# ADOPTION OF ENTERPRISE RESOURCE PLANNING SYSTEM IN AN ORGANIZATION

Within EVEBIT digital software company

ABSTRACT

An enterprise resource planning system is now necessary for every enterprise. ERP can be used in core process to solve lots of management issues. It is useful for the management of small, normal and big enterprise. Therefore, it can be used by all business enterprise. EVEBIT is a small-size software enterprise in China with branch office in HUBEI and WUHAN of China. EVEBIT won the Chinese software market because they never stop improving their ERP system to bring better services to their customers and developing the information system to bring better management for the organization.

This paper describes how to adopt ERP system in an organization. EVEBIT Software Company is selected as the case study of the author's thesis. The author will illustrates the ERP system adoption processes in EVEBBIT Software Company and compares the ERP system processes for ideal adoption.

Key words: Information technology, Organization, International, enterprise resource plan

CONTENTS

# 1 INTRODUCTION

This paper describes the ERP system adoption process of EVEBIT. Nowadays, organization work is not the same as the traditional one anymore. Almost all companies want staffs to learn to use PC tools to complete or manage their daily work even though they are not workers of IT department. The contribution of ERP system to economic growth can be realized only when the ERP system is widely diffused and used. Diffusion itself results from a series of individual decisions to start using the ERP system. Decisions are often the comparison result of the uncertain benefits of the new invention with uncertain adoption cost. An understanding of the factors affecting this choice is essential both for economists to study the determinants of growth and for the creators and producers of such technologies. (BRONWYN H. HALL, BEETHIKA KHAN, 2003)This paper will provide some methods on how to adopt ERP system in organization, and compare the differences between the similarities of the two different processes.

## 2   RESEARCH DESIGN

### 2.1   Research question

The main question in this paper is:

How does a small-size organization in China adopt an ERP system?

Research question is one of the most vital steps of a research study. (YIN, 2003, P.7) The use of research questions is a more specific way to state the research problem from the start, and is suitable when researchers have a clear set of issues (SILVERMAN, 2005, P.86-87).

What the author wants to emphasize is how to adopt ERP system in the right way. A good ERP system adoption process can lead to efficient operation of ERP system. Because EVEBIT is an international  enterprise, it is easy to imagine how complex it will be for them to adopt a new information system. So the author defines this research question and will gives the solution in this paper.

### 2.2   Research purpose

The research purpose of this thesis is deductive and descriptive. It will describe the ideal type of adoption and the adoption process in the case company, and then make a comparison of two processes. The purpose of this paper is to find out the result that how well the company follows the ideal process.  During the case study, the author found out the differences of the similarities between these two processes and then makes a conclusion.

### 2.3   Research method

Case study is adopted as main strategy in this thesis, following by the suggestion of professionals , that research in adoption of innovation as interactive process uses case research and case histories. Professionals defines case study as "a strategy of doing research involving an empirical investigation of a particular contemporary phenomenon within its real life context with multiple sources of evidence". Morris

and Wood highlights that the case study strategy is particularly helpful to gain a rich understanding of the context of research and the processes being enacted (SAUNDERS, LEWIS, & THORNHILL, 2009, P. 146). The case study strategy also enables researchers to describe multiple perspectives of events, phenomena or activities (SAUNDERS, LEWIS, & THORNHILL, 2009, P. 146; HORN, 2009, P. 205).

The aim of this study is to learn and understand the process of ERP system adoption. The qualitative research method often uses deductive study with the phenomena study using tools such as case study, personal experience, productions, and observational, historical, interactional, and visual texts, which describe routine and problematic moments and meanings in individuals' lives (SILVERMAN, 2001, P.25-26).

## 2.4  Research approach

Relevant literature on ERP system adoption is studied firstly to construct a framework for the ideal ERP system adoption process, including the basic knowledge of the adoption process. The knowledge compiled from research literature helps us to understand basic concepts of ERP system adoption. Finally,the author will compares the ideal adoption process based on her study case, analyzes the difference and draws a conclusion.

## 2.5  Data collection method and analysis method

A participatory observation can be my data collection method. As an international organization, EVEBIT are glad to share their success in software. The author can finds many numeric materials and reports in their Internet.  In addition, the author has had practical training in this company for three mouths, and the company was adopting their new ERP system at that time. So the author can asks questions about the adoption detail to the top manager of EVEBIT directly. In this thesis, the author will collects data via Internet and her practical training experiences, and then uses contrast technique to analyzes the research data.

The author will also collects useful data from the reader for different point of view and analyzes those data by the way of teaching the reader what is ERP system and how to adopt it.

## 3    ENTERPRISE RESOURCE PLANNING (LITERATURE REVIEW)

If a company uses ERP system, it means this company will increase their working quality and speed, and service quality and decrease their working costs. ERP system is mainly used to increase the business working efficiency in organization. Companies need to adopt ERP system for long terms development.

There are some differences in the lifecycle of ERP system adoption for different scale of companies. And the decision of the whole process schedule is made according to what kind of the technology will be adopted by the company. More details will be described in later paper.

### 3.1    ERP Concepts

Enterprise resource planning (ERP), a kind of information system, is a cross-functional enterprise system driven by an integrated suite of software modules that supports the basic internal business processes of a company (BIDGOLI, HOSSEIN, 2004). In other words, ERP system is software of business solution. These solutions can privately support the core business processes of any organizations.

The ERP system can be widely used in the organization (BIDGOLI HOSSEIN, 2004). ERP system provides benefits not only to core business management, but also to resource management, human resource management and finance management.  It gives an overview to a company and shows business process to managers.The ERP facilitates information flow among all business function departments inside the organization and manages connections to outside stakeholders (BIDGOLI  HOSSEIN, 2004). ERP system helps company's business management from both the internal and external.

Margaret Rouse said ERP is an industry term for the broad set of activities that helps a business manage the important parts of its business, the information made available through an ERP system provides visibility for key performance indicators (KPIs) required for meeting corporate objectives (MARGARET ROUSE, 2007). It means KPIs are performance of functions of ERP system.

The deployment of an ERP system will involve considerable business process analysis, employee retraining, and new work procedure. Therefore, ERP system involves all resources within the organization, such as planning, purchasing, production, costs, transportation, finance and human resource planning, in order to optimize resource.

The organization should have a correct understanding of ERP system and analyze the management problem and plan carefully before adoption for more efficient ERP system.

### 3.1.1 Business process

Before ERP system adoption work is started, project managers should begin to think about business process of their organization.

Businesses take inputs in the form of material, people and equipment and transform these inputs into goods and services for the customer. Managing these inputs and the business processes effectively requires accurate and up-to-date information (ELLEN MONK and BRET WAGNER, 2001). Business processes are cyclic. It transfers input data to output data.Sharing data effectively and efficiently among and within functional areas leads to more efficient business processes. Information system can be designed with data sharing among functional areas. These systems are called integrated information system (ELLEN MONK and BRET WAGNER, 2001). ERP system is a special information system designed for efficient data sharing and managing. There is an example describing the normal order process (Figure 1: Business process). In this process, a material order goes thourgh functional department of sales, accounting, purchasing and production before completion. Logistic function takes inputs of the material order.

Analysis of business process of organization is needed before the adoption of ERP system. It is useful to understand the business chain from the basic process. The correct business process analysis leads to an efficient ERP system.

Customer order process
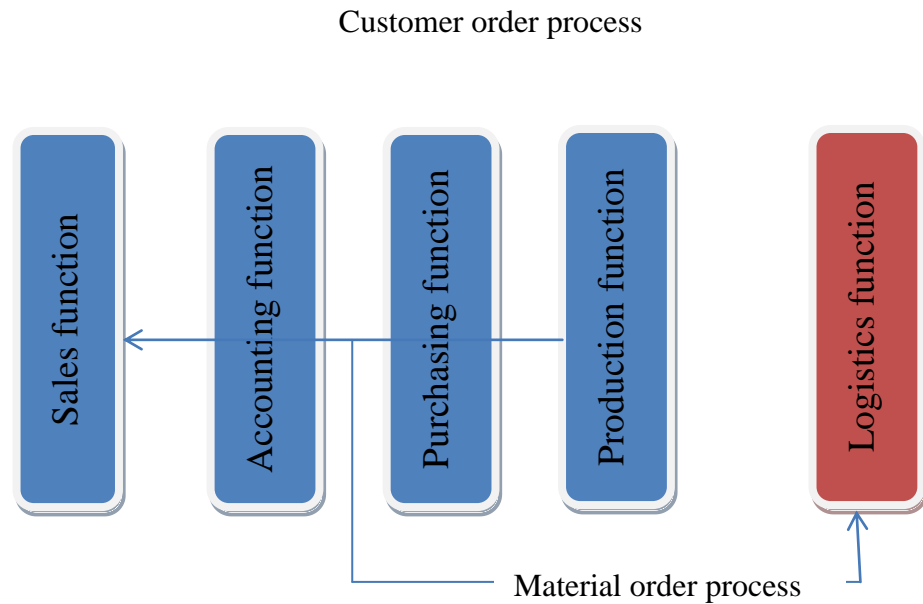


(Figure 1: Business process)

### 3.1.2   Functional area of information system

In a normal or big organization, ERP system mainly involves four functional areas, which are marketing and sales area, supply chain management area, accounting and finance area and human resources area.

The marketing and sales area needs information from all other functional areas to do its job.  Marketing and sales functional area plays a role in determining product prices, which requires an understanding of the market competition and the costs of manufacturing the product (ELLEN MONK and BRET WAGNER, 2001). The market and sales functional area exchanges data with other functional areas.

The ERP system used by EVEBIT now sees a sale as a sequence of related functions, including taking order, setting prices, checking product availability, checking the customer's credit line, arranging for delivery, billing the customer, and collecting payment. ERP system links all these transactions or documents

electronically, so tracking an order's status can be accomplished easily. When an ERP system is installed, various configuration decisions are made. These decisions reflect management's view on how transactions should be recorded and used later for decision making.

Supply chain management also needs information from various functional areas. Manufacturing firms develop production plans of varying length and detail (ELLEN MONK and BRET WAGNER, 2001). Therefore, supply chain management collects various information from other functional areas, and then organizes those data for useful plans at different ranges.

EPR system can improve the efficiency of production and purchasing processes. Efficiency stems from sales forecast sharing. For example, a production plan is built based on that forecast. Production planning can be done without ERP system, but the data sharing increases a company's overall efficiency. ERP system contains production schedule and enable the production to link to purchasing and accounting. Accounting and finance needs information from all other functional areas to compete its jobs accurately.

 The accounting and finance function area summarizes the transaction data to prepare reports about the company's financial position and profitability (ELLEN MONK and BRET WAGNER, 2001). ERP system transacts and generates financial statements. Thus, ERP accounting system enables the users to summarize data in meaningful ways. The data can then be used to assist managers in their daily work and in long-range planning.

At last, like other functional areas, human resource function also needs information from other departments to do its job accurately. Tasks related to employee hiring, benefits, training, and government compliance are all the responsibilities of a human resource department (ELLEN MONK and BRET WAGNER, 2001). ERP system collects data from other functional units and uses them to calculate how much the company can afford to pay employees.

Human resource function of ERP system has the responsibility to ensure qualification and motivation of employees, find right person for target department, and train employees to achieve the company's goals.

## 3.2   ERP software

ERP software, in turn, is designed to improve both external customer relationships and internal collaborations by automating tasks and activities, streamlining work process, shortening business process cycles, and increasing user productivity. (TAMMY WOLF, 2011). ERP software takes inputs from business activities and tasks, and then analysizes and manages those data in order to decrease time and resource cost of core business processes.

Organizations often use ERP softwares to manage a number of complicated issues of business. And ERP softwares are also implemented for more efficient operation of organizations and easier achievements of financial goals.  On the other hand, ERP software makes scattered activities and tasks from differenct department to be an integrated and useful data. Those data helps managers improve the quality of their daily work. Moreover, ERP software also helps managers estimate finance and time cost of core business.

ERP software vendors develop different kinds of softwares according to the size and needs of different organization. For small and normal business, there are many types of software named SYSPRO, NETSUTE, VISIBILITY, CONSONA and CDC. For Large business, SAP, Oracle and Microsoft can be a good choice.

 ERP software has become very popular. It is impossible that one organization succeeds without ERP software, because ERP software not only helps managers to manage core business activities, but also helps incorporate different modules for customer relationship management.

## 3.3   ERP framework

ERP system can be viewed as information technology (ELLEN MONK and BRET WAGNER, 2001).  Thus, ERP system is mainly used for data analysis and

management. Based on business process theories, the first phase awareness and second phase selection will focus on organizations' understanding of core business processes. Then the third phase preparation and the final phase implementation will adopt solution based on the analysis result of early phase.

Organizations may choose to implement one or a few phases at a time following with implementations of other phases planned in future periods.

### 3.3.1    Awareness

The key activities in awareness include the evaluation of current situation both from business and technical standpoints, and gather facts and information to identify possible reasons to change (N.S. NEUMANN and M. ZVIRAN, 2001). Most ERP software adoption starts with the awareness of the necessity. From the IT standpoint, awareness process is the first stage that leads to the decision to adopt a technology. This phase needs a solution what the organization wants before implementation of ERP system.

Evaluation step involves many different aspects, such as finance evaluation of annual year, efficiency of core business processes, and efficiency of employee evaluation.

Current situation of business and technology means that managers of the organization should understand their business and technical needs.  The manager should consider such questions like why this organization needs to adopt ERP system, what kind of ERP system this organization needs, and how much the organization could afford for ERP system maintenance fee.

Facts and information gathering and identification step needs to ensure reliability of the evaluation report and the current situation of the organization. This is the most important step of awareness, because the poor information quality will lead to huge maintence costs.

The outcome of the awareness process leads to the final decision of adoption. If the outcome is to decide to adopt ERP system, the next phase is initiation. In some

cases, the decision of adoption may be put on hold only to be evaluated at some point in the future.

### 3.3.2 Selection

Key activities in the selection process include: definition of project objectives, collection of vendor consultant information, needs analysis, evaluation of vendor and consultant alternatives, evaluation of IT infrastructure, feasibility study, and finalizing of contracts (N.S. NEUMANN and M. ZVIRAN, 2001). Depending on the outcomes from awareness, the most suitable ERP system for the organization will be selected in the selection phase. Normally, the selection process will be carried out by top managers, end-users and key stakeholders.

As for project objectives, project managers should set the measurement of the project accomplishment from different sides, such as cost, technology, quality and progress. Moreover, project objectives should be specific, measurable, result-driven and timing.

Collection of vendor consultant information is a research activity. Managers should collect all the information about vendors, and trims them to be different classes by their functions, limitations and so on and so forth.

Needs analysis should focus on analyzing what kind of ERP software an organization needs. For example, the core business of supermarket is distribution and retail, so their needs are transportation and distribution solutions.

Evaluation of vendor and consultant alternatives indicates that the manager should select more than one software vendors which are suitable for his organization, and then compare the software in terms of functions, costs, group sizing and special advantages aspects.

Evaluation of IT infrastructure means that the manager should confirm that the organization's infrastructure can afford the ideal software, and make sure this software can be adopted without any potentially negative impact.

Feasibility study requires the manager to study how to maintain the target software, and he or she also needs to have the right skills to resolve problems when the software malfunctions.

Finalizing of contracts is the last activity in the selection phase. After the above activities have been carried out and all the outcomes from those activities are convincing, the organization can make the contracts with the target vendor, and start to adopt a new ERP system.

The outcomes of the selection phase lead to the final decision of either acquiring a specific vendor software package for ERP assimilation or acquiring the best of breed packages from various vendors.

### 3.3.3   Preparation

The key activities in the preparation phase encompass definition of project scope, establishment of implementation teams and timetables, training of implementation teams and an initial prototyping (N.S. NEUMANN and  M. ZVIRAN, 2001). The preparation phase is makes some pre-phase preparation for the implementation phase, all of which aim to ensure the success of implementation.

This phase focuses on designing the guideline for the implementation team and also providing the user guide for end-users. For better implementation results, managers should consider this phase from a broad perspective, because ERP is an enterprise-wide activity.

First of all, definition of project scope is part of project planning. The project manager should determine and document a list containing project goals, deliverables, tasks, costs and deadlines. The quality of definition of project scope is directly relevant to the implementation efficiency.

Establishment of implementation teams and timetables is another part of project planning. According to the project scope that has been defined, the project manager should allocate a right person to accomplish every task, and should also establish

the cost basis, set the deliverables and deadlines for each task, so that the implementation teams can work by schedule.

After planning the entire project, the organization should build the implementation teams, and give them the implementation guidelines. The implementation teams should be trained on how to use the new ERP system. Otherwise they will fail to implement the new system for end users.

An initial prototyping is used to verify the final design process. Through protptyping, managers can present the initial performance to the implementation teams and end-users. This act can enable the implement process to be easier.

The preparation phase is closely linked with the implementation phase with fuzzy lines separating the two (N.S. NEUMANN and M. ZVIRAN, 2001). The preparation phase provides a project plan, which can guide the implementation phase.

3.3.4   Implementation

The implementation phase includes: detailed gap analysis, identification of complementary solutions, construction of prototype, data conversion, clarity of work procedures, full implementation, user training and acceptance tests ( N.S. NEUMANN and M. ZVIRAN, 2001). This is the last but not the least phase in the ERP adoption process. It will end up in failure if any problems occur in the implementation process.

In the detailed gap analysis, managers should compare the actual adoption process with the strategic process during the implementation period. Besides, they should analyze the differences and then make a decision about changes and revisions of the tasks.

In the identification of complementary solutions, managers should propose revisions from gap analysis, and make sure whether the revisions are really needed.

Construction of prototype means that the manager and implementation teams should construct a prototype on the basis of the initial prototype, and further revise

some unreasonable or unrealistic designs so that this prototype can nearly look the same as the implementation results.

In data conversion, if the organization has already got an old ERP system, the implementation teams should transfer the data from the old system to the new one. If this organization adopts an old ERP system rather than a new one, the implementation teams should update all the useful data.

Clarity of work procedures means that the implementation teams should understand all the tasks and accomplish them in time by schedule. The project manager is responsible for ensuring the quality of the working procedures.

As for full implementation, the implementation teams and the project manager should ensure that all the tasks have been accomplished and all the functions of ERP system are useable.

In terms of user training and acceptance tests, after the new ERP system has been adopted, the implementation teams should train end-users, and at the same time they should conduct the final tests on the adopted ERP system.

This phase turns out the new ERP system can be well operated. But it doesn't symbolize an end. The organization should set an IT support team for this new system in order to maintain the ERP system and also help end users resolve the problems when the system malfunctions.

3.4    Conclusion

The business process concept is a basic knowledge for understanding the organization's core business, the analysis of which concerns two phases: awareness and selection.

The functional area concept helps managers to choose the most suitable functions that the ERP system is equipped with, depending on their organization's core business.

The framework presents a clear process of adopting the ERP system. From the perspective of the research, it is a good solution with abundant experience. This knowledge can be used to compare with the adopting process of the EVEBIT ERP system step by step. It has provided a clear structure and a critical direction for my analysis.

4    CASE OVERVIEW

EVEBIT is a company specializing in IT outsourcing. Its services include PHP solutions and websites custom-designed. The solutions and websites will meet each client's unique requirements by using open source technologies. In addition, it also employs the best web technologies available for ecommerce solutions, content management system, custom applications, mobile Internet and integrated business system. Their clients come from USA, UK, Canada, Australia, Finland, Mainland China, Singapore, Taiwan, and Hong Kong.

EVEBIT digital company was founded in 2006, and has grown into one of China's foremost PHP outsourcing companies. This company adopted the SAP CRM ERP system last year, and spent three months in adopting this system. Taking into account that SAP is a big system and their company's current situation, they decided to adopt the SAP CRM system first. Afterwards they will continue to adopt the rest SAP software in the next few years.

In this chapter, the author will describe the business process of EVEBIT Company and introduce the SAP CRM system, which is useful for Chapter 5 Case Analysis. It also describes the process of adopting the SAP CRM system in EVEBIT Company for the same purpose.

4.1    The service process of EVEBIT

Their service process not only focuses on development, and also pays attention to maintenance (Figure 2). Two phases are involved in their service process: initialization phase and maintenance phase.

In the initialization phase, the company organizes a project team, and allocates the team members for system initialization. The outcomes of the initialization phase are business case solutions and designed websites.

After that, the maintenance phase will improve a series of services to customers such as monthly maintenance, emergency maintenance, phone call support, and monthly maintenance report.

For EVEBIT Company's strategy, nothing is more important than keeping project maintenance for customers. There is no doubt that this strategy is a better way to provide quality services to customers.
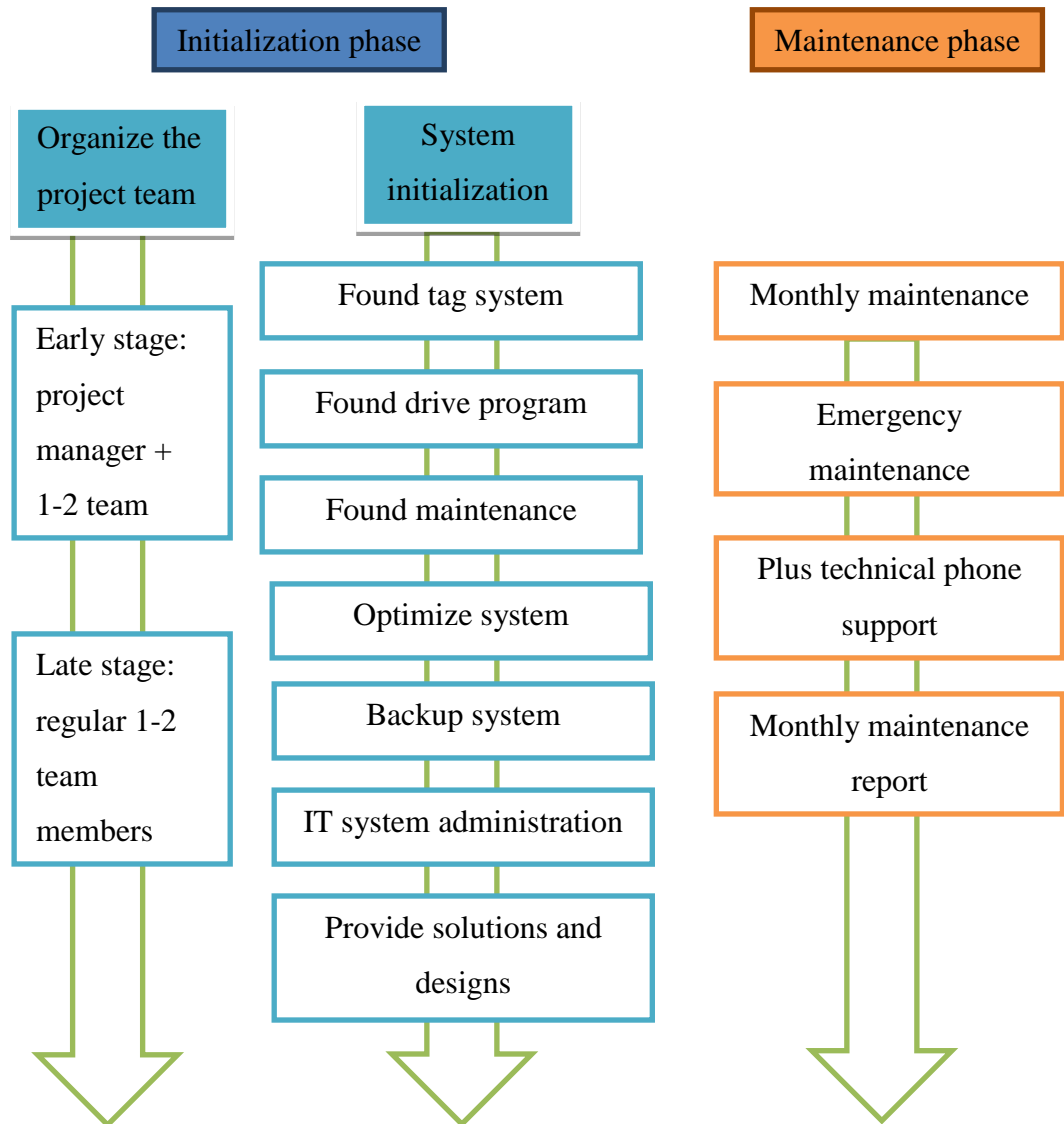


(Figure 2: Service process)

## 4.2 The operation process of EVEBIT

The business process of EVEBIT Company emphasizes on the negotiations with the customers about project costs. This process is presented in Figure 3.
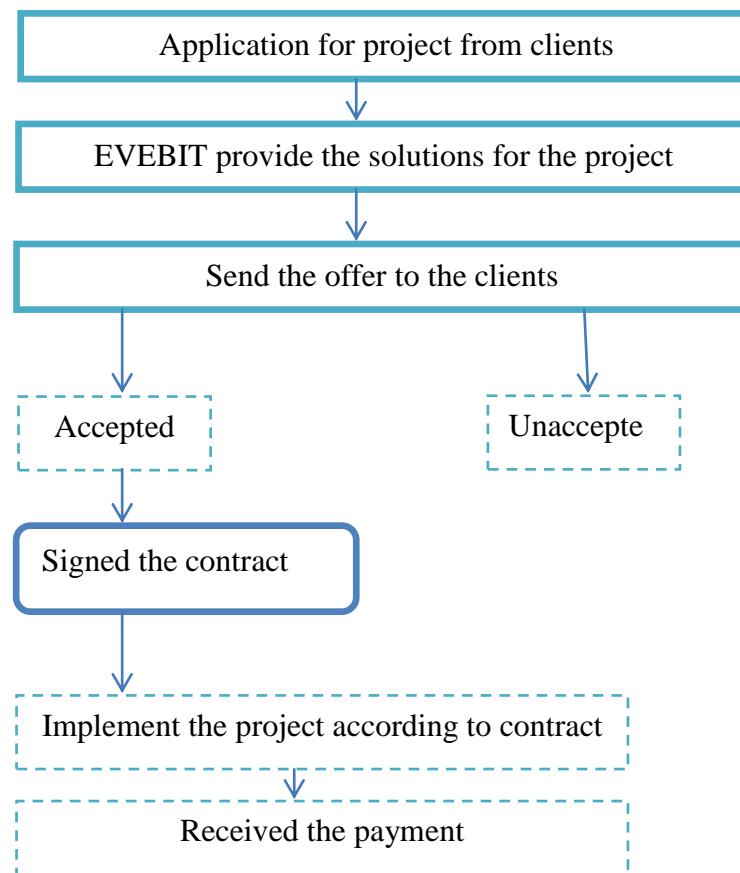
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┌─────────────────────────────────────────────────┐
│        Application for project from clients       │
└─────────────────────────────────────────────────┘
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│      EVEBIT provide the solutions for the project │
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│            Send the offer to the clients          │
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    │          Received the payment            │
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(Figure 3: Business process of EVEBIT )

The project teams will not start working before reaching an agreement with clients on the project solutions. The contract is a legal guarantee for both the organization and clients.

## 4.3    SAP CRM system

EVEBIT agreed to buy SAP ERP CRM last year.

SAP system is the world's leading provider of business software (WALLDORF, GERMANY, 2007). SAP CRM system is a function solution for customer relationship management of the SAP ERP system. SAP applications help organizations in their global businesses and are suitable for enterprises in all sizes. SAP CRM systems attach importance to improving customer relationships,

enhancing partner collaboration and making their operations more efficient so that those solutions can be used in all industries and sectors.

The SAP CRM system has the following strengths: integrate communication events into business processes, single agent desktop, multi-channel integration, multiple customer interactions and context transfer.

The biggest advantage of SAP CRM is integrating communication events into business processes. The system integrates with the interaction center toolbar, and this function can replace the physical phone. Customers can receive phone calls, emails and chats from the user interface through this system. This user interface can present all the communication and information in the same screen.

Single agent desktop will handle all communication requests such as: email, chat, fax, phone call and call back. When a customer make phone calls to the organization, the agent desktop will recognize the customer. If this customer is an existing client of the organization, the user interface will display the customer detail, his or her phone number and the client's previous orders.

Multi-channel integration and multiple customer interactions allow the contract center agent to handle multiple communications at once. Different open interactions will show in different tabs within the web, signifying that the contact centre can handle calls and at the same time answer an email.

The system can transfer context. Via the user interface, users can send his or her business context.

All of the above advantages of SAP CRM concern an efficient collaboration with customers, so it can reduce time and cost for both customers and the organization.

## 4.4    The phase of adopting EVEBIT SAP CRM

Fortunately, when I was doing my practice training in EVEBIT Company, they have adopted the new information system SAP CRM. One of my responsibilities is to follow the adoption process and monitor the schedule. So I know very well about the process of adopting SAP CRM of EVEBIT.

There are four phases in order to adopt EVEBIT, which are: project preparation, sizing and blueprinting, SAP functional development and final preparation. EVEBIT adopts the SAP CRM system according to the above-mentioned phases.

According to the process of adopting EVEBIT, I summarize their activities into four different phases.

### 4.4.1 Phase 1: Project preparation

Two main activities are involved in this phase: first, craft solution vision; second, design and initially staff the SAP technical support organization, with the purpose putting the project on the right track for implementation.

Craft solution vision involves many aspects of the organization. The EVEBIT manager collected information about the organization's finance and business processes, and then figured out the information to establish a project plan. This project plan included the organization's financial and business requirements, which depended on EVEBIT's core business needs. In addition, the manager learnt about the relationship between the ERP system and the business cases.

Then, the project manager designed and initially staffed the SAP technical support organization. During the craft solution vision, the EVEBIT manager has chosen the right person to take charge of those tasks. Those employees included programmers, database administrators, the testing team and the project managers.

The two activities were preceded at same time. The project manager found the suitable employees when his set the project goals.

### 4.4.2 Phase 2: Sizing and blueprinting

The first activity of sizing and blueprinting is to perform cost of ownership analysis. The project manager held several meetings with the Finance Department and also consulted with different ERP software vendors for total cost of ownership. The project manager wrote an analysis repost for cost of ownership, which would be used in the subsequent activities.

Afterwards, the project manager identified high availability and disaster recovery requirements. He or she planned what to do with later downtime of the ERP system, which targeted hardware failures, application failures or power failures.

The next step is to engage the ERP solutions stack vendors. The project manager collected information about different SAP vendors in terms of functions. He or she focused on both software functions and hardware device, then wrote the report to analyze the two aspects, and decided the collaborating vendor.

According to the target ERP software vendor, the project manager made some changes with the technical support organization. The changes involved reducing programming team members, increasing members in implementation team and database management team, and also setting one more team for the information centre.

Next, all the associated teams started training. The organization launched the training series for network specialists, database administrators, security specialists and documentation specialists. In order to ensure their skills, they took tests to make sure that they have mastered the knowledge.

After completing all the above activities, EVEBIT installed the SAP data centre. The installation result shows that EVEBIT only needs to adopt the SAP customer relationship function. The project manager held a meeting to make the decision for the next step.

The following step is to install the SAP CRM software. The project manager led the implementation teams to adopt the SAP CRM in the following project planning.

The last step in this phase is to round out support for the SAP software. The project manager identified the remaining technical support organization. What the managers identified in this activity is related to helpdesk and maintenance.

### 4.4.3 Phase 3: Functional development

The next phase is the functional development whose key steps include: address change management, address SAP systems and operations management and perform functional integration and regression tests.

In address change management, the project manager analyzed the real situation and the risk of implementation failures, and then made the changes to minimize the risk of implementation failures. The manager defined those risks depending on end-users' requests and regular activities, operation details and data center operation report.

The next thing is the SAP system and operation management. The implementation teams started to adopt the SAP CRM software functions and collected the current state of system documentation. They followed the adoption plan and scheduled the operation tasks.

The last step is to perform functional integration and regression tests. The implementation teams tested the new ERP system in functional testing, integration testing and regression testing. Moreover, all of those tests were preformed from the end users' standpoint.

### 4.4.4 Phase 4: Final preparation

The final phase is final preparation. The key steps are cutover, go-live and support.

Before the new ERP system goes on operation, the project manager first made a backup of vision of the new system, and ensured all the functions were updated and could be used. He also ensured that all the tasks were accomplished during the project plan.

The last step in this phase and also in all the adoption phases is go-live and support. EVEBIT ended implementation of the project and started operation of the SAP CRM software. This system started daily work by end-users. Besides, the maintenance team started their work at the same time.

The support activity is a cycling and non-stop behavior. The support team supported end users to use this system until EVEBIT has it uninstalled.

4.5    Conclusion

It is universally acknowledged that the SAP system is one of the best ERP software in the world. An advantage of using the SAP system is that it can help the organization to manage the customer relationship, so this system is needed by EVEBIT in order to provide better services to their customers.

EVEBIT decided to choose SAP solutions before all phases, so they don't consider other software solutions. In the first phase, they analyzed their business and finance. Furthermore, the organization built the project teams to adopt this new system. In the second phase, EVEBIT chose the suitable functions and reduced implementation failures, then adopted both the data centre and customer relationship management software. In the subsequent phases, EVEBIT focused on maintaining the system and supporting other aspects.

When EVEBIT adopted the SAP system, they followed the adoption plan, and spent three months in accomplishing their adoption goals. It is undeniable that their management quality has become better after adopting the SAP system.

## 5 CASE ANALYSIS

In this chapter the author will compare the adoption process of EVEBIT with the ideal adoption process. In addition, it will illustrate the comparison results for the difference and simularity between two processes. The analysis is based on the framework: awareness, selection, preparation and implementation.

### 5.1 Awareness similarity and difference

According to the framework, the first phase of the adoption process is awareness.

When EVEBIT adopted the SAP CRM system, they have analyzed their core business and finance, and also wrote a plan for the project implementation. However, they did not write any report associated with employees' efficiency.

The project manager wrote the report concerning the core business and finance of the organization, which means that the manager must be aware of the current situation of the company. The difference is, the decision maker adopting the new ERP system is not the project manager; instead, the president made this decision.

One more difference is that EVEBIT does not focus on ensuring the report reliability in this phases, and nobody claims responsibility for monitoring the quality of information. All the reports were done by the project manager. The president, however, checked all reports and gave the passport for continue adoption.

The main difference in this phase is that EVEBIT designed initially staff technical support organization in the first time.

### 5.2 Selection similarity and difference

In this phase, the author will compare the selection similarity and difference between the ideal process and the second phase of EVEBIT's adoption process.

EVEBIT has written a comprehensive project plan to adopt the ERP system in their project preparation phase. Out of the same purpose, it can be taken as a design project activity.

The project manager determined high availability and disaster recovery requirements as the activity needs analysis, both of which can find out the real needs of the organization. Moreover, the EVEBIT project manager also considered their hardware and needs to choose the best software vendor, which can be seen as an evaluation of IT infrastructure and collection of vendor consultant information.

Although EVEBIT has already chosen SAP to be their new ERP system, the project manager still wrote the report analyzing different SAP vendors, with the same purpose of the evaluation of vendors.

The EVEBIT project manager did not learn too much knowledge about how to maintain the new system but the company has set up a support team, which was responsible for maintenance work.

The first difference between the two processes in this phase is that EVEBIT has the cost of ownership analysis. Since they already have an initially staff technical support organization, the manager made some changes to better implement the processes, and also started professional skills training of those teams.

The key difference is EVEBIT has already started the adoption of the ERP system in this phase. They did not merely adopt SAP user interface; they also adopted the SAP data centre. At the end of this phase, their implementation teams finished the adopting tasks, but this system did not have any functions.

5.3    Preparation simularity and difference

It is difficult to compare the framework process with ERP's adopting process, since they focus on different aspects.

EVEBIT has already installed the ERP system in the last phase, so there is no need to do the prototyping. In fact there is no prototype activity involving in EVEBIT's adopting process.

Additionally, the EVEBIT project manager did not define the project scope in this phase because they have already written a project plan which included the definition of the project scope and all the establishments.

Instead of those tasks, EVEBIT gave a report on risk analysis and solutions for implementation faults.

To accomplish the adoption of the ERP system, the implementation teams installed the remaining functions of the software, and let all the associated teams start the testing work.

## 5.4    Implementation simularity and difference

EVEBIT has carried out the gap analysis and solutions for gaps during the last phase. In addition, it also transferred data, implemented software and functions, trained staffs in the sizing and blueprinting phase.

In the end, both the adoption process and the framework process of EVEBIT focus on checking all tasks situation and ensure the accomplishment of those tasks. Those two processes care about maintenance, and agree that the support work is a long-term activity.

## 5.5    Conclusion

After comparing the differences and simularities between framework and EVEBIT Company's adoption process, the author draws a conclusion.

According to the comparisons, it is easy to found that the style of EVEBIT's adopting ERP system process is to adopt software first and then revise the problems during the implementation period. The framework recommends analyzing all penitential risks and problems before implementation.

Because these two processes have different styles, although EVEBIT has achieved almost all the goals of the framework process, they still have different phases in the end.

It is difficult to determine which style is right. EVEBIT just needs to analyze information that they need. It does not mean they don't have enough analysis and research.  As a matter of fact, they want to find more potential risks during the practice.

## 6    CONCLUSION

First of all, the author provides a thesis overview.

In Chapter One, the author introduces the company's background and also demonstrates the reason why the author chooses this topic. In Chapter Two, the author states the research design and data collection and analysis. In the third chapter, the author presented the frame work of adopting the ERP system, and then in Chapter Four, I have collected the adoption processes of the SAP system of EVEBIT Company.  In Chapter Five, EVEBIT's adoption process was compared with the ideal adoption process.

To answer the research question: how does a small-size organization in China adopt an ERP system? The analysis results of differences and similarities can be a good answer.

WHAT GOES RIGHT?

EVEBIT has designed a good project plan at first, which leads their implementation process by schedule. And this plan also includes many activities in the framework adoption processes. It means that it reduces time.

During the implementation period when EVEBIT adopts detailed changes and keeps analyzing the risks, the project manager found out many potential risks which really existed within his own organization.

In addition, EVEBIT Company did not train end-users like the framework mentioned, but they let end-users learn and try the SAP system by themselves during the testing. This activity has reduced cost of training staff, and also lessened time in the preparation phase.

WHAT GOES WRONG?

EVEBIT chose the SAP software before all the adoption processes. The SAP software is suitable for medium and large businesses, but EVEBIT is small-size. That decision has increased the costs of maintenance.

So many tasks were completed by the project manager, which has increased time and costs in the planning and analysis.

The reason for arranging no training for end-users during the first month when EVEBIT adopted the SAP CRM system is that users frequently asked the support team for help on software problems.

RECOMMENDATONS

Designing the project plan gains no bad influences at first. But the manager should try his best to improve the quality of the project plan.

The awareness level of the organization has a huge influence on the whole adopting process of the ERP system. The managers should pay more attention to those activities.

Keeping risk analysis and making changes are needed in the implementation period, which is good to find out the most suitable way to adopt the ERP system in an organization.

The training is absolutely important for IT technicians, but the training for end users is also needed for the efficiency of daily work.

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