

**APPLIED BUSINESS PROJECT
(MBA 795)**

**IMPLEMENTATION OF ENTERPRISE RESOURCE
PLANNING:
A FEASIBILITY STUDY AT PAWADA FOOD
INDUSTRIES SDN BHD**

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ABSTRACT

Pawada Food Industries Sdn Bhd (PAWADA) is a wholly Bumiputera owned company based in Kuching, Sarawak. PAWADA is an SME company driven by Quality Oriented Philosophy, with years of experience in food manufacturing in agro-based industry. As a new comer to the food manufacturing company, PAWADA has been facing problems pertaining to their current operation systems.

The aim of this study is to identify the existing operation systems practiced in PAWADA, to study the effectiveness of the current operation systems used in PAWADA and to propose a better solution to enhance the effectiveness of the current operation systems implemented in PAWADA.

To gather information pertaining to the problems faced by PAWADA in their existing operation systems, the authors applied four stages of methodology which involved facts finding, data analysis and interpretation. The authors also studied various possible solutions pertaining to the problems and proposed a better solution to the PAWADA's Board of Directors.

The fact finding analysis revealed PAWADA's current operation systems, ineffectiveness of current operation systems and the readiness of its personnel to adopt the new proposed ERP System implementation in PAWADA to overcome the obstacles in their current operation systems.

CHAPTER 1

INTRODUCTION

This study deals with the difficult issue of “sales manipulation” in PAWADA Food Industries. There are also major problems in gaining access and corporation at a time of widespread economic difficulty and in identifying the exact nature of systems and services when businesses are undergoing almost continuous organizational change. The author had chosen supply chain management as an area of study emanated at the request of the company understudy which sometimes realizes that it has dilemmas in its sales monitoring. This chapter covers the PAWADA’s company profile, the problem statement, objectives of the study, scope of the study, significance of the study and organization of the report.

1.1 PAWADA FOOD INDUSTRIES SDN BHD

The transformation of the food manufacturing sector, and sustaining its competitiveness, remain the major factors in determining the pace of economic activity in the country. The Ninth Malaysian Plan period, in meeting a more challenging and competitive global environment, a crucial goal will be set to upscale the food manufacturing sector towards higher-value-added-activities and upgrade capacity in the provision of related services. The focus will be on transforming industrial businesses and complementary services, especially SMEs, into strong knowledge-intensive and value-creating entities. The promotion of technology-and-innovation-driven strategies will be given increased priority. Greater emphasis will be placed on promoting investment in new areas of growth as well as reinforcing innovation capacity and capacity to augment productivity

CHAPTER 2

LITERATURE REVIEW

Similar and related earlier efforts to this topic have been reviewed. A special focus is given to the impact of information technology on business performance. Often businesses fail because they are either undercapitalized, unprepared, or, in business for the wrong reasons. But the biggest cause is the lack of proper planning. That means they have no clear idea as to where they are going, and when they get there, if they get there in the first place, they do not know how to proceed. A dream, an ambition, or a desire to achieve some form of recognition is not substitutes to proper planning and hard work. They have clear proof that success is not beyond anyone's reach. The essence of a good business is based on many elements. Among others are innovations, that are distinct from one's competitors; proper business plan; realistic budget; sufficient funding; or known sources from which additional funds can be obtained; staff training; required stock levels; proper stock management and stock control systems; and a clear marketing strategy.

2.1 STOCK MANAGEMENT AND CONTROL

Stock management is defined as the process that one must follow in order to ensure that the business is keeping the right kind of stock at an appropriate levels at all times, to achieve the levels of sales and Gross Profit budgeted (Amos Bush 2006).

2.1.1 Stock traceability and control

According to Amos Bush (2006), stock control is tracking the stock from the moment it is delivered from the warehouse to the retailer's store and following its