




# Role of ERP system

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# Enterprise information systems

- ▶ CRM - Customer Relationship Management
  - ▶ FMS - Financial Management System
  - ▶ SCM - Supply Chain Management
  - ▶ MIS - Management Information System
  - ▶ CMS - Content Management System
  - ▶ KMS - Knowledge Management System
  - ▶ DSS - Decision Support System
  - ▶ GIS - Geographic Information System
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# What is ERP

- **Enterprise Resource Planning**, integrated system that help business to manage internal and external resources.
  - Built on a centralized database and normally utilizing a common computing platform,
  - ERP systems consolidate all business operations into a uniform and enterprise-wide system environment
  - ERP can integrates all systems mentioned before
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# Providing ERP

Inventory, MRP,  
Production, Project,  
Accounting, CRM,  
HRM, etc.

ERP

ERP as a  
Service

1960

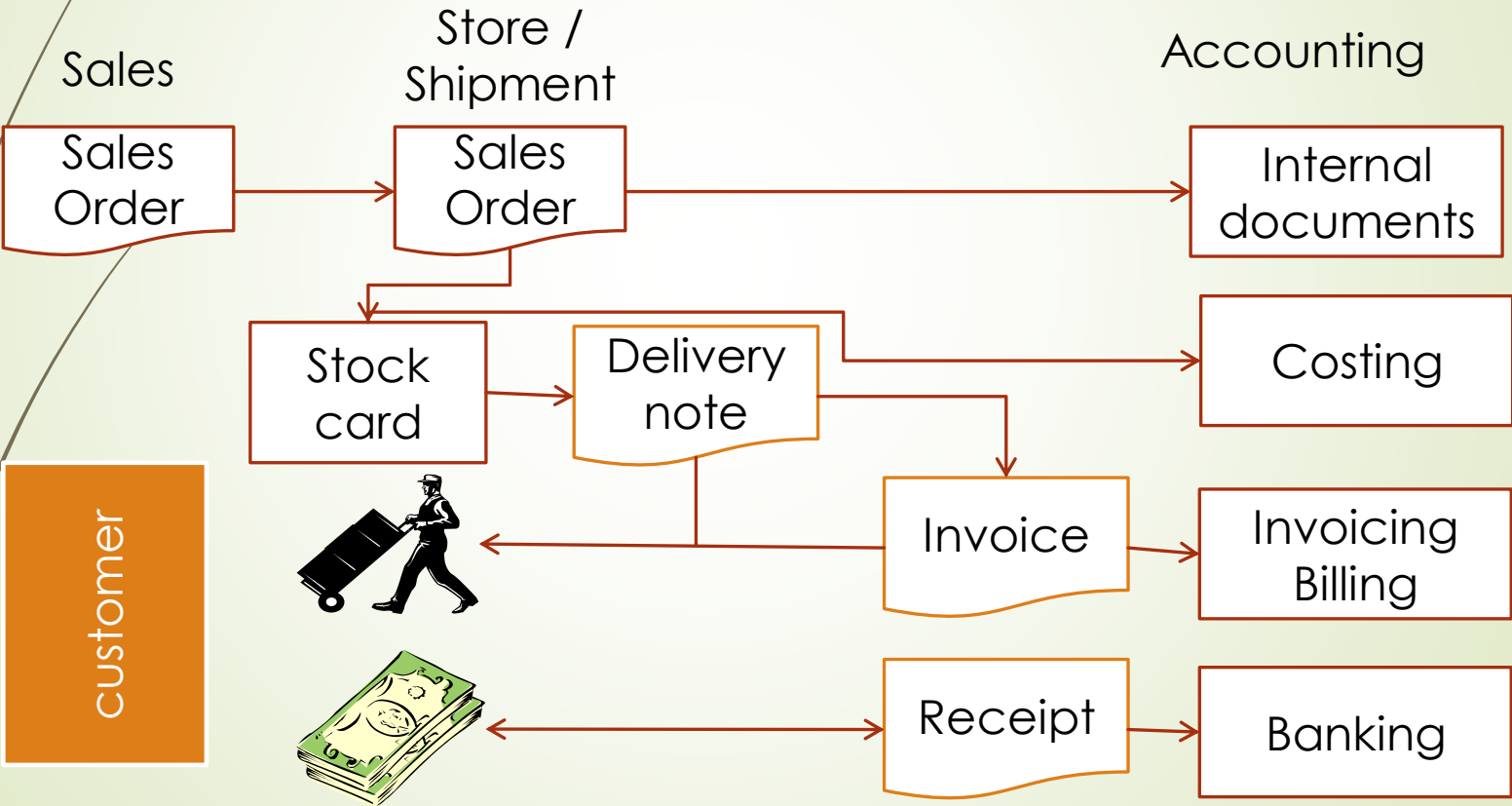
1990

2000




# Example

ERP





# Basic facts

- Every (even) small economic activity produce a lot of documents
  - Problems
    - Managing all the documents together with their relations (metadata)
    - Consistency of the documents
    - Part of them is basis for the taxations
  - We do not need to store data only
  - We need them back!
- 




# Critical situation



- When organization has not any ERP system at all
  - Small or beginning companies
- When they have bad system or their system is out of date, not power enough etc.
  - Growing companies
  - Join ventures








# How to identify out dated system?

- You need to enter data more than 1 time
  - To the accounting and than to internet banking
- You are not able to use modern ways of collaboration (document sharing)
- Your system has technical problems, it freezes or crash very often
- Your system is no longer supported
- Your system is not compatible with other systems you use (e-shop)
- You need more than 30 minutes to crate report



# Basic modules in ERP system

- 
- Sales – from the order to invoice
  - Purchases – from order to invoice
  - Banking and cash
  - Warehouse
  - Property and inventory
  - Human resources
  - Relation with customers
  - Accounting



# Outside connections to and into ERP system

- Banks and payment systems
- POS
  - Trade
  - Restaurants / Hotels
  - Others
- Document management
- Content management system
  - Web shop
  - Intranet
- Other specialized systems
  - DSS, MIS...



# Features of „ideal“ ERP system

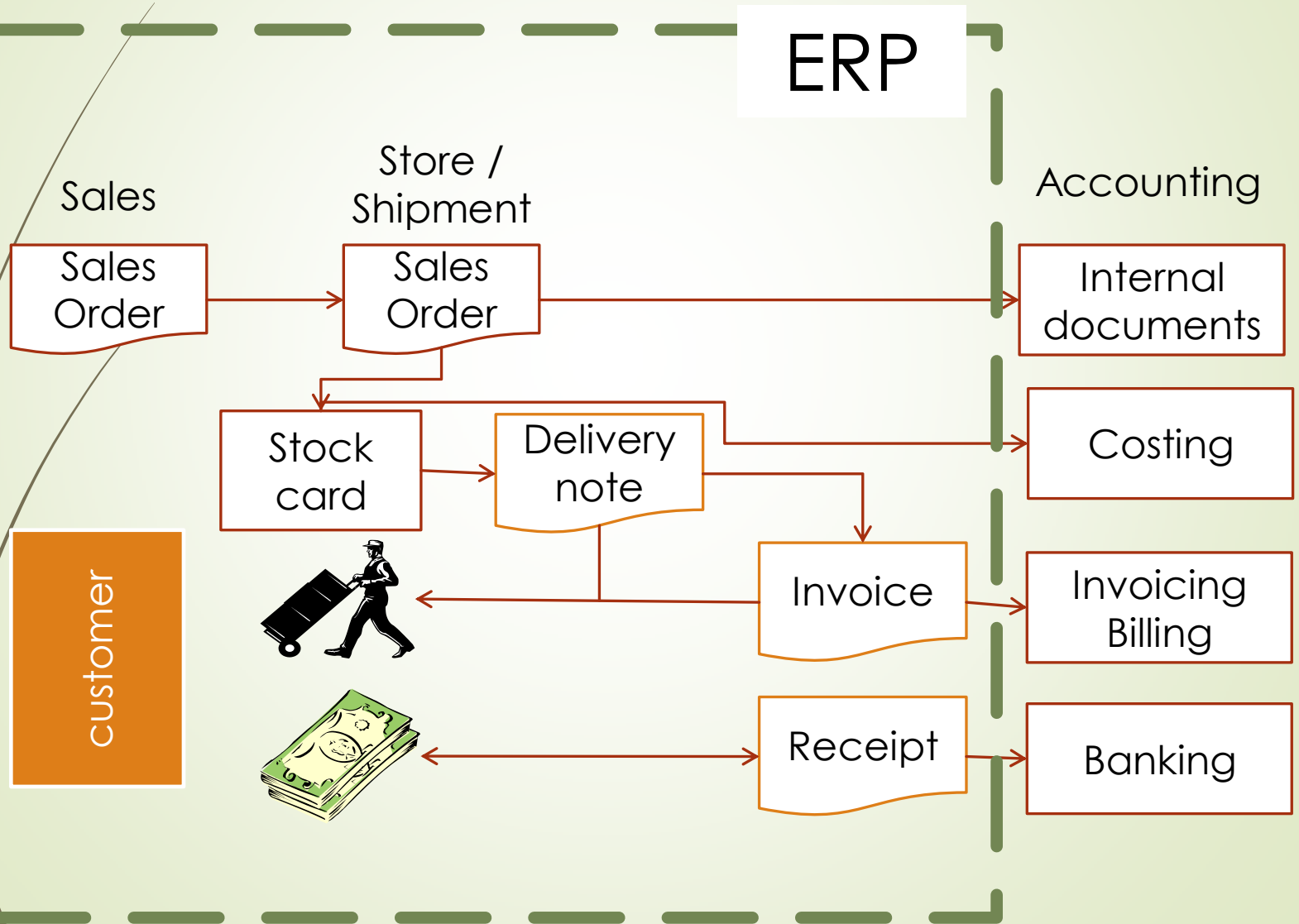
- Optimizes and simplifies the processes
- Centralize the information
- Optimizes data and document sharing
- Is accessible from everywhere
- It helps with your communication to your customers
- Accelerate report's generating
- Gets you complete information about status of your company
- Is open for the third party product (e-shops, Office, banking and payment systems, POS)



# Special position of accounting

- It is not just „a next module“
- Accounting plays unique role
- What is it accounting?
- The systematic recording, reporting, and analysis of financial transactions of a business  
(<http://www.investorwords.com/48/accounting.html>)
- Many SME separates accounting and ERP!!!!
- Many big companies underestimate the control role of accounting

# Separated ERP





# Why they do it, if they know

- Accounting Software
  - Create documents in Every Department
  - Every departments (although it is the same information, duplicate work)
- Generate report in Every department
  - Why? It has to wait for Accounting input information into software.
- Delay information e.g.
  - Stock balance => Sale, Procurement, Manufacturing
  - Account Receivable balance => Credit control, Bad debt
  - Cash and Bank management
- Waste time to collect all information



# Reasons



- ▶ People generally
  - ▶ are afraid of accounting
  - ▶ think it is better to let it on professionals
  - ▶ assume they have all necessary information from other records
  - ▶ do not like taxes
- ▶ Why it is wrong
  - ▶ accounting is here for more than 300 years with unchanged principles
  - ▶ external professionals will never know your business in detail
  - ▶ Without accounting you are loosing one of the most important ways of verifying your data
  - ▶ Taxes are simply here and we need to accept that





# Conclusion

- Critical situation of ERP need
  - Value of ERP for the customer
  - Special position of accounting
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