CHAPTER 7

Major Findings, Suggestions and Conclusion
7.1 Major findings of the study
1. Out of total 30 firms, 14 (46.7%) are small scale and 16 (53.35) are medium scale companies.

2. Out of 30 firms, 18 (60%) firms are located in Bangalore, 9 (30%) are in Belgaum and one each is in Hospet, Shimoga and Hubli.

3. SMART software is implemented in 7 (23%) firms while SAP software is implemented in 6 (20%) firms, and six firms have developed their own ERP software.

4. Only two firms have implemented single module. One small scale unit has implemented production management module and one medium scale unit has implemented material management module.

5. Majority of firms i.e. 11 (36.7%) firms have implemented ERP in 2 to 3 years.

6. Firms generate reports daily/weekly/monthly or as per requirement. It is found that 23 firms (77%) generate reports as per requirement.

7. No firm has implemented any other software like Customer Relationship Management, Supply Chain Management or Supplier Relationship Management software etc.

8. Once ERP software is implemented, usually upgradation is carried out on an additional cost. Total five firms have made upgradation. This upgradation cost ranges from Rs 58,240 to Rs 20 million.

9. The financial performance measured in terms of profitability has improved in most of the firms.
10. The non financial parameters like quality, customer satisfaction, capacity utilization and information flow have improved significantly.

11. The categorical regression shows that non financial parameters have influence on improving the financial parameters to a considerable extent.

12. Out of 30 firms analysed 23 firms responded that there was no HR/skill development programme, no major revision in salary, no new machines/equipment purchased and no tax incentive/rebate from the government.
7.2 Suggestions

In the present world of high competition a business organization has to strive to grow and sustain in the market. Whether business organization is small or big it has to move forward and emerge successful in the ocean of ever changing market conditions. Latest trends and technological advancements are the need of hour. Information and Telecommunication Technology (ICT) is advancing at an unbelievable speed. Internet Technology has made this world a global village. The businesses cannot confine themselves to the domestic market. They have to adopt changes especially in information technology.

The researcher would like to give following suggestions based on the study.

1. ERP software vendors may conduct more promotion activities for their ERP software for SMEs.

2. The SMEs should understand that ERP investment is for long term benefit.

3. Industry bodies like KASSIA, District industries centre etc. may organize workshop/seminar to spread awareness about benefit of ERP.

4. SMEs should give emphasis on adopting ERP software as much as they can on ISO or TQM practices.

5. There should be a separate cell or body in the Department of Industries in state and Central Government which can promote ERP software for micro and small scale sector.

6. If entrepreneurs alone are tech savvy, it will not be sufficient to derive the full benefits of ERP, the employees who are not computer literate may also be encouraged to use ERP.
7. Those SMEs which have implemented ERP on their own should evaluate whether they are able to get the benefits of the software to the maximum extent.

8. The SMEs should encourage Management students (MBA or PGDM students) to undertake project in their organizations to conduct study on ERP software.

9. SMEs can adopt single module in the beginning to evaluate whether ERP is useful or not.

10. Employees especially engineering cadres have tendency to switch over to other firms after gaining experience in using the ERP software. The management of the firms should have strategy to retain these employees as they can add a lot of value to the firm.

12. Many of the prestigious institutions in India like IITs, IIMs, XLRI etc., conduct workshop on ERP, CRM and SCM. These programmes can be conducted for specifically meeting the needs of SSIs at lower fees with the grant from Ministry of Industries.

13. As internet usage and applications are spreading fast SMEs can get connected to their ERP vendors network and get online support for their day to day transactions using ERP.

14. The Government should give subsidy to those SSI units which implement ERP software just like it gives to those units which are set up in backward industrial areas.
7.3 Conclusion:

Business organisations are facing challenges for growth and survival. Technological developments have always contributed efficiency for an organisation. ERP systems integrate all business processes within an organisation and also streamline the flow of information across all functions cutting departmental barriers. ERP enables the managers to take decisions in short periods of time under existing constraints. ERP systems were basically developed for large organisations. Success of implementation in large organisations has led the ERP vendors to extend the same to small and medium enterprises.

The study shows that SMEs have derived financial benefits measured in terms of profit and sales. SMEs have also derived benefit in intangible factors such as customer satisfaction, capacity utilization, information flow and quality. It is found that SMEs have a major role in implementing ERP software and can increase their performance if their employees properly understand the use of ERP software. Most of SMEs prefer low cost ERP instead of branded ERP softwares. Most executives/managers of SMEs have recommended ERP implementation.
7.4 Future Scope

1. As ERP software is being implemented by SMEs day by day more and more affordable and cost effective ERP software may be released.

2. Cloud computing is an emerging technology and enterprise application integration has a lot of scope in future.

3. As technically educated manpower with graduate or diploma degree enter the SSI sector, the technology adoption by SMEs can increase.

4. Enterprise Application Integration could be considered by SMEs in future.

5. With the development of mobile phones/tablets, smart phones and related technology like android, there could be better integration of some or all functions of ERP software using mobile devices and better control over the activities using mobile applications.