

**The effectiveness and challenges in
implementing Enterprise Resource
Planning (ERP) in supporting business
organization: An evaluation at
workplace**

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ABSTRACT

The Effectiveness and Challenges in Implementing Enterprise Resource Planning (ERP) in Supporting Business Organization: An Evaluation at Workplace

Abstract: *Enterprise resource planning (ERP) systems offer great benefits to organizations for integrating information from various departments, accessing real-time information and enhancing decision-making process. However, organizations must study the challenges they might face before ERP implementation takes place since it consumes a huge amount of money and resources. In addition, organizations must know what are the new features that being embedded in latest ERP system based on the latest business practices adopted by organizations worldwide. This research study will examine via questionnaire to determine factors contribute to the effectiveness and challenges in ERP implementation at UMW Group of Companies. The empirical evidence confirms quite numbers of the effectiveness and challenges gained from ERP systems. The result from this study, provides the basis for future ERP research for more effective business solutions.*

Keywords: *Enterprise resource planning, Research, Implementation, Effectiveness, Challenges, UMW, and BaaN.*

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CHAPTER 1

INTRODUCTION

1.1 GENERAL

In today business environment, most of the organizations use the emerging of Information and Communication Technologies (ICT) as a tool to support daily business operations and activities. One of vital elements in ICT is software systems or information systems. Generally, information is being used for storing business information, acts as a record, as evidence on business transactions and for analyzing of business data. Enterprise Resource Planning (ERP) systems are among the popular information systems package used by organizations to support their business activities and operations. It offers various functionalities ranging from financial up to manufacturing modules that being developed based on common business process adopted or practiced by organizations worldwide. ERP systems have traditionally been used by capital-intensive industries such as manufacturing, construction, aerospace and defense, they have recently been implemented in finance, education, insurance, retail and telecommunications sectors (Chung and Synder, 2000).

The research study on Enterprise Resource Planning (ERP) system has been done at UMW Group of Companies to foresee any impacts on the effectiveness and challenges in ERP system implementation, and to give recommendations for process improvement in ERP implementation at UMW for future and can be use as a reference to pursue further research in specific domain or area related to Enterprise Resource Planning (ERP) system. The UMW Group of Companies employees have been selected randomly in order to answer questionnaires related to ERP implementation. The employees range