

TIMES ASCENT

Potential beyond boundaries

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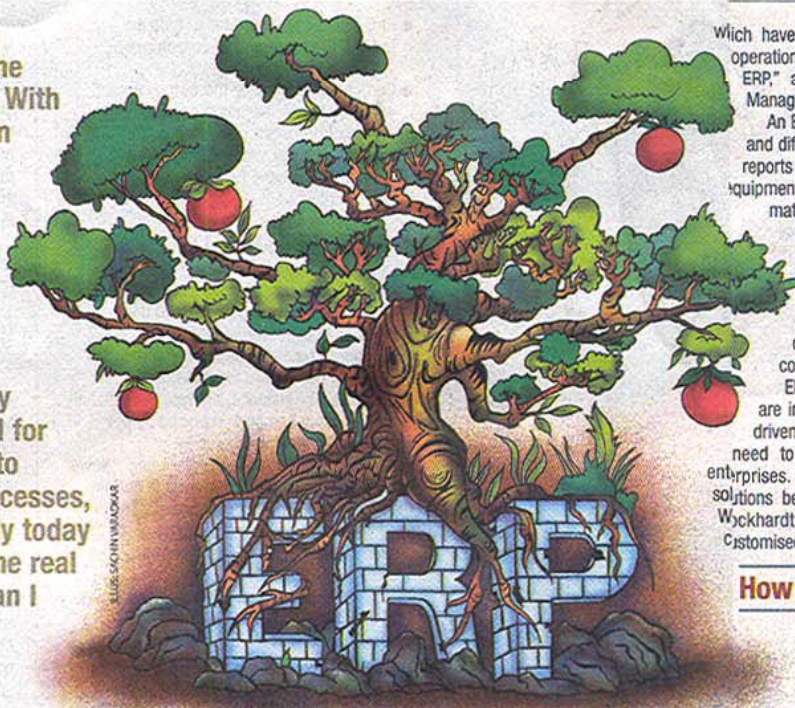
The infusion of technology in business has changed how the modern enterprise functions. With growing pressure to deliver in the high-stakes, high-risk marketplace, most organisations use some or the other form of enterprise software that helps them work faster, reduce costs and be more competitive. Good 'technology architecture' is also essential for any organisation that wants to limber up and streamline processes, according to experts. "Nobody today says 'I don't want an ERP'. The real question they're asking is 'Can I handle one?'," says Anirudh Prabhakaran, COO, 3i Infotech.

Enterprise technology comes in many forms, but you have two broad choices: go with individual software to handle different tasks (e.g. one each for human resources, manufacturing, processing orders, receipts and payments, etc.)...or go for an Enterprise Resource Planning (ERP) solution that combines multiple functions in a flexible package.

ERPs Everywhere

Fundamentally, enterprise resource software works by creating a large database of information that users can draw from and contribute to. For example, an employee files a leave application on the company intranet portal. The application is automatically sent to the concerned bosses for approval, then checked against the individual's attendance record - and then sanctioned or rejected. But twenty years ago, all this would really have sapped HR's time.

Organisations today use ERPs to bring various departments (e.g. administration, payroll, inventory, etc.) onto the same platform. This is because any ERP has a number of embedded business functions that can be simultaneously run throughout the enterprise. "Organisations



takes root

Choosing the right ERP can save you headaches and help your organisation handle more tasks efficiently. Nikhil Menon tells you how

Which have several products, complex schedules and spread operations can tremendously benefit by implementation of ERP," affirms Naresh Raisinghani, CEO of Breakthrough Management Group (BMG).

An ERP can also be customised to handle different tasks and different industries. From processing invoices and filing reports to prescribing routine medication and managing the equipment during a stage show, it can bring in high 'task maturity' in the organisation. 4004 Incorporated, for example, has developed a proprietary ERP solution with the help of an in-house development team. Avirat Sonpal, Managing Director, 4004 Incorporated says that this has 'eradicated several overlapping processes and put all departmental communication, both internal and external, on a common platform'.

ERPs constitute a fast-growing segment of industry and are implemented across the board and not just in profit-driven business corporations. "Today, several organisations need to implement IT solutions, including non-business enterprises. Some examples are customised Healthcare IT solutions being implemented in hospitals such as Apollo and Wockhardt. NGOs such as CRY have also implemented customised ERP solutions," Raisinghani says.

How Flexible/ Affordable?

If yours is a small or medium sized organisation, you would typically have to invest around Rs. 8-10 lakhs in a good ERP. This includes license, implementation, server and other costs. It is up to the organisation's management and IT department to conduct careful research into the package and how it will work for them, customisation required and how the organisation will take care of recurring costs incurred on updating, training, troubleshooting and integration costs (with subsequent software additions). Additionally, it is extremely important to have experienced and skilled staff at the controls.

An ERP that delivers a hundred percent is unheard of and some initial hiccups may arise before your company and staff get used to working with the new system. "We firmly believe ERP's fail primarily because people are resistant to it," Sonpal emphasises.

But the good news is that most vendors have specialised offerings for small and medium enterprises (SMEs) that are cheaper and require less time on installation and configuration.

The Great E-nabler

A good, well-oiled ERP brings together functions, reduces time gaps and asks for human intervention where required. But wouldn't it make jobs redundant? "Not necessarily," says Prabhakaran, "But it also depends on what the organisation is using the ERP for. Routine

tasks might be eliminated, but look at the bright side - it helps increase the efficiency of existing employees. This ensures that you won't have to keep adding staff as you go along."

If implemented properly, ERP can reduce cycle times, reduce inventory, improve resource utilisation, improve customer response, utilise information effectively and in turn improve profitability dramatically.

The Indian market is seeing a lot of ERP activity at present, with Public Sector Units being seen as the next big market, according to vendors. But in the long run, the future of ERPs will be determined by how many niche areas they manage to penetrate successfully and how well they address organisational needs.

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