

ENTERPRISE RESOURCE PLANNING READINESS ASSESSMENT

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Abstract

Enterprise resource planning system in the field of information systems is a super system that its implementation requires considerable cost and time and affects various aspects of the organization. The impact of this system on the organization is to the extent that provided field of growth and development in some of organizations and for some organizations also have had bankruptcy and the end of the business. Enterprise resource planning system implementation projects have very complex nature. Enterprise readiness assessment is a way using it review the different aspects of enterprise and be tested the readiness of the components to accept enterprise resource planning system. Thus readiness assessment studies prior to the implementation of the system are very important and as a key factor of success for the implementation of the system are necessary.

Keywords: Information Systems, Readiness of Deployment, Enterprise Resource Planning.

1. Introduction

Automation of work processes as part only will not result consistency, coherence and consistency of the flow of information in an increase of the value chain, but also will destroy the growth of the organization. Various researchers have used several components to measure business performance (Taleghani & et al, 2013a). Since the business environment in the current information era has created strong competition in the information and knowledge, therefore, parts of organization must work together as much as possible rather than separate from each other. Many IT professionals believe that the only part of organization information used in decision-making processes and most of them due to lack of specialists still remain useless. Changing technology, information technology has made transformation in communication and data transmission process (Gilaninia & et al, 2013). Effectiveness of organization is degree or extent to which organizations can achieve their desired goals (Taleghani & et al, 2013b). Hence any tool of IT that could help to the organization to avoid loss most valuable its source and at the same time, to move from traditional function-oriented to process-oriented can be effective in improving methods and increase utilization enterprise resource (Nazemi & et al, 2007).

Enterprise resource planning systems can be defined as integrated software which has several components or modules in operational field of organizations such as planning, production, sales, marketing, distribution, accounting, human resource management, project management,

inventory management, service management and maintenance and repair, transportation management and business electronics. Enterprise resource planning system implementation projects have very complex nature and one of the initial steps for the establishment of these systems is enterprise resource planning readiness assessment for deployment that called briefly ERA. During this assessment, organizational readiness in term of dimension of structural, managerial, human, technical, infrastructural and cultural reviewed and identifies the problems and risks in the establishment and implementation of system until with remedy for these problems provided the field of the system deployment (Hanafizadeh & Zare Ravasan, 2011).

2. Enterprise Resource Planning (ERP)

Enterprise resource planning systems are wide software packages that have been created to support the development of integrated information in different parts of the organization such as manufacturing, finance and human resources. Companies that attempt to implement an enterprise resource planning system will create a value chain within their organization. These systems are looking for integration and the development of movement in the organizational processes and information flow within the organization (Al-Mashari, 2002). These systems are computer-based systems that are designed for transaction processing organization and their aim facilitate planning, production and timely respond to customers in an integrated environment (O'Leary, 2002). Enterprise resource planning systems are information systems segmented that processes and related information are integrated throughout the organization in various functional areas (Kumar & Hillegersberg, 2000). Important components in all these definitions focus more on the words «Enterprise» in short, ERP compared to other expressions such as planning and Resource. Because this system acts beyond the planning and despite the focus on enterprise resource, it also covers the elements beyond. On the other hand, integration and standardization of the ERP system is very important in these definitions and the two major aspects of enterprise resource planning systems separates integrated information system from other. According to Davenport development of enterprise resource planning systems have been the most important function of IT for organizations in the 90s. To help this software has occurred organizations the effective mutation to increase effectiveness (Davenport, 1998). Enterprise resource planning systems meet need to integrate computer programs in different businesses. In this system, a central database system covers the whole process of integration. These systems allow to managers for control the flow of information throughout the organization and provide timely access. In this regard, enterprise resource planning systems remove processes of among part and cause the integration in the organization. These systems were created When was raised the improvement of process as a strategic issue. In recent years, enterprise resource planning systems have been proposed as the systems necessary to run the business and create a competitive advantage (Mabert & et al, 2000).

3. The Reasons for ERP Implementation

All organizations are always trying to promote their productivity through the efficient use of resources. Today, it is more important for various reasons. Some of these reasons include:

- * Market pressure as the engine of change
- * World Economy and International Relations

- * Resource constraints
- * Increased competition
- * Respond quickly to customer and market needs
- * Reduce costs through inventory management
- * Management of small and diverse suppliers

Along with the automation, optimization and review processes, information systems are considered as an important management tool to achieve higher productivity.

ERP is planning of all resources in the organization. In fact, ERP is logical result of the maturity of information systems such as total system, MIS, etc. ERP is system that associates all sectors, transactions and processes to enhance productivity and optimize an institution exchanges to each other through integrated computer system. Thus, a single system meets the needs of the financial, manufacturing and service. ERP systems are the result of the transformation of material requirements planning systems (MRP) and manufacturing resource planning (MRPII). Also ERP system includes models and experiences of business (Business Process), software, people, hardware, information technology and communications infrastructure. Lack of attention to each of these elements can result in problems or Unavailability result (Bozorgmehri, 2007).

4. Advantages of ERP

ERP implementation in the organization will bring enormous advantages that can be summarized as follows:

- * Organizational integration in the form of information dimension and increase the consistency of data
- * The possibility of using standard methods and common in the world (Best Practices)
- * Re-engineering business processes and reduces the time to do
- * Transforming organizational processes from tacit to explicit
- * Reduce costs
- * Enables faster installing and setting up of systems related to ERP in organization is disrupt modules of this software or other applications software that not provided by ERP suppliers and specific for organization.
- * Possibility or facilitate the development of new systems and technologies
- * The possibility of establishing commercial partnerships, joint ventures, mergers, etc. for organizations with less cost and greater efficiency and better results
- * Shifting the focus of computer programming within the organization to improve processes
- * Providing the necessary infrastructure to deal with SCM and CRM

- * Improve the quality of decision-making process or to provide information needed by management at the right time with the right quality and cost (DSS.EIS)
- * Infrastructure development with a view to entering into discussions of E-Business
- * Possibility responds better and faster to market and customer needs
- * Possibility better international interactions (Bozorgmehri, 2007).

5. Enterprise Resource Planning Readiness Assessment

One of the initial steps for the establishment of enterprise resource planning readiness assessment is enterprise readiness assessment to accept and proper operation of these systems or decision to adapt in the model of Pasteur and stives. In the process is reviewed organizational readiness in term of dimension of structural, managerial, human, technical, infrastructural and cultural and identify the problems and risks in the establishment and implementation of system because with the remedy for resolving these problems, provide field of deployment. So far, it has been done several international research and studies for providing framework of deployment of enterprise resource planning readiness assessment. This framework has been provided with the aim of identifying potential problems and challenges in the deployment of the system and benefiting from successful experiences of other implementation to solve problems.

Enterprise readiness assessment is a way using it review the different aspects of enterprise and be tested the readiness of any of the components to accept enterprise resource planning system. Since system implementation project of enterprise resource planning is considered a major project and key in organizations, taking advantage of this tool for assessing organization readiness to implement an enterprise resource planning system is essential. In this method, dimensions of management and organization, staffing, structure, process, technical, infrastructural and cultural of enterprise readiness is used to adopt enterprise resource planning system. Using output of this tool can identify the existing shortcomings in the field of accepting system and plan and act to resolve them (Stewart et al, 2001)

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readiness status to accept enterprise resource planning system. Also it is determined challenges, problems and key success factors of system implementation at this stage. Also strategies offer to improve the organizational situation to accept system (Hanafizadeh & Zare Ravasan, 2011).

6. Discussion and Conclusion

Enterprise resource planning systems can be defined as integrated software which has several components or modules in operational field of organizations such as planning, production, sales, marketing, distribution, accounting, human resource management, project management, inventory management, service management and maintenance and repair, transportation management and business electronics. Enterprise resource planning system in the field of information systems is a super system that its implementation requires considerable cost and time and affects various aspects of the organization. The impact of this system on the organization is to the extent that provided field of growth and development in some of organizations and for some organizations also have had bankruptcy and the end of the business. Thus readiness assessment studies prior to the implementation of the system are very important and as a key factor of success for the implementation of the system are necessary. In this context, it is essential that organizations prior to any action to implement enterprise resource planning system pay attention to assess and the feasibility of implementing this system because system implementation is done based on facts and in accordance with the capabilities and limitations of the organization. If the organization does not have necessary readiness to accept system, should determine and explain strategies to create readiness in mentioned area. Project readiness assessment studies is done to gather basic information, to create the framework of research, detailed collection of information needed and analysis information using standard management tools. The output of these studies and analyzes is expression of enterprise readiness status to accept enterprise resource planning system. Also it is determined challenges, problems and key success factors of system implementation at this stage. Also strategies offer to improve the organizational situation to accept system.

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