

## ENTERPRISE RESOURCE PLANNING (ERP)

*In today's business world, companies are increasingly looking for flexibility, cost savings and efficiency in the business applications they acquire. The increased competition has driven companies to look for new ways to succeed and remain competitive. In this IT led business environment, staying on the cutting edge of new technology acts as an enabler for companies to gain effectiveness and efficiency to face the competition. Enterprise Resource Planning (ERP).*

### INTRODUCTION

There are various ways in defining an Enterprise Resource Planning System. This is how it has been defined by American Inventory and Production Control System (APICS) dictionary: "Enterprise Resource Planning: An accounting oriented information system for identifying and planning the enterprise-wide resources to make, ship and account for customer orders." Again in Internet encyclopedia, it has defined as "An enterprise planning system is an integrated computer-based application used to manage internal and external resources, including tangible assets, financial resources, material and human resources". Basically, an ERP combines several traditional management functions into a logically integrated system and facilitate the flow of information across these functions. It is designed to model and automate basic processes across the organization over a centralized database and eliminates the need of disparate systems maintained by various units of the organization. Figure below shows how information is integrated into a typical organization using an ERP system.

#### I. DEFINITION OF ERP SYSTEMS

An enterprise resource planning (ERP) system is an attempt to create an integrated product that manages the majority of operations in a company. What is different about ERP systems is that they integrate across functions to create a single, unified system rather than a group of separate, insular applications" (Alshawi , 2004). It is an integrated multi-module application software packages that are designed to serve and support multiple business functions and which treats those business functions as a cohesive whole, allowing data to be shared between different departments.

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### II. OBJECTIVE OF THE STUDY AND RESEARCH HYPOTHESES

Open Source ERP seems full of potential for high growth in the future. As companies are searching more and more for cutting costs and gaining competitive advantage, Open Source seems to be a good alternative to SMEs and some large organizations, but do Open Source ERP systems stand up to the challenge and did they become mature enough to be the backbone of serious businesses?

### III. CONCLUSION

The most pronounced differences can be felt in the Human Resources module, where OpenERP can be considered the most complete among the three systems. Having a good HR management is very often a prerequisite or a success factor for good project management, and that is why OpenERP can be considered more 61 successful than its two other competitors when it comes to the project management module. OpenERP has also advantages over the other two other ERPs when it comes to the CRM module where OpenBravo presents some limitations. The strong point of OpenBravo remains its web interface.

### IV. REFERENCES

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2- A. Gupta, 'Enterprise Resource Planning: the Emerging Organizational Value Systems', Industrial Management & Data Systems, Vol. 100, No. 3, 2000, pp. 114-18.