Chapter 5
Understanding Enterprise Resource Planning Reliability for Operational Excellence:
Towards Understanding the Components of a Reliable Enterprise Resource Planning System

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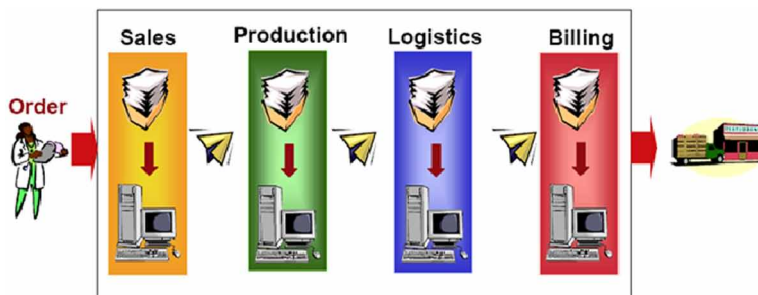
ABSTRACT

The quest for sustainable competitive advantage and the urge to adapt to a challenging business environment has made firms around the globe to adopt enterprise resource planning systems so as optimally leverage on the enterprise-wide resources and be more responsive to customer demands. Globally organizations seeking to enhance their competitiveness have utilized Enterprise Resource Planning (ERP) systems to enhance their operational efficiency. The ERP philosophy advocates for the incorporation of personnel, finance, manufacturing, distribution, sales, and marketing modules into a single integrated system and a central database, allowing an organization to efficiently and effectively utilize its resources. The planning and better management of organizational resources, improved business performance, and better integration of business operations can be facilitated by an ERP system to offer an avenue of excellence for a business. Despite the potential benefits an ERP system offers an organization, few studies have explored the ERP reliability in the context of competition driven business imperatives.

Table 1. ERP success or failure

Top Five Reasons for ERP Success	Top Five Reasons for ERP Failure
User involvement	Lack of user input
Executive management support	Incomplete requirements and specifications
Clear statement of requirements	Changing requirements and specification
Proper planning	Lack of executive support
Realistic expectations	Technological incompetence

Figure 1. Making an order before ERP

INTRODUCTION

The quest for sustainable competitive advantage and the urge to adopt to a challenging has made firms around the globe to adopt Enterprise Resource Planning (ERP) systems so as optimally leverage on the enterprise – wide resources and be more responsive to customer demands. Globally organizations seeking to enhance their competitiveness have utilized ERP systems to enhance their operational efficiency (Verville, Palanisamy, Bernadas, & Halingten, 2007). This has been exacerbated by ERP internet extended functionalities, stakeholder's demands to bridge speed with value.

Meaning of ERP

ERP can be defined as an enterprise - wide information system that collates and controls all the business processes within an organization onto a single computer system so as to serve organization's needs. ERP as an information technology (IT) resource seeks to reliably integrate, synchronize and centralize organizational

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