


Objectives for Research, Development, and Introduction of Enterprise Resource Planning System: A Case Study in the Democratic People's Republic of Korea

Song-Chol Kim, Kim Il Sung University, North Korea

Gwang-Nam Rim, Faculty of Economics, Kim Il Sung University, North Korea

 <https://orcid.org/0000-0001-5244-2124>

Sun-Nam Jang, Kim Il Sung University, North Korea

Chol-Song Kim, Kim Il Sung University, North Korea

Yong-Rim Choi, Kim Il Sung University, North Korea

Hyok-Song Jon, Kim Il Sung University, North Korea

Yong-Jae Jo, Kim Il Sung University, North Korea

ABSTRACT

This paper is written with a view to confirming strategic objectives of enterprise resource planning system by analyzing world-class enterprise resource planning system and by systematically generalizing findings and experiences obtained in the process of its research, development, and introduction in keeping with the real situation of the Democratic People's Republic of Korea (DPRK). Confirming strategic objectives of enterprise resource planning system in keeping with the real situation of the DPRK intends to suggest the objectives which should be achieved in its research, development, and introduction which different development units of the state are now pushing forward as long-term, durable tasks. The findings on the strategic objectives for research, development, and introduction of enterprise resource planning system have been made in correlation with those already obtained in the DPRK and over the world. But a lot of issues should still be studied in keeping with the reality in the DPRK in the aspects of business economics and information technology (IT).

KEYWORDS

Enterprise Resource Planning System (ERPS), Management Information System (MIS), Product Data Management (PDM)

DOI: 10.4018/IJEIS.2021010103

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1. INTRODUCTION

If enterprises want to scientifically conduct business activities in keeping with the trend of IT development and their rapidly changing situation inside and outside them, they should research, develop and introduce Enterprise Resource Planning System (ERPS). ERPS is the high-level, standardized business information system which integrates and manages all of human, material and informational resources in their organic connection so as to maximize the effect of business activities. As such, it is an organic sum of business-conducting programme which are embodying excellent business theories, methods and experiences and integrated in a structural, functional and informational manner.

ERPS should be a means for strategic management which can satisfy business practices of enterprises and state economic laws and a means to achieve a long-term goal.

To this end, it is necessary to scientifically determine important strategic objectives of ERPS in accordance with the real conditions of business practices of enterprises and push ahead with its development and introduction purposefully and in a far-sighted way.

Authors have conducted the research, development and introduction of ERPS for about 20 years and obtained a lot of knowledge and experience. And on this basis, authors have confirmed important strategic objectives of ERPS in keeping with the reality of the DPRK.

2. DATA AND METHODOLOGY

2.1. Data

The analysis of pre-obtained findings on ERPS shows that the strategic issues arising in its research, development and introduction were raised in different purposes and aspects. In general, Enterprise resource planning (ERP) is used by companies to manage and integrate the important parts of their businesses. Many ERP software applications help companies implement resource planning by integrating all of the processes needed to run their companies with a single system (Investopedia, 2020). According to Gartner (2020), Enterprise resource planning (ERP) is defined as the ability to deliver an integrated suite of business applications. ERP tools share a common process and data model, covering broad and deep operational end-to-end processes, such as those found in finance, HR, distribution, manufacturing, service and the supply chain. Major discussions on ERP and ERPS can be divided into following.

First, the opinion was raised that ERPS serves as a means to achieve the long-term goal of an enterprise.

Kallunki et al. (2010) say that the strategic goal of ERPS introduction is not only to achieve the financial objective of an enterprise but to effectively improve its general business activities. Jenatabadi et al. (2013) said as follows. "The appearance of IT engendered the change in the role of enterprises as well as business strategy. What is more important here is to ensure the strategic cooperation of enterprises interlocked with each other in a supply chain. Two essential items of IT investment emphasized by management include supply chain management and ERPS." According to Matende & Ogao (2013), an information system (IS) is generally a social system produced by the combination of man and IT. In particular, business information system such as ERPS is closely related with its users and is introduced to offer the information necessary for drawing out the strategy for maintaining the information system inside an enterprise and its implementation, and for business analysis and decision-making. Monk and Wagner (2013a) said it is proved that ERPS is needed to eliminate the conflict between strategic objectives of an enterprise, standardize business-conducting processes and improve cost management, business finance and decision-making. Discussing the growth trend worldwide, Khanna (2016) says that enterprises are implementing different practices such as CRM, ERP and other quality improvement systems to utilize their resources effectively, and all these techniques are turning out as boon for the companies, helping them by providing better quality and lower cost (Also, Srivastav, 2016).

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