize technology, making it necessary to embrace software and hardware that meet user demands. One such software is Enterprise Resource Planning, which organizations use to promote operations in their key departments and make it possible to provide products and services that meet customer demands. The use of ERP within every organization offers an integrated view and enables the management to operate critical departments of the organization in a unified manner. Efficiency, as well as effectiveness, stands as the primary focus when implementing any ERP in an organization, and consideration should be given to the best implementation processes that will ensure success on most occasions. Any business that fails to manage its plans, as well as policies, is bound to fail. As a consequence, organizations currently make good use of ERP to ensure success in critical operations. Resource utilization is also an essential factor to foster success in any organization. The purpose of ERP is to provide optimization while utilizing critical resources within every organization.

The current environment is demanding, and businesses must always strike a deal and find the best spot that will provide a competitive edge and make it possible to meet the vision as well as the mission of the organization. In previous cases, businesses could venture into software that promotes management as well as investment (Kerzner & Kerzner, 2017). That currently takes a different paradigm with premises utilizing a single system such as the ERP in managing resources within the organization.

Why should a business consider implementing an ERP within an organization? The justification for this question relies on the advantages that such a company will achieve due to such a step. Even though challenges always exist within the organization, the use of ERP is still advantageous in some ways. The first importance is the fact that the use of the software makes it possible to integrate all the existing business processes as well as the sub-systems. The existence of a single unified system makes it possible to manage and minimize the associated costs efficiently. Such an instance makes the organization competitive enough and will result in the scalability of critical sectors. Moreover, it is possible to increase profits within the organization due to the ability to save on essential processes (Kerzner & Kerzner, 2017). The aspects of productivity, effectiveness, and efficiency in handling business operations are also factors to consider. In most cases, organizations find it hard to transfer

information. The use of ERP reduces the response time, making it possible to relate well to the organization. Customers, as well as employees, will always get value within the premises. The main reason for the reduced time is the effectiveness of matters related to information transfer.

Moreover, the implementation of an ERP within an organization makes it possible to streamline functions performed by various sectors of the organization. In such an instance, it becomes possible to segregate and offer accountability when executing critical operations within the organization. The situation minimizes any aspect of pilferage that might arise. In a nutshell, all the advantages make it possible to make a decision faster within the organization, and the same helps improve critical operations within the venture.

Consideration before implementing an ERP in the organization

The success of any system relies on proper planning. It is prudent to have a comprehensive understanding of the system before deploying it to reduce the chances of failure, which can also compromise critical operations after that. The following factors need consideration before implementing the software.

Availability within the budget: In contemporary society, there exist small and large organizations. The difference in scope makes it necessary to use the software that fits the budget of the organization. That posits the need to first understand the capability of the organization before implementation (Thomas & Peterson, 2017). Moreover, the availability of the software in the market is also a factor to consider. It is not proper to use a system that will compromise operations at a later date.

Suitability of the software: In most cases, organizations fail to examine the features of the software before implementation. That stands as the leading cause of resistance as well as failure when using the software. It is imperative to ensure that the software can meet the present as well as the future demands of the organization. As a result, the organization will also manage to use limited resources on changeover, and that will promote success on most occasions.

The ability to support some users: The central purpose of implementing an ERP within the organization is the ability to meet the needs of various users within the organization. Before its implementation, consideration should explore the possibility of having the system support the needs of multiple users within the organization.

Security and reliability: Who is willing to invest in a system that will compromise operations and not be sustainable in future? Ideally, nobody would love to be part of such a deal. Hence, there is a need to understand all the logical and physical security components related to the implementation of ERP within an organization. Such an instance makes it possible to have a reliable system which meets the needs of the organization.

Risks related to the implementation

Even though some advantages arise due to the utilization of ERP in most organizations, certain risks also exist, which makes it imperative to streamline every other operation to get the very best out of the organization (Thomas & Peterson, 2017). The first risk is a lack of clear vision. It is imperative to understand the purpose and need of the system before implementation. Failure to have such a consideration is the main reason for the mismatch, which contributes to failure in most organizations. Again, there is the possibility of locking users out in the implementation of the system. The approach promotes user resistance, which is the most significant threat to the implementation of new policies in most organizations in modern society (Campbell, Jardine & McGlynn, 2016). Some reasons can promote resistance according to BMI. Some of them include a lack of a user-friendly interface as well as limited training, which mimics the ability of the system. The organization can also select the wrong software due to the incompetent team. That falls under poor project planning. Most importantly, security concerns are a significant risk when implementing ERP in most organizations. The role of the system is to foster security and reliability within the organization. However, inadequate processes can fail within the organization, an instance that emerges as a significant threat.

In conclusion, ERP stands as a vital tool in contemporary society due to its ability to operate in a unified manner. This instance is crucial and imperative to meet the demands of critical departments. Even though it stands as a significant tool in most organizations, it also faces some challenges, such as insecurity and user resistance. The organization must have the right considerations in place to foster growth as well as success in the implementation.

References

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