

The Purpose and Phases of an ERP

What is an ERP System?

An Enterprise Planning System (ERP) is a set of highly integrated applications designed to:

1. record key organizational data including human resources, finance, and other institutional assets;
2. process a variety of transactions based on these data (i.e., issuing payroll, collecting benefits deductions, paying vendors, enabling intra-institutional funds transfers) while ensuring compliance with configured regulatory, sponsor and other configured rules; and
3. provide a source of data for producing management, financial, and compliance-related reports for internal management and external oversight.

Why Do Organizations Implement ERP Systems?

Organizations implement ERPs to replace aging legacy systems to:

1. establish a reliable system that spreads the costs and burden of managing security, regulatory compliance, and support risks between the institution and the ERP vendor.
2. replace dated business processes with new best practice functionality.
3. improve operational efficiency by automating tasks for both central administrative and campus-based financial, human resources and operational managers.
4. provide more consistent and timely management reporting for decision support.

Typical Phases of ERP Implementation Projects

1. **Implementation** – frequently an extended period of time when an organization focuses on configuring, building, and testing functionality and preparing the organization for the transition.
2. **Go-Live and Stabilization** – the first year after go-live during which the institution completes its first full cycle of activities in the new ERP, a period that frequently uncovers organizational deficiencies that had lain hidden by legacy tools with limited reporting.
3. **Application Updates** – bringing and keeping ERP applications up-to-date with vendor-provided security and functionality updates.
4. **Making Major Course Corrections** – most organizations make one or more significant bad decisions in configuring and customizing ERP systems, often by making things like workflow, approval hierarchies, and accounting structures much more complicated than needed (or supportable).
5. **Enhancements and Efficiency Improvements** – (for central and/or campus administrative offices) to streamline and otherwise improve business processes.
6. **Deliver Significant New Functionality** – to achieve additional efficiencies or offer new services.

continued

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Typical Phases of ERP Implementation Projects (continued)

- 7. Improving Reporting Capabilities** – in tandem with this list, most organizations devote post-implementation resources to improving reporting capabilities for central and campus administrative offices.
- 8. Regulatory and Other Mandates** – governmental and other system or regulatory mandates requiring application modifications absorb significant resources.

Typical Categories of ERP Support Activities Post-Go-Live

ERP systems are never “Done.” They are designed to evolve over time to help institutions manage their operations more efficiently in an ever-changing environment.

Like most institutions, UNC-Chapel Hill’s ERP support team is focused on these categories of activities:

