CHAPTER 6

SUMMARY AND CONCLUSION

6.1 SUMMARY OF THE THESIS

This study analyzes the status and further details of ERP implementation in the state of Tamil Nadu. Using Lottery methods, five districts were selected namely, Chennai, Coimbatore, Trichy, Thanjavur and Madurai. From these five districts, using quota sampling method, 210 companies were selected as the samples. Out of these respondents, in 117 companies ERP was already adopted/implemented and remaining 83 companies were yet to go for ERP.

The data were collected using the well-structured questionnaire (Appendix). First part of the questionnaire deals about the nature, size, turnover, employees, number of operating places, number of computers/servers, internet connection and implementation of various software, related to all companies. Next, the questionnaire was divided into two parts. One part was meant for the data of the ERP adopted companies and the other part dealt about the data of the Non-adopted companies.

Companies’ general awareness about ERP, the benefits of ERP implementation such as Cost related benefit, Time related benefits, Technical benefits, Efficiency related benefits, Manpower related benefits and General benefits were analyzed using the multivariate analysis of variance [MANOVA]. The factors which influence the companies for adopting the
ERP were also analyzed using the Multiple Regression Model and the powerful variables behind the adoption were proved statistically. Using this Regression analysis & equation, a suitable model was built for ERP adoption.

Correlation analysis was done to analyze the relationship between the availability of IT department and adoption of ERP. This analysis resulted that there was no association between the availability of IT department and ERP adoption.

The employees involvement in the ERP adopted companies, training given to them and their post-adoption satisfaction levels were analyzed. Chi-Square analysis was used to verify the association among the involvement, training & the satisfaction levels of the concerned stake-holders and proved as positive.

Descriptive analysis was used to analyze the data related to the areas which need to be improved for an effective adoption and the difficulties faced by the ERP customers during ERP adoption.

The barriers/problems faced during the ERP adoption such as, product related, people related, cost overrun related, schedule overrun related, implementation partner related, technical issues related and general problems were analyzed using the factorial analysis. The independent factors were more in number and hence, to reduce the number of factors and for grouping the variables in the homogeneous nature, factor analysis was used.

Two third of the respondents have already adopted the ERP applications, but one third of the respondents are yet to do so. SWOT analysis was done to analyze the internal [Strengths & weaknesses] and external [Opportunities & threats] factors affecting the ERP adoption, in this thesis work. Under ‘Strengths’, the reasons on which the ERP applications were
selected by the ERP adopted companies were analyzed. Under ‘Weaknesses’ part, the reasons why ERP is not opted by the companies which are yet to adopt ERP, were analyzed. Under ‘Opportunities’, the situations which could force/influence the ERP non-adopted companies to pursue for ERP implementation, were taken into consideration for analysis. Under ‘Threats’, the areas where the ERP aspirants are advised to pay attention to before or during implementation, were analyzed.

Descriptive analysis was done and the variables which influence more on each factor were published. Related to ‘Strengths’, the variable ‘Fitment of the ERP Software as per our requirements/business vertical’ scored high mean value followed by ‘Availability of more/experienced implementation vendors’. Under ‘Weaknesses’, it was clear that the variable ‘Institution had/has other priorities’ scored high, followed by, ‘Cost/affordability factors’. As for as the ‘Opportunities’ segment is concerned, ‘Availability of an ERP software which would meet our expectations’ was the power variable, followed by ‘Increase in the desire of the Management towards going for ERP’. The variable ‘The right ERP product Selection’ with the highest mean value played a major role in ‘Threats’ segment and is a critical parameter to be considered while planning to go for ERP adoption.

6.2 LIMITATIONS & SCOPE FOR FURTHER STUDY

It is relevant to bring out the major limitations of this study, so that the conclusions & their implications can be interpreted suitably and future research efforts can be directed towards bridging the gaps triggered by the limitations.

i. Due to vast population of large number of industries and time constraints, only limited samples of 210 companies were
selected and data were collected. Periodic sampling would benefit an effective research.

ii. This is the empirical study which attempted to address the issues of ERP, benefits, satisfaction levels of ERP adoption, etc., in the selected regions of Tamil Nadu only. Future studies can extend the study & analysis in other districts of Tamil Nadu as well.

iii. The scope of this study has been limited to the companies which are willing to participate in this survey. Due to company policy issues, many industries were not participated in this study. Hence in future, research should enable the inputs/suggestions gathered from companies from the wide sample area which had already underwent ERP adoption successfully.

6.3 CONCLUSION

No doubts, ERP is a beneficial software for all type of organizations irrespective of the size, nature of business etc. The positive awareness about ERP even among the non-adopted companies is an encouraging factor. This study & findings clearly highlight the areas to be considered by both the ERP adopted and non-adopted companies. The reasons for the non-adoption and the factors which could influence to pursue for ERP implementation in the future were analyzed and published with recommendations. The analysis of the benefits being drawn by the ERP adopted companies would help to kindle the interest of the non-adopted companies. The analytical outcome of the barriers faced during the implementation, the high attention areas for the ERP aspirants and the
correlation among the employees involvement, training & satisfaction levels, would help to enhance the success & effectiveness out of ERP adoption.

Finally, this study discussed the various dimensions of ERP, suggested the practical remedial measures in the form of recommendations to overcome the issues, applicable for both the ERP adopted companies & the ERP aspirants, and set the research direction for further works as well.