



EFFECT OF ENTREPRENEURSHIP RESOURCE PLANNING IN SUPPLY CHAIN MANAGEMENT

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Abstract: In present world we are living in is full of competition in every sector, if we talk about the companies they also have to grow continuously to survive. So, company's organization management and techniques plays a vital role here. Most commonly used tools are supply chain management and entrepreneurship resource planning. The companies must enhance the rate of production, reduce overall cost, and improve productivity. All these factors are interrelated, flow of information from and to the company are important for that. Supply chain management manages the input and output of this precise information, and ERP is the technology used for its implementation.

The aim of this study is to research in this area and to address real problems where the ERP can be implemented and to create analysis tools for these systems. With globalization, ERP software plays a great role in many business organizations.

Present work is focused on, the implementation of ERP system in the company and to get an idea that how it can benefited for in solving the different problems a company may face. Many researchers have studied the background, timing, economics and success of ERP implementation. Our study looks at ERP functions at the strategic and operational level, and aims to integrate the challenges and weaknesses in implementing an ERP system in an organization.

With developments in IT sector, ERP systems plays a major role in SCM, present scenario focuses on multiple solutions for a specific problem to improve the interface of ERP systems, to manage the supply chain in a better way. Literature suggests that the main advantage of an ERP system is its integration and centralization. An ERP system improves the processes in faster and reliable way to support the decision makers. However, several studies also convey that ERP increases confidence in decision making through mutual participation, improves coordination of actions and facilitates interdependent decision making. It enhances the satisfaction of the participants with the decision making process.

Index Terms - Supply chain management, Entrepreneurship resource planning, organizational management system, decision making.

I. INTRODUCTION

Last 20 years been simplified the internal operations, increased production, improved quality of product and reduced manufacturing costs, now companies are focusing on pre shipment inspections. Now a day's markets are network based. Statistics show that logistics or pre shipment inspection costs in European organizations and United States companies spent more than 10% to 15% of total turnover or GDP. Supply chain management (SCM) is also important because of the origination of a network economy. Now a day's markets are more transparent and customer needs are more individualized. The fast growing supply chain management (SCM) systems can have a broad impact on the business. The role of ERP is an extension to the market demand planning and the manufacturing resource planning (MRP).

The root of the ERP begins with Material Requirement Planning; later in the 1990s it also involved the manufacturer sector like assembly of tractor parts and construction machinery etc. To work in this sector is quite complex and expensive. ERP simplifies the time consuming operations but it also requires software's to implement ERP successfully. ERP also worked with IBM to develop what is believed to be the first MRP system.

Literature published with the news model is growing rapidly. However, most of them insisted on it in the post internet age. As competition increases, supply chain management is also used as an element of competition in business. Companies are also developing ERP system to improve their supply chain systems. ERP system is nothing but an extension of Market Requirement Planning (MRP) and Manufacturing resource planning MRP-II came in existence in 1970s and 80s respectively.

II. LITERATURE REVIEW:

Milan Chowdhury et al. [1] looks at the impact of the cloud ERP model on the supply chain of selected companies. ERP cloud use shows significant contra-indications for only small participation in community relaxation outcomes. This finding somewhat supports the notion that the impact of cloud ERP on the relationship between mutual relationships and favorable synergies will be more relevant for smaller companies than for larger ones. **Mincong Tang et al. [2]** The purpose of this study is to provide information to Western ERP providers to modify/localize their existing systems to suit local Chinese practices; also to help Chinese companies choose ERP systems or develop their own systems. The empirical data is collected to validate the proposed model. Company visits and interviews are conducted to develop measurement details for research teams. In this article, we will explore the preliminary results of the interview and discuss the next steps. **Ibrahim Egdair et al. [3]** This article proposes a methodological framework to examine the main factors affecting the possible relationship between ERP system and performance, with a clear indication that it has not yet been studied in the context of Libya, which directly addresses this issue. She clearly explains the meaning of this. studies. **Mohamed Abdel Aziz et al. [4]** This study provides an overview of the use of enterprise resource planning in supply chain process design. All three forms of ERP - monitoring and control, latency management, and collaboration - have been shown to have a significant impact on strategic relationships with vendors. **Muhammad Shujaat Mubarik et al. [5]** this study contributes significantly to the literature on CRS and SCP. The results also show that the relationship between SRC (supplier relational capital) and SCP (supply chain performance) is fully mediated by the implementation of ERP and OC (organizational culture). Additionally, the results also show that maintaining SRC with suppliers can increase supply chain flexibility. These results support the broader, resource-based view that resources can contribute to competitive advantage through organizational capacity development. **Munther Al-Nimer et al. [6]** This study recommended the need for research focusing on factors such as the use of best practices and business efficiency to implement ERP solutions in parallel across an agile supply chain. Source of ERP solution, balance between cost and benefit, constraints in implementation of ERP. **Ugur Bac et al. [7]** This study was carried out in Turkish manufacturing plants. For a more detailed study, you can check the industry compatibility of Impact of BPR and ERP on SCM performance. In addition, comparisons can be made between countries to identify potential differences between different countries.

III. IMPLEMENTATION OF ERP IN SCM:

1. Key Benefits

- a. **Upgrades Supply Chain Network:** ERP system enhances the business that aims to smoothly plan and runs for long-term goal and wants to be on top among competitors. That's why many organizations are pushed to purchase and implement information technology like ERP.
- b. **Minimized delivery Period:** ERP provides full transparency to network of supply chain that is not feasible with the manual processes. Company may keep track of all task performed by the suppliers, manufacturers, storage rooms, and everyone involved in the supply chain to facilitate the exchange of data through the network and hence ensures the effective management of procedures, from developing to shipping the final goods to the customer. The status of all processes can be monitored and corrected at run time if any issue arises.
Those supply chains who do not opted for ERP complains about poor business relations and economic losses may arise due to supply delays from suppliers, production line delays or interruptions, and logistical errors in distribution channels.
- c. **Better Collaboration:** ERP helps the organization to keep track of everyone in supply chain. Get run time feedbacks of what is going on.
- d. **Cost Reduction:** ERP can help in cost reduction in several ways. Inventory management can be done by applying just-in-time or rapid response models that reduce raw material availability and therefore eliminate the need to store raw materials.

2. Managerial decision making using ERP:

It is very important for managers to have right information at right time in the ever growing business environment of present time for this organizations required roper mechanisms otherwise the organizations may fail to succeed in future. An organization must remain vigilant to stay afloat in the face of changing trends. Any technology that facilitates the collection of such information increases a company's chances of staying in the market.

3. Levels of Supply Chain Coordination:

There are three levels of supply chain coordination. The first level involves the cost-cutting or gathering of information external to the organization. The second level deals with the collaboration of information along with the material and services involved. As we move to an upper level it has some effect of lower level too. The third level hence gives an effective management of information, materials, and money for maximizing the overall value of the product. This type of coordination can be represented as shown in figure below and can be called as shift coordination model.

IV. RESEARCH METHODOLOGY:

Present work is based on an unbiased research approach, as the basic foundation is made though the literature presented before by the renowned researchers in this field.

1. Accumulation of Data

As the research is presented is totally unbiased so we will use the secondary external sources based on the previous work in this field. This study will evaluate the previous research on enterprise resource planning and supply chain management.

2. Result Analysis

The result will be based on the data obtained though the various sources in the literature. Using experimentation the results will be drawn on the basis of different approaches and practices carried out by research scholars the final conclusion will be drawn.

V. BARRIERS IN SCM:

Figure 1.1 shows the main barriers to information exchange and the role anyone plays in this process.

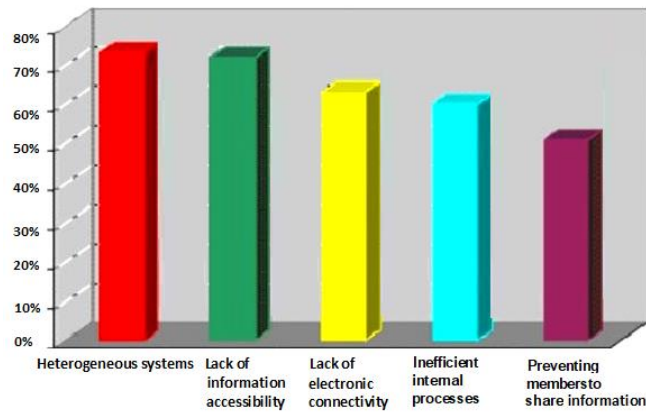


Figure 1.1: Percentage effect vs. barriers in supply chain

One of the main constraints is that traditionally each independent company values its own profitability and, therefore, neglects the performance of the other participants in the chain. Each individual can be taken as independent entity that can sale its goods at maximum cost to other participants; thus they avoid exchanging their costing and machinery information.

It minimizes resistance to information sharing. But, this is not the sole solution; On the contrary, several researchers investigate on the motivation to facilitate the exchange of information also. One more barrier is having a non uniform system within an organization, which give rise to high costs and close cooperation between participants. As noted above, having a coherent information system will eliminate many of these problems, although other constraints will depend on the politics and culture of the organization.

VI. RESEARCH IMPLEMENTATION:

The role of ERP can be divided into four categories.

1. Better information flow, collaboration and integration between departments with better flow of information.
2. Administrative functions like accounting and payroll are centralizing.
3. Reduce the cost of maintaining information systems and increase the ability to offer new functions.
4. ERP helps a company move from an ineffective business process to an established practical process.

The literature discussed above indicates that ERP systems, if implemented successfully, have potential business benefits. Joint processes or joint business scenarios are linked to an integrated network of suppliers of raw materials to customers.

Main areas of research

There are two main areas included in this study, first, how to apply ERP, What are the advantages of this system for solving ERP system and other is the various problem's which may be faced by an organization. A major area on which most literature is focused, involves cost, reduced timing, savings and success of ERP implementation. On the contrary, there were very little studies focused on ERP functions at the strategic and operational level. ERP Research are often divided into two categories: ERP concept studies and systems research. Conceptual studies of ERP focus on potential effects that ERP can have in an organization, while systems-oriented research used ERP as a tool to make a specific result. Table 1.1 shows some studies subjected to each of these areas.

Table 1.1 Studies subjected to conceptual and system oriented ERP

system oriented	Conceptual
Project implementation management	Supply management
Process restructuring	Supply chain management
support and maintenance of ERP systems	Demand forecast

The ERP system provides an organization with the following benefits.

1. Lower operating costs and increased efficiency
2. More transparency of transactions in the company
3. Make the best business decisions
4. Right product delivery at right time
5. Fulfill customer promises
6. Implementation of advanced manufacturing practices, including lean manufacturing.

VII. CONCLUSION

This study, focus on enterprise resource planning (ERP), supply chain management systems (SCM), and decision systems. Every review depicts that ERP have great impact on supply chain. Many organizational needs have been achieved by ERP implementation and are also very important for other organizational systems. ERP can be used as a foundation for supply chain. ERP is a system that supports business sectors such as finance, logistics, sales, and manufacturing etc. So, the analytical layer should be designed with focus on the strategic and technical aspects of the business and its role in the supply chain. Several disadvantages are also hidden behind the major advantages such as maximum research shows that ERP is focused on the production level, so it is less analyzed. Therefore, it required much skillful persons to use the software at ground level. Another limitation is REP systems are so expensive and complex for integrating with other systems. So, it must be compatible with other information systems with flexibility and easiness as all levels of the system the procedure and tools were changes. The main conclusion is we should not let ERP help too much to support supply chain management in expanding enterprises. It was surprising that ERP became the standard and had a huge advantage. Once an ERP is established in an organization, there is a process orientation that nonetheless serves as a foundation in the business areas of the individual organization and supports supply chain management. However, like IT solutions, ERP systems may not be compacted to support SCM in many companies.

VIII. FUTURE SCOPE:

This study can serve as the basis for future research that will focus on the two areas of inter-organizational decision modeling and integration of well organized system with ERP. Development of ERP system and analytical system for integration like decision making provides context for the application of this study. Secondly, the development of a well structured supply chain decision-making model of supply chain operations (SCOR) may provide another starting point for futures development. Supply chain performance can always be improved by developing optimization and decision models with more realistic assumptions. Developing ERP systems to support multiple businesses requires extensive research to fill in the gaps.

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