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Chapter XII

ERP Systems Management: A Comparison of Large Sized Brazilian Companies

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Abstract

This chapter investigates the aspects involved in ERP systems management to understand how such artifacts transform the role of Information Technology (IT) areas within the organizations. ERP systems are currently the main component of the information architecture of most large and medium sized companies and the management of these systems has become a critical part of IT teams' every day. Initially is proposed a management model for ERP systems based upon a survey of the literature. Next is presented, based upon the model, the analysis of two ERP systems management cases of large sized Brazilian companies. At the end the cases are compared and important observed differences set up the conclusions of this chapter.

ERP Systems Role in Organizations

During the second half of the nineties the implementation of ERP systems was, on a global scale, one of the central points of attention regarding IT utilization in companies. History shows that implementation of ERP systems is not a simple matter; even some failures were reported. Research on the subject developed as from the end of the decade, which studied mainly the factors governing successful implementation, showed that a process of cultural change is involved. One critical factor for success is to avoid that the endeavor be handled as a “computing” project. Dedication and involvement of top management, strong participation of users and change management were aspects considered essential for the success of these implementation projects.

The issue of benefits achieved with the use of these systems was also researched; however, there are few evaluations of a quantitative nature. ERP systems brought benefits with regard to the integration of the company’s internal operations by reducing: raw-material stocks, order taking time, production time and delivery time. Gains in efficiency due to elimination of operations carried out by hand, especially those associated to manual integration between previously isolated departmental systems, were also perceived. Furthermore, these systems use a single database, which adds to the quality of the information available. The availability of real-time information may also contribute to improve the company’s decision-making procedures.

In most cases, after implementation, the ERP system becomes the basis upon which the company begins to develop other initiatives, such as: customer relationship management (CRM), supply chain management (SCM) and business intelligence (BI). Also at this stage, called the “ERPs second wave,” companies begin to consolidate their process reviews and effectively employ a model of integrated process management.

IT Management: New Challenges

Notwithstanding the ERP phenomenon, the current dynamics of the organizational IT use must also be taken into account. According to Andressen (2002), business units are demanding from the IT area increasingly higher levels of service and IT managers are being forced to review how they carry out their

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