

**A STUDY ON EFFECTIVENESS OF IMPLEMENTING ERP IN ORDER  
PROCESSING AND PLANNING AT VISHAL PRECISION PRODUCTS  
PRIVATED LIMITED**

**By**

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**A PROJECT REPORT**

Submitted to the

**FACULTY OF MANAGEMENT SCIENCES**

*in partial fulfillment for the award of the degree  
Of*

**MASTER OF BUSINESS ADMINISTRATION**

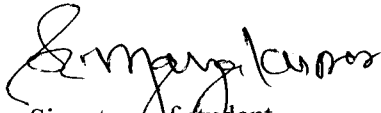


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July, 2009.

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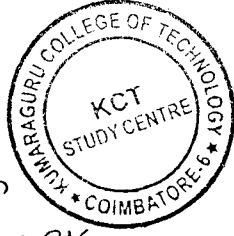
  
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## ABSTRACT

The Project work entitled “**A Study on Effectiveness of Implementing ERP In Order Processing and Planning**” was carried over at “VISHAL PRECISION PRODUCTS PRIVATE LIMITED, Coimbatore.

Master Maintenance contains most of the general format used is the program design which are standard with the exception edit and delete. Transaction is the dealing between the company and the customer.

Transaction involves Enquiry, Quotation, Order and Dispatch. The customer approaches the company and enquires for particular item for specific quantity. Costing is a system of accounting where by expenditure is analyzed to find the total cost of each particular unit of production with a reasonable. The seller of a product quotes the price at which he willing to sell his product the usually involves the cost of the product plus a certain percentage of profit. According to the order of the customer the company dispatched the item. After the product has been shipped from the company to the customer

Vishal which has presence in different departments functioning. So there was the need to go in for an integrated package the offer advantage in both cost and time. To achieve this objective the company opted for implementation of the software. Through the ERP Systems complex implementation is time consuming and expensive and there are additional costs beyond installing the software. Yet successful ERP System can yield tangible benefits in the long run such as cost savings and increased revenue generation and intangible benefits such as improved workflow design and reengineered processes. This project will provide an insight to whether the businesses need is answered and the benefits assain by implementing the ERP System

  
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Signature of the Candidate

## ACKNOWLEDGEMENT

I convey my profound gratitude to **The Director, Centre for Distance Education, Anna University-Chennai** and the management for giving me an opportunity to undergo M.B.A Degree course and to undertake this Project work.

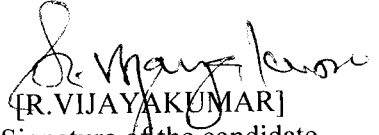
My heartfelt thanks to **Dr.S.Sadasivam**, Coordinator, KCT Study Centre, Coimbatore and I am greatly indebted to express my sincere thanks to **Mr.A.Senthil Kumar**, Counselor-MBA Programme, KCT Study Centre, Coimbatore, for his valuable suggestions and constructive support with extraordinary guidance throughout this Project.

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[R.VIJAYAKUMAR]  
Signature of the candidate

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# Chapter I

## Introduction

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## **CHAPTER I – INTRODUCTION**

### **1.1 RESEARCH BACKGROUND**

This project “A Study on Effectiveness of Implementing ERP In order Processing and Planning at Vishal Precision Products Private Ltd” aims at identifying the cause and the nature of work and to suggest retain measures which is essential for stable and valuable workforce.

The study aims at measuring the employees varies work level among the Different Departments in the organization. It helps identifying the causes for work flow and process in the organization and to offer suggestions to the organization to overcome the working style.

#### **1.1.1 ENTERPRISES RESOURCE PLANNING**

ERP Software integrates the information used by an organization many different functions and departments into a unified computing system. That means that instead of using isolated departments database to manage information, such as employee records customer data, purchase order and inventory, everyone in the enterprise relies on the same database. This allows employees in different department to look at the same information. The unified nature of an ERP system can lead to significant benefits, including fewer error improved speed and efficiency and more complete access to information, employees and managers alike can give a better understanding of what's going on in the enterprise so they make better business decision. For example an ERP system could let buyers in the purchasing departments quickly adjust, materials, orders, when they see the increase or decrease in customer orders. They will either ensure that orders are met on a timely basis or save on inventory expenses.

Prior to ERP systems, company's stores important business records with in many different departments. Each department often used different systems, and techniques, to manage that information's. Information's might also be duplicated many times within an organization without necessarily being identical or similarly up to date. Some of the information might only have been on paper, making if difficult to access if across the organization for example a customer might call sales to inquire about the progress of an

important order .instead of answering the question by quickly referring to a shared database.

ERP systems originated to serve the information needs of manufacturing companies. Over times, though, they have grown to serve other industries including health care financial services the aerospace industry and the consumer goods sector with these growth ERP systems, which first ran on main frame before migrating to client server system, are now migrating to the web and include numerous applications.

There are five major reasons why companies undertake ERP

#### **Integrate financial information's.**

As CEO tries to understand the company's overall performance he may find many different versions of the truth. Finance has its own set of revenue numbers sales has another version and the different business units may each have their own version of how much they contributed to revenue, ERP creates a single version of the truth that cannot be questioned because everyone is using the same system.

#### **Integrated customer order information:**

ERP systems can become the place where the customer order lives from the time a customer service representation loading dock ships the merchandise and finance sends an invoice. By having this information in one software system rather than scattered among many different system that can't communicate with one another companies can keep track of orders more easily and coordinate manufacturing inventory and shipping among may different locations simultaneously.

#### **Standardize and speed up manufacturing:**

Process manufacturing companies especially those with an appetite for mergers and acquisitions often find that multiple business units across the company make the same budget using different methods and computer system. ERP systems come with standard methods for automating some of the steps of a manufacturing process standardizing those



processes and using a single integrated computer system can save time increase productivity and reduce head count.

### **Reduce inventory:**

ERP helps the manufacturing process flow more smoothly and it improves visibility of the order fulfillment process inside the company. That can lead to reduced inventories of the materials used to make products (work in progress inventory) and it can help better plan deliveries to customers reducing the finished goods inventory at the ware houses and shipping docks. To really improve the flow of your supply chain you need supply chain software but ERP helps too standardize HR information's especially in companies with multiple business simple method for tracking employee's time and communicating with them about benefits and services ERP can find that

### **Software**

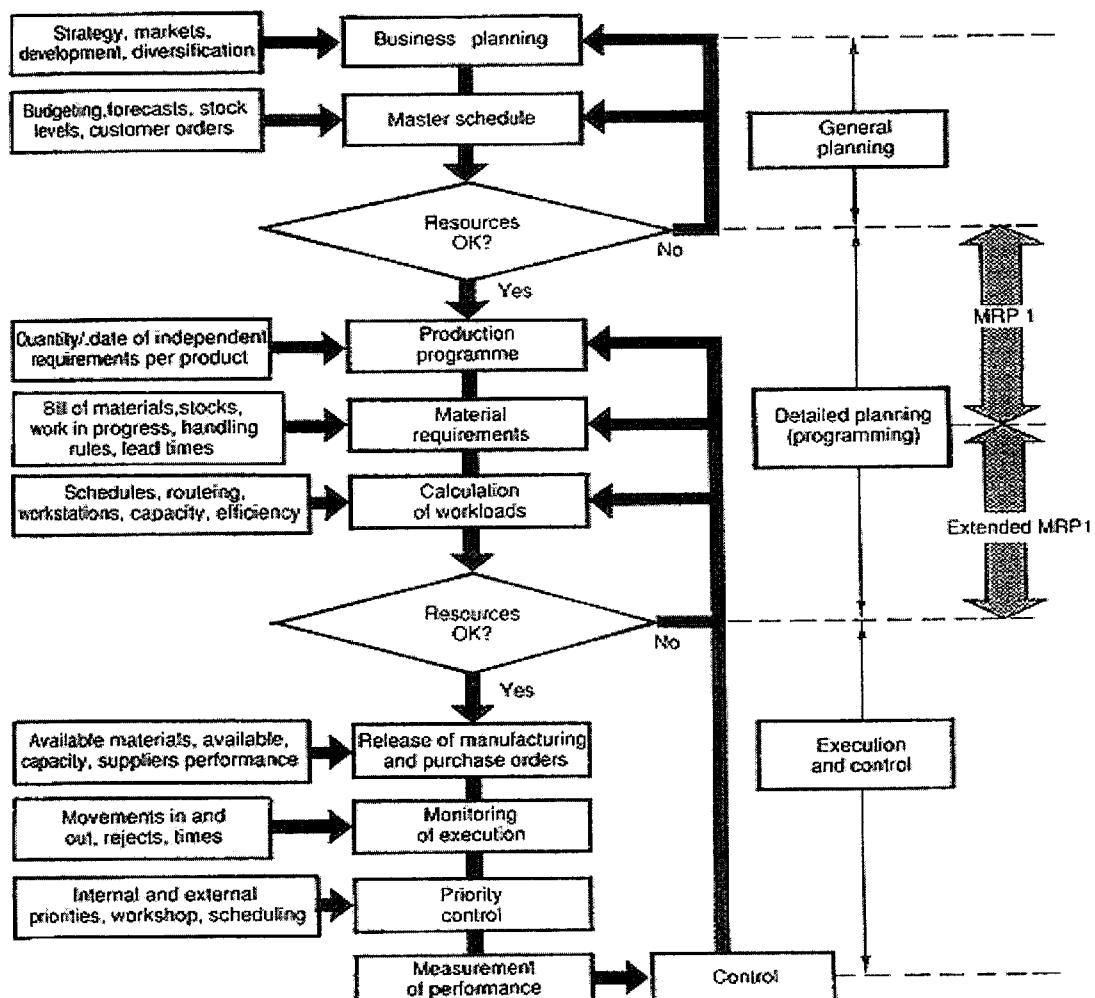
Customer relationship management designed specifically for medium sized companies seeking one solution to help increase productivity without disrupting everyday business operations. It delivers integrated functionality to support solutions for

- Financial management
- Supply chain management
- Customer relationship management (CRM)
- E Business

The fully customizable business solution is easy to customize and simple to use and maintain with its open development environment and feature rich applications areas Microsoft dynamics NAV makes it easy for organization to speed up their decision making so they can respond more rapidly to new competitive challenges and seize new market opportunities.

## Analysing the various modules

Flow chart

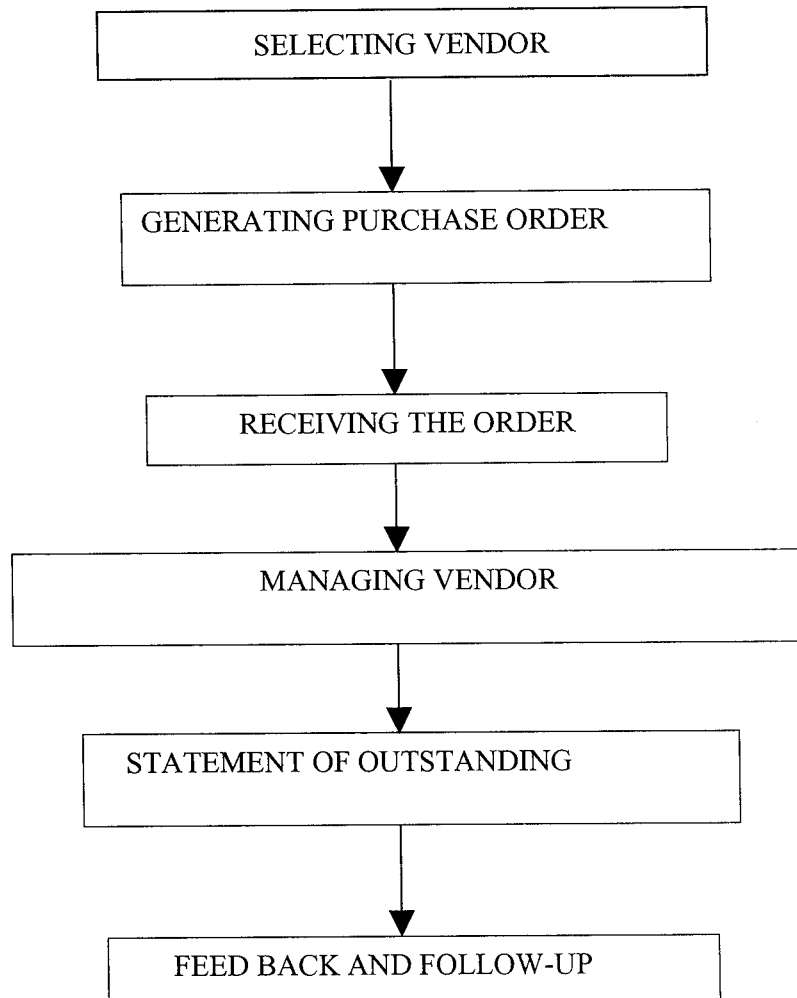


Around 1980, over-frequent changes in sales forecasts, entailing continual reajustments in production, as well as the unsuitability of the parameters fixed buy the system, led MRP (Material Requirement Planning) to evolve into a new concept : Manufacturing Resource Planning or MRP2

Source : "CIM: Principles of Computer Integrated Manufacturing", Jean-Baptiste Waldner, John Wiley & Sons, 1992. Reproduced with author's authorization

Activities involved in purchasing are described as follows

**STEPS IN PURCHASING**



Vishal Precision is the Manufacturing Company. The key business functions like purchase and inventors are managing separately. As per management point of view they were not able to get the full control of their various customers. They are in need to

centralize the purchase in order to attain economics of scale and to offer products at cheap rate. They have to mainly depend on managers of various department to get an over view of their business. The main problem in their conventional business is that they were not able to get the real time data for every decisions to make they have to wait for a certain time period. They are in need of a solution which better managers the key business operations at all department with real time data. To face the challenge of retaining control over their decentralized operations and optimizing the inventory flows they must ensure that the real time information generated at the department level is available to the rest of the organizations.

Setting up a company General information's:

### Web Shot 1: Company Information

The screenshot displays a web browser window titled "Company Master - General Module - Microsoft Internet Explorer". The page content is a form for "General - Company Information Master". The form is organized into several sections:

- Company Name:** Fields for "Company Name", "Short Name", and "Address".
- Contact Information:** Fields for "City", "PinCode", "Country", "Phone \*", "Fax \*", "Email Id \*", and "Telegram \*".
- Identification:** Fields for "ECC Code \*", "IEC Code \*", "Division \*", and "Collectorate \*".
- Taxation:** Fields for "TIN No. \*", "GST No. \*", "VAT No. \*", "CST No. \*", "GST Date \*", and "VAT Date \*".
- Business Details:** Fields for "Parent Co." (Yes/No), "Business" (Manufacturing/Trading), and "Default Rate" (Yes/No).
- Other Fields:** "Range \*", "Area Code \*", "Financial Year", and "PO Qty Fluctuation allowed".

At the bottom of the form, there are buttons for "Add", "Edit", "Delete", "Save", "Cancel", and "Refresh". The footer of the browser window shows the user "RCS" at "PENGUIN" company, "Factory" location, and "GM.01" screen ID. The system clock shows 3:26 PM on 10/26/2007.

Using the menu file company new we can create new company. The company information's is entered in the general ledger set up web shot -1 company information's.

**Company information's:**

The general company information is recorded on the company information's card fields. On general tab contain the address details of the company headquarters. The communication tab contains the address details of the company headquarters. The communication tab will contain information about the contact number and web address. The payment tab contains details about bank account where out vendor can pay. The various ship to field on the shipping tab are filled in by default with the address details of the company's headquarters

**Linking:** Responsibility centers to other objects in fuse program.

Linking users: Having multiple locations can create problems in terms of who can access what in Navision solution. It is possible to establish permission for different users to perform activities. In relation to the different responsibility centers. In this way the company can ensure that a specific user only gets access to the data that is relevant for the user's particular responsibility center.

Once a user is defined and assigned to a responsibility center the program will automatically select the responsibility center linked to this specific user every time the user logs on the with their own ID. Specifically it implies that the user a make sales and purchase from the responsibility center name will appear. In the sales and purchase orders as well as in other places. In the program where the responsibility center field is present.

**Linking customers and vendors;**

Companies often have established processes where by certain customers are always administered from a specific sales responsibility center. A similar process may enlist for vendors. To select these business practices, companies may want to use the programs potential to link their customers and vendors to certain responsibility centers that idea behind this feature is that every time, for example a sales person makes a sales order for a customer that is linked to specific responsibility center, the corresponding responsibility center code will appear default on the sales order header as well as on the print out of their

sales order. In addition the company will be able to track their performance toward customers per specific responsibility center.

### **Purchase Module:**

In the conventional process the order entry clerk will enter the order details. These order details are then passed on to the inventory section. Here the inventory clerk will check whether the items ordered are available or not. If the items are available the distribution department is notified and they will pack and send it to the customer. The account department is also notified where the invoice bill will be prepared and send to the customer. If the item is not in stock then the purchase department is notified which in turn plans the P.O. the purchase department will go through the vendor history and will select the vendor. They will raise the purchase order with the permission of finance department and will inform the inventors department about the order. After the order has been received the finance department will make the necessary arrangement to manage the vendor.

Major problems faced by them are:

- ❖ As the conventional system works on book keeping method, it is difficult to analyze the complete history of vendor. It also consumes time. There is a chance for personal interest in selecting the vendors. This may lead to high cost in doing business. Information availability:
- ❖ As each department act as a separate entity the information's was not available uniformly to all entity
- ❖ The real time information is not available for various management activities. As the invoices and receipts are handled manually there is a chance to loose it.
- ❖ Time consumed to make purchase order and to receive the order is too high. Report preparation can only be done on a quarterly basis. In conventional process every department has to wait for a long time to get information from other department.
- ❖ They were not able to efficiently forecast the purchase in advance
- ❖ The Lead time to receive the order high some it takes one month to receive the order

- ❖ The relationship with vendor was not in a proper phase. They were not able to identify the recent offers and product from usual vendor

#### Purchase module in Navision:

The purchase of payable application in Microsoft Navision helps in managing purchases and account payable. The purchases and payable application area is fully integrated with the general ledger application. Thus when we post a transaction such as an invoice the program automatically posts all necessary transactions to all relevant accounts such as purchase account, the payable account and the applicable discount and vat accounts using the purchase and payables setup window. We can specify how we want the program to manage the aspects of purchase and payables.

#### The different aspects are:

- ❖ Discount Posting: Here we can specify the type of purchase discounts the program will post separately.
- ❖ Receipt On invoice: Here we can choose to have the program automatically set up receipts in connection with purchase invoice. The program will automatically post a receipt when we post a purchase invoice.
- ❖ Invoice Rounding. A Check mark in this field indicated that the program will round amounts for purchase invoice. We can set the rounding precisions for LCY in the GL setup and for foreign currencies in the currency table.
- ❖ Allow Vat difference: A check mark in the field allow the manual adjustment of vat amount in purchase documents.
- ❖ Copy Comments order to receipt: A check mark in this field makes comments that are entered on a purchase order will be copied to the receipt that is created from the order.
- ❖ Calculating discounts: A check mark in this field automatically calculated the invoice discount amount in connection with purchase department.
- ❖ Vendor positing group: The vendor positing group window is used to set up one or more vendor posting group. For each posting group we set up we must create links to the relevance G/L accounts.

- ❖ Payment terms: We use the payment terms window to set up codes for each set of payment terms that is due date calculation for invoicing.
- ❖ Payment methods will allow us to create a difficult balancing account to each payment method.

### Mapping purchasing functions:

#### Selecting vendor:

For selecting vendor we have to keep record for all the vendors' information and their product listing. Navision provides this facility in the Web shot 2 vendor card: Purchase module using the vendor card in vendor menu of purchase and payable. We can set information about the vendor. Here we can post the communication details we can also include the responsibility center detail by using the purchase button at right bottom. We can see the previous purchase and details about due discounts provided by him. In vendor button there is an option for listing all vendors. This provides an easy tool to select the vendor.

### Web Shot 2: Vendor Information

**Purchase - Supplier Master - Microsoft Internet Explorer**

Navigation: Purchase | Inventory | Finance | Sales | MRP | Sub-Contract | Maintenance | General

Supplier Code: [ ]

Supplier Name: Amin Bearing Company

Supplier:  Local  Foreign Local Agent: [ ]

Supplier Type:  Manufacturer  Distributor  Dealer  Sub-Dealer  In-House  Subcontractor / Job-Worker

A/C Code: 020101010001 A/C Name: SUPPLIER

Supplier Address: 214, Nagdevi street, 1st Floor City: Mumbai Country: India Postal Code: 400003 Fax: 022 23432197

Phone: 022-23428512, 23423160

Mobile No: [ ]

Email: aminbrobom3@rediffmail.co Web Site: [ ]

TIN No: 27710018812 V Dt.1.4.2006 CST No: 27710018812 C Dt.1.4.2006

ECC No: [ ] Division: [ ]

Range: [ ]

Contact Person: Mr. Anand Designation: Proprietor

Cr. Limit Days: 1 Remain. Days: 0

Interest %: [ ] category: [ ]

travelling expenses: [ ] Analysis Category - 3\*

Tax Number: [ ] Tax Reg. Date: [ ]

Buttons: Add, Edit, Delete, Save, Cancel, Search, Print

System tray: start, OpenOffice, Purd use - Su..., Inbox - Out..., sathis gu - W, Local intranet, 4:45 PM



### Generating Purchase order:

Purchase quote menu in Navision helps to prepare a quote to the vendor and this will not affect other applications. This is used as a fore runner for purchase order. After receiving the quote from the vendor we will enter into an agreement.

We can select the vendor by using the buy from vendor no/ buy from contact number option. The item details are entered in the table below it. We can convert the quote into an order by using the make order optimum. By using the order menu we can list all the orders made. After making the purchase order the item is reserved for inventory.

**Receiving the order:** Some times orders can be received at the same time along with vendors invoice orders reach first followed by order or invoice and then the order Navision provides the way for posting each type of orders. Order tab has the function to post the order.

### Web shots – 3 Purchase Quote

**Purchase - Quotation Call - Microsoft Internet Explorer**

Purchase Inventory Finance Sales MRP Subcontract Maintenance General

Purchase - Quotation Call akanksha

Quot. Call No.  Quotation Date   
 Payment Terms  Delivery Terms   
 Remarks\*  Quot. Type  Local  Foreign  
 Quot. Closing Dt.

Item Remarks

No.	Item Description	Quantity	UOM	Required Date (DD/MM/YYYY)
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

No.	Supplier Name	Attention	Fax No.*
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

User: vijay | Co.: PENGUIN | Loc.: Factory | Scr Id: PT.03 | \* Optional Local intranet

start    12:05 PM

## Web shot -4, purchase order

**3 Purchase - Direct Local Purchase Order - Microsoft Internet Explorer**

Purchase - Direct Local Purchase Order

akanksha

P.O. No.  P.O. Date

Supplier  Overall Discount % \*

Address  Delivery Date \*

Delivery Location  Amendment Status

Customer

Customer Address

Reference

Quick Links : [Goods Inward Note](#) [Inspection](#) [Goods Receipt Note](#)

Item Name  Item Remarks

UOM Con  Stock  LPR Remarks

Tax Amt  Disc. Amt  Brand /Other Details

Work Tax Calculation  Previous Order No.  Previous Order Rate

Description

View Supplier Details

Slg	Item	UOM	Rate	Qty.	Con Qty.	Disc%	Tax	Value
1	517 MMIS087	NOS	2224.00	2.000	2.000	0	2CST	4448.00

PR Not Mailed : 2 PO To Generate : 8 PO Not Mailed : 11 PO Ammended : No PO Status : Pending

Done Local intranet

start Untitled1 - Op... proj - OpenOf... Untitled2 - Op... Network Conn... Purchase - Dir... 12:06 PM

By selecting the vendor using the assist button we can see the orders made for posting these orders we have 3 options:

- ❖ Receive: The item has been physically received from the vendors and the invoice has not been received yet.
- ❖ Receive and invoice: the order is shipped and invoiced at the same time in the one transaction the order is detected.
- ❖ Invoice: the order is updated to reflect that the items have now been invoiced. This will automatically update the quantity received and the quantity to be received.
- ❖ Managing the vendor: After receiving the invoice from the vendor, the order is invoiced using the option order purchase list in the order menu. This can be done only after receiving the invoice from the vendor since vendor invoice number is required here. The invoice is posted using the invoice menu in posting. This will create posted invoice after the order has been fully invoiced the order will be

detected. If it is for a service purpose then the invoice is directly done through the invoice option.

- ❖ Purchase option: For Making payment to the vendor Navision provides an easy solution to keep record of all payables. By using the payment journal in the purchase and payables menu we can enter the payment details.

### Web shot -5, journal

The screenshot displays the 'Finance - Journal Transaction Entry' web interface. The form includes the following fields:

- Journal No. (with a help icon)
- Journal Type (with a help icon)
- Reference \*
- Date: 08/08/2009
- Name
- Debit Amount
- Credit Amount
- Balance Amount
- Account Name

Below the form is a table with the following columns: No., A/D Code, Narration, A/C, and Amount. The table contains one row with a selected account and a '-select-' dropdown.

At the bottom of the form, there are buttons for Add, Edit, Delete, Save, Cancel, Search, Print, and Mail.

The browser title is 'Finance - Journal Transaction Entry - Microsoft Internet Explorer' and the URL is 'http://localhost:8080/Navision/Finance/JournalTransactionEntry.aspx'. The user is 'vijay' and the company is 'PENGUIN'.

Here the vendor is selected using the account no option and the invoice for which the payment made is also entered. This will amount balance to that vendor and we can enter the amount to be paid.

This payment process can automatically do by program. This batch job processes vendor ledger entries for unpaid invoices. Finance charge memos, credit memos and payments and on the basis of them, created payment suggestion as lines in a payment journal we must specify a last payment data to be used in the batch job. We can filters to control the characterize of the payments to be selected. We can also run the batch job in such a way that it also includes payments for which it is possible to obtain a discount. We can insert and delete lines in the journal. If we do not wish to pay some of the invoices the program has suggested. For discount purpose the payment discount accounts are setup in the general ledger set up or customer positing group/ vendor posting group.

When we have finalized which of the suggested vendor entries we wish to pay, we can start the check writing we can preview individual's checks or print checks for the batch job.

**Purchase returns:** We typically create a purchase return order as part of a compensation agreement with our vendor when we return a purchased item that we are dissatisfied with. This could be due to a quality issue or the delivery of a wrong item. Navision provides easy way to handle the purchase returns. There are various ways in which we can receive compensation from our vendor and we can initiate all of these from the purchase return order window. The various ways are:

- ❖ We may agree with our vendor to return a purchased item to them.
- ❖ We may agree with our vendor that they compensate us for a purchased item by replacing the item. The replacement item can be the same or it can be different.

**Report:**

A report in Navision is an extract of information from the database. There are a large number of standard reports but we can use the built in report designer to define new reports or change the standard reports. It is used to get details about accounts payable raised invoice, returns, purchase list, orders, quotes and balance to date etc.

**Key benefits:**

The purchase and payables areas are fully integrated with the rest of Microsoft dynamics. The system records all vendor transactions on the relevance vendor account automatically and a no of specified account in the general ledger for example for a purchase:

1. Purchase accounts
2. Payables accounts
3. Cost of goods ordered accounts.
4. Discounts (eg: Payment item and quantity discount).

We can view all vendor transaction for all accounts or specification accounts from chart of accounts, journals and accounts cards.

Using the navigate feature we can located all entries posted with the same document number of entries made and views the entries directly so we can find all related documents in one simple search.

- ❖ Provides flexible way to accommodate cash and credit transaction according to vendor need.
- ❖ Provides a way for applying payment to as many invoices as we like while us making particular payments.
- ❖ It helps in minimizing the data entry for those vendors with whom we make repeated purchase by setting standard document lines.
- ❖ We can place specific invoices on hold to stop payment until the purchase invoice is approved helps in prioritizing vendors so that we can define which vendor should be paid in which order.
- ❖ Automatic suggestions of vendor payments based on due dates vendor priority and discount availability

### Sales and Receivables Modules: Web shot -6, Invoice

The screenshot shows a web-based form for a 'Customer Purchase Invoice'. The form is organized into several sections:

- Header:** Includes 'Representative' (SELF - self), 'Print Display' (Name, Narration, Both), 'Stores' (General Stores), 'Overall Disc. %', 'Party's Order Ref', 'GC Note No.', 'LR No.', 'GP No.', 'DC No.', 'Ord No.', and 'Narration'.
- Invoice Details:** Includes 'Area Name', 'Delivery Type', 'Chapter-Heading', 'Carrier Name', 'Tax Reg. No.', 'Mode of Transport', 'Regd. No.', 'LR Date(DD/MM/YYYY)', 'GP Date(DD/MM/YYYY)', 'DC Date(DD/MM/YYYY)', and 'Ord Date(DD/MM/YYYY)'.
- Additional Fields:** Includes 'Item Desc.', 'Tax Amount', 'No. Of Packages', and 'Work Tax Calculation'.
- Table:** A table with columns: No., Order No., Item Code, Quantity, UOM, Rate, Disc, and Amount. Below the table are buttons for 'Add', 'Edit', 'Delete', 'Save', 'Cancel', 'Search', 'Print', and 'Mail'.

The form is displayed in a Microsoft Internet Explorer browser window. The taskbar at the bottom shows the start button and several open applications: Internet Explorer, OpenOffice, and Network Com... The system clock shows 2:03 PM.

Conventional process:

In the conventional process the order entry clerk will enter the order details. These order details are then passed on to the inventory section. Here the inventory clerk will check whether the items ordered are available. The distribution department is notified and they will pack and send it to the customer. The account department is also notified where the invoice/bill will be prepared and send to the customer. The major draw back in the conventional process is:

- ❖ Inability to check the item availability as soon the customer orders.
- ❖ Improper method for keeping the history of customer.
- ❖ Inability to price the customers based on their past purchases
- ❖ High time consumption for shipping the goods to customers.
- ❖ In effective relationship with customers.

#### **Sales and receivables in Navision:**

We use the sales to receivables application area to manage sales and accounts receivables through individual accounts for each customer. This area is fully integrated with the general ledger. This means that posting an entry made in sales of receivables automatically posts all necessary entries to the sales account the receivables a/c and possible a/c.

Basic setup:

In the sales of receivable setup window we can setup the basic rules to be used in the sales of receivables application area. On the general tab we should options such as how we want to calculate and post discounts and what warnings we would like to have displayed.

The general tab contains the following fields:

**Discounting posting field:**

Here we can specify the type of sales discounts the program will post separately.

**Credit warnings field:**

In this field we can specify whether we want the program to give a warning about the customer's status when we create sales discount.

**Stock out warning field:**

By placing a check mark in this field we can specify whether we want the program to warn us when sales will result in a negative inventory for an inventory item.

**Shipment on invoice field:**

Here we can choose to have the program automatically setup shipments in connector with sales invoices.

**Return receipt on credit menu field:**

Here we can choose to have the program automatically set up sales return receipts in connection with sales credit memos.

**Invoice rounding field:**

A check mark in this field indicated that the program will round amounts for sales invoices. We specify the invoice rounding precision for local currency in the G/L setup and for the other currencies on the currency table.

**Calculate Inventory Discount Field:**

Places a check mark in this field if we want the program to automatically calculate the invoice discount amount in connection with sales documents. If we do not place a check mark here we can still calculate invoices discounts manually by going to the sales of receivables setup and selecting calculate invoice discounts:

**Calculate inventory discount per Vat ID Field:**

If we place a check mark in the field the inventory discount will be calculated per vat identities. If we choose not to place a check mark here the invoice discount will be calculated on the document total.

**Customer posting groups:**

This is where we will set up what accounts our customers will post to on the balance sheet. We can set up multiple customer posting groups. Each customer posting group can have different G/L accounts or the same accounts assigned. An advantage of having different groups with the same accounts is that it allows another way to group customers together for reporting purposes. For example a report could be run displaying only domestic customers. Even though multiple groups can be set up as stated above each customer will only be assigned one customer posting group on the customer card.

**Payment terms:**

We use the payment terms window to setup codes for each set of payments terms. The payment terms table will be used on both the sales of receivables side and the purchases of payable side. We can specify the due data and the discount date when we set up a payment term.

**Payment Methods:**

We set up payment method codes to select the different payment methods. For example check cash installment payment and so on we need this information when we receive a detailed overview about the outstanding entries.

**Reminder terms:**

We use the reminder terms windows to set up codes for reminder terms. Each line contains a set of reminder terms identities by a code. We can set up as many codes as necessary.

**Customer Price groups and customer Discount:****Groups:**

We can set up price and discount group for customer to be assigned to this provides great flexibility in customer. Pricing and discounting while minimizing the data entry needed.



**Mapping sales process in Navision customer information:**

The general information's about the customer are stored in customer card, these cards have information's about communication shipping address invoices and payment terms.

**General In customer cards:**

Whenever a new customer approach they are entered as a customer approach they are entered as a customer with specific ID. We must set up a card for each customer on which we enter basic information. Such as name address and discount possibilities whenever a sales document is created the customer.

Information that is placed on the document header is retrieved from the card.

The customer card also contains a customer and sales button:

**Customer Button:** used to display further information on this customer and access the list of all customers.

**Sales button:** used show the different sales documents for this customer as well as standard invoices discounts line discounts and price relating to the customer.

**Credit limit:** we can enter a local currency credit limit to sales, transaction for this customer a warning will be issue if any new transaction will exceed this credit line.

### **1.1.1. ABOUT THE COMPANY**

Vishal Precision Products Private Limited began its operations in the year 1985 as Vishal Engineering Company, which operated under a partnership concern till the year 1993. It became a registered Private Limited Company on 01.12.1993. Today Vishal Precision Products Private Limited is certified with an ISO 9001:2000 status. The company has created a reputation for technical capabilities in the field of supporting tool room in India for product quality and customer orientation. The company has a vast infrastructure for design, development and manufacturer of mold base, die housing and dies, jigs and fixtures, components and sub assemblies for export. Over the years the company has earned a good name for the clients for its originality of equipment manufacturing in the field of printing machinery, automotive industry, tool room, general engineering and so on.

Vishal Precision Products Private Limited is run by Mr. Jayaselan, the Managing Director and Mrs. Mercy Jayaselan as the Director of the company.

The company is situated at Peelamedu, Coimbatore. It is considered to be well equipped engineering industry having special purpose machines including CNC machining centers and other conventional general purpose machines along with Computer Aided Design and manufacturing (CAD/CAM) system.

### **1.1.2. ABOUT THE INDUSTRY**

Vishal Precision Products due to its committance to a self-certified quality standards productivity and reliability in service has indeed developed a commendable list of its proud and well satisfied clientele. Today; it is ranked amongst the best in his category of the engineering industry in India.

Its specializes in two divisions in two different aspects

- Fine Product Division
- Fine Machining Division

## **FINE PRODUCT DIVISION**

This division sees the manufacturing of standard mould based for plastic injection moulds, die housing for pressure die casting dies and plates die sets for press tools and precision components according to your requirements. The manufacturing process is done according to the customers drawing given including pocket opening, side core opening, Jig boring to fit insert in the mould base, bores to suit finger cams/pins, auxiliary pillar bush for ejector system, length rod, support pillars, cooling holes, tubular dowels for spigot type mould and many other arrangement as per the given drawing.

This division sees the engagement in designs, manufacturing and supply of Jigs and Fixtures and Precision machined components and sub assemblies exports. Over here, exports are given the prime importance.

## **LIST OF PRODUCTS**

### **a) FINE PRODUCT DIVISION**

#### **1. Module base**

- Protruding clamping mould base-L/R Type
- Protruding clamping mould base-F/B Type
- Flush clamping plate mould base-F Type

#### **2. Standard mould bases**

Side gate system, Pin point gate system, three plate type system

#### **3. Die housing for pressure die casting die**

Type A, Type B, Type C.

#### **4. Plate die set for press tools**

Rear pillar die set, diagonal pillar die set, Centre pillar die set, four pillar die set

**b) FINE MACHINING DIVISION**

Jigs, Press tools, Fixtures for CNC machineries, Gauges, Special purpose, machineries, Precision components machining.

**1.2 IDENTIFIED PROBLEM**

- ❖ The problem with reference to Vishal Precision Products Private Limited is that the relation between each department.
- ❖ Hence, this project aims at identifying the causes of work flow and smooth among managers and workers in the organization.
- ❖ Organization is quite misunderstanding between Departments. When working towards a goal, it is common to encounter obstacles and communication gap

**1.3 NEED FOR THE STUDY**

- ❖ The Study aims to implement in built ERP named as ERP in year of 2009 second quarter.
- ❖ They have not done any study so for about this ERP's impact and effectiveness. Now they want to asses the power of this ERP.
- ❖ So that they need to improve towards fulfill the organization needs, so the study is taken for consideration.

## **1.4 OBJECTIVES & SCOPE**

### **1.4.1. OBJECTIVES**

#### **Primary Objective**

- ❖ To Study whether the investment design in ERP made Vishal Precision Products as profitable one with reference to erp project.
- ❖ To integrate different functional area to ensure proper communication, productivity and efficiency
- ❖ To Reduce lead time by 60% & To achieve 99% ontime shipment.
- ❖ To Reduce Cycle time 80% WIP Reduced to 70%

#### **Secondary Objective**

- ❖ Identifying the business need of Vishal Precision Products
- ❖ Understanding the working of various modules that Vishal Precision Products
- ❖ Benefits they can attain by implementing ERP.

### **1.4.2 SCOPE OF THE STUDY**

- ❖ The Scope of the Project is limited to understand the working modules. The modules under study are purchase and payables, sales and receivables, and inventory. It also provides an insight to whether the business is answered
- ❖ In International competition and globalization Indian organizations need with to comprehensive analytics and reporting capabilities, attain faster decision making and improved control, enable transparency throughout business processes as well as empower employees through quicker information access to match global standards
- ❖ With increased demands for productivity gains, value-based pricing, and continuous product innovation, companies can no longer face up to future challenges with their current legacy systems, which ultimately can cost them dearly in terms of growth, cost containment, flexibility, and agility to address new opportunities and competitiveness

### **1.5 EXPECTED DELIVARABLES**

- ❖ To improve the communication among the department in a systematic way methods through proper integrate network..
- ❖ To offer suggestions to the organization and to over come the work flow and interoperation among the departments
- ❖ To improve the morale of employees. To improve the desire working relation between Employer and Employee.

# Chapter II

## Literature Survey

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## CHAPTER II – LITERATURE SURVEY

### 2.1 REVIEW OF LITERATURE

❖ . **Paul Huck, Senior Vice President and Chief Financial Officer, Air Products**

“We have seen significant payback from our investment in installing ERP [software] and using it to transform our business. Initially most of our benefits came from efficiencies in finance and IT because we are getting things right at the source, only entering things once, not reconciling between systems, and retiring our legacy systems.

❖ **James Westgarth, Manager, Travel Strategy and Technology, Airbus S.A.S.**

ERP Travel Management provides a comprehensive, flexible, and robust solution with a user interface that contributes significantly to making our business travelers happy.”

❖ .” **K. K. Mahapatra, General Manager IT, ABP Pvt. Ltd.**

“Our ERP software implementation has been a huge success. The resulting integrated system and improved IT infrastructure have created the platform we need to move to the next generation



## Chapter III

### Research Methodology

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## **CHAPTER III METHODOLOGY**

### **3.1 TYPE OF PROJECT**

- ❖ The research study used in this study is “**DESCRIPTIVE**” research design.
- ❖ Descriptive studies are those studies, which are concerned with describing the characteristics of a particular individual (or) group.
- ❖ It is followed to support or disprove existing facts with quantitative data.
- ❖ “Survey type” is about to be followed for conducting the study.

#### **3.1.1. SURVEY METHOD**

Survey type includes designing questionnaire for collection of data through field study, collecting data from target respondents, processing and analyzing the data and arriving at conclusions.

### **3.2 TARGET RESPONDENTS**

- ❖ The census method is about to be implemented to study the project.
- ❖ Since the whole population is **142** (in which 12 are managers’ and 130 workers’)
- ❖ The study will be conducted for all the members in Vishal Precision Products Private Limited.

### **3.3 ASSUMPTIONS, CONSTRAINTS AND LIMITATIONS**

- ❖ Data collected from respondents could be bias in nature.
- ❖ The study is confined to Vishal Precision Products Private Limited, only.
- ❖ Study is applicable and limited to a particular organization and hence is not applicable for other organization.
- ❖ One cannot judge the attitude of an individual to be always constant; it changes from time to time.
- ❖ Shortage of time is also another important limitation of the project.

- ❖ Since the study is fully based on primary data the deficiencies attached with already collected data will be reflected on the findings of the study.

### **3.4. SAMPLING METHODS**

#### **3.4.1. SOURCES OF DATA**

The main sources of data are

- \* Primary data
- \* Secondary data

- ❖ **PRIMARY DATA:** Primary data are those data's which are collected first time through survey of questionnaires to the employees.
- ❖ **SECONDARY DATA:** The data is collected from magazines, websites, company records, previous records, etc.

### **3.5. DATA PROCESSING**

#### **3.5.1. METHOD OF DATA COLLECTION**

- ❖ **“QUESTIONNAIRE METHOD”** is used

A questionnaire is a formalized framework consisting of a set of questions and scales designed to generate primary raw data. It is a preformulated written set of questions to which the respondents record their answers. The questionnaires can be administered personally, mailed to the respondents or electrically distributed.

### **3.6 TOOLS FOR ANALYSIS**

The collected data will be analyzed with the help of simple percentage and chi-square test has been used to estimate the relationship between how the stress varies among managers' and workers'. The simple percentage method is used to represent the data.

### ○ SIMPLE PERCENTAGE METHOD

Percentage Analysis is a statistical tool, which is used to identify the percentage of responses given by the respondents.

$$\text{Percentage} = (\text{No. of respondents} / \text{Total No. of samples}) * 100$$

### ○ CHI-SQUARE ANALYSIS

The Chi-square test is one of the simplest and most widely used non parametric tests in statistical work. The symbol  $\chi^2$  is the Greek letter Chi. The  $\chi^2$  test was first used by Karl Pearson\*\* I the year 1900. The quantity  $\chi^2$  describes the magnitude of the discrepancy between theory and observation. The formula for the chi-square ( $\chi^2$ ) test is:

$$\chi^2 = \frac{\sum (\mathbf{O} - \mathbf{E})^2}{\mathbf{E}}$$

Where, O refers to the observed frequencies and

E refers to the expected frequencies.

- It is a formula used to test the relationship between a dependent variable and independent variable.
- It is particularly used in those tests involving nominal data but can also be used for higher scales.
- Using this technique, the significant differences between the observed distribution of data among categories and the expected distribution are tested on the null hypothesis.
- This test can be used in one sample, two independent samples or k independent samples. It must be calculated with actual counts rather than percentages.

# Chapter IV

## Data Analysis and Interpretation

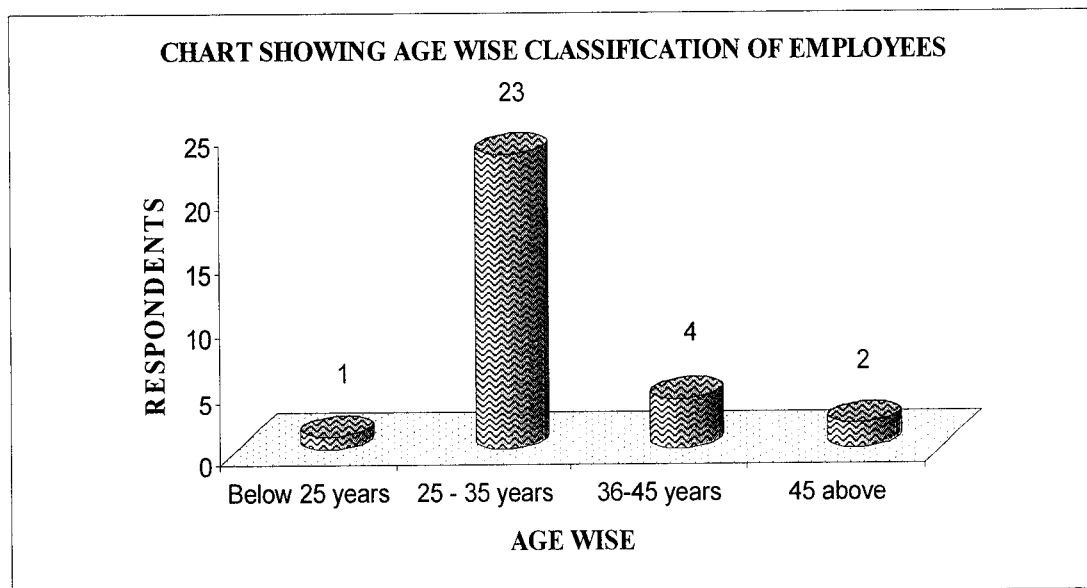
**CHAPTER IV**  
**ANALYSIS AND INTERPRETAION**

**4.1.1 TABLE SHOWING AGE WISE CLASSIFICATION OF EMPLOYEES**

	<b>Below 25 years</b>	<b>25 - 35 years</b>	<b>36-45 years</b>	<b>45 above</b>	<b>Total</b>
<b>No. of Respondents</b>	1	23	4	2	30
<b>% of Respondents</b>	2.83	77.46	11.26	8.45	100

**Interpretation**

From the above table 4.1.1 we understand that 2.83% of respondents are below 25 years of age, 77.46% of the respondents are between 25-35 years of age and 11.26% of the respondents are between 36-45 years of age and 8.45% of respondent are above 45 years.

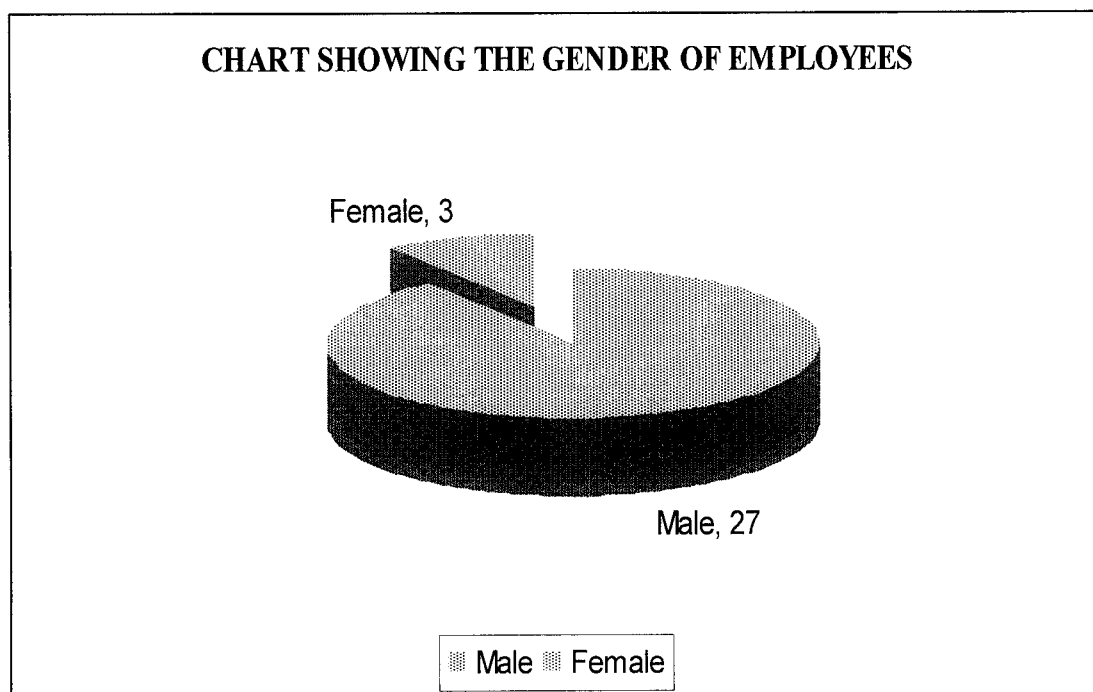


**4.1.2. TABLE SHOWING THE GENDER OF EMPLOYEES**

	<b>Male</b>	<b>Female</b>
<b>No. of Respondents</b>	27	3
<b>% of Respondents</b>	92	8

**Interpretation**

From the above table 4.1.2. We understand that 92% of respondents are male, 8% of respondents are female



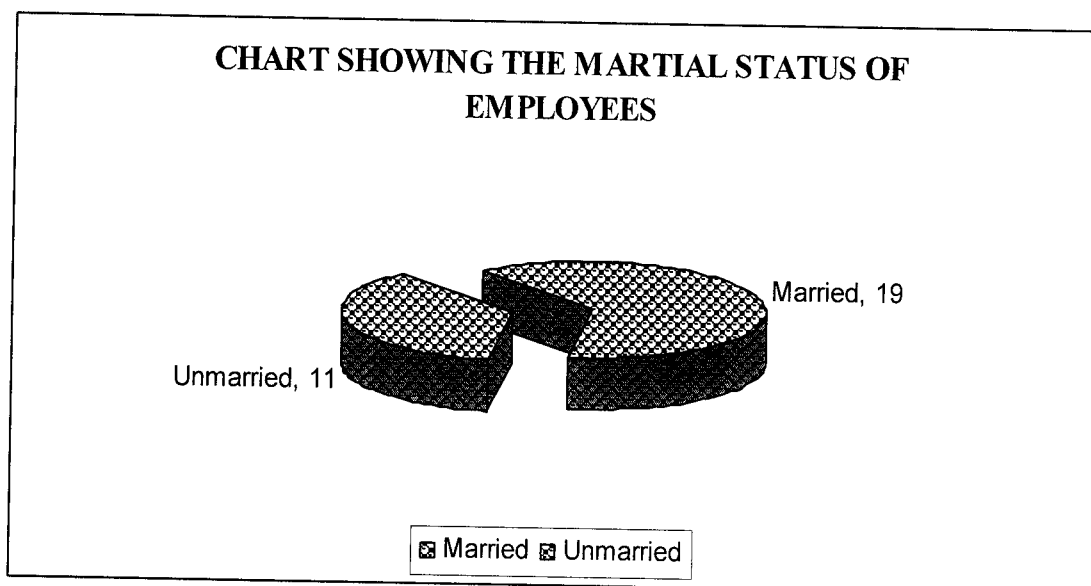
**TABLE 4.1.3.SHOWING MARITAL STATUS OF WORKERS IN THIS INDUSTRY**

	<b>Married</b>	<b>Unmarried</b>
<b>No. of Respondents</b>	19	11
<b>% of Respondents</b>	63.33	36.67

**Interpretation**

This survey table 4.1.3. Shows that 63.33 % of respondents are married and remaining 36.67 % of respondents are unmarried.

Most of the respondents (63.33%) are married.



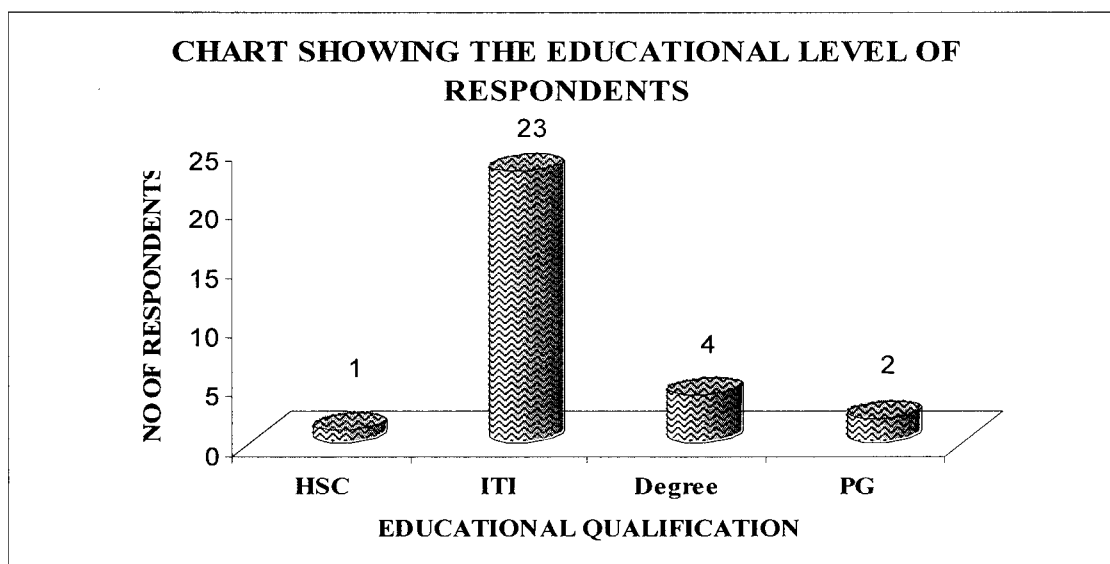


**TABLE 4.1.4 SHOWING THE EDUCATIONAL QUALIFICATION OF EMPLOYEES**

	HSC	ITI	Degree	Postgraduate
<b>No. of Respondents</b>	1	23	4	2
<b>% of Respondents</b>	2.83	77.46	11.26	8.45

### Interpretation

From the education level of respondents table 4.1.4. We study that 2.83% of HSC level of education, 77.46% of respondents has ITI level of education, 11.26% of respondents have degree level of education and 8.45% of respondents have postgraduate level of education.

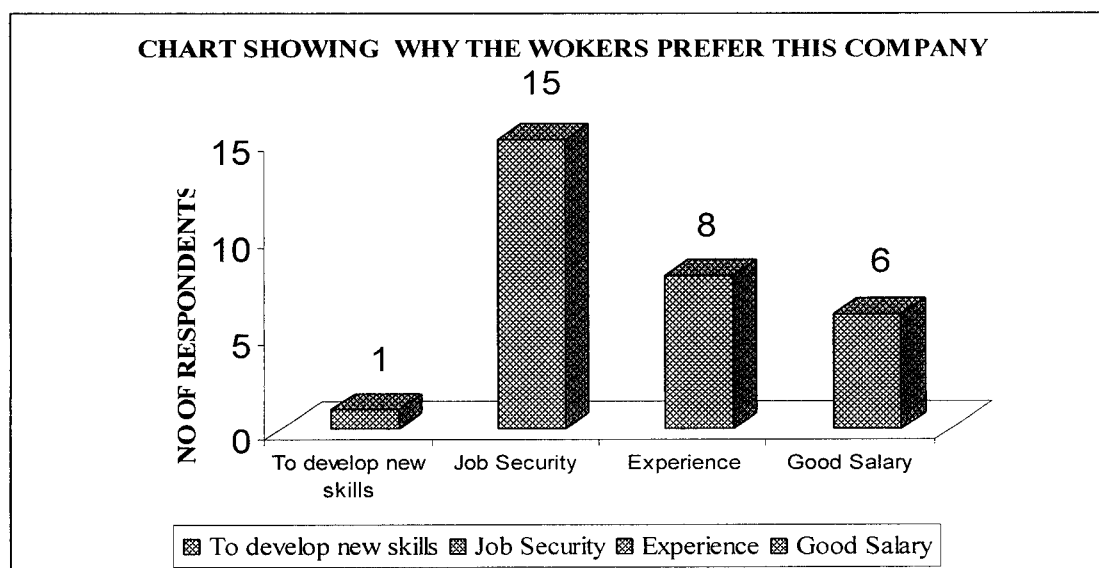


**TABLE 4.1.5 SHOWING WHY THE WORKERS' PREFER THIS COMPANY**

	To develop new skills	Job Security	Experience	Good Salary
<b>No. of Respondents</b>	1	15	8	6
<b>% of Respondents</b>	3.3	50	26.7	20

**Interpretation**

The above table 4.1.6. shows that the respondents feel that job security is the primary factor which influence the respondents to choose the particular company as it gains 50%,experience gains the 2<sup>nd</sup> place as its percentage is 26.7% and the least one is to develop new skills as it is 1%

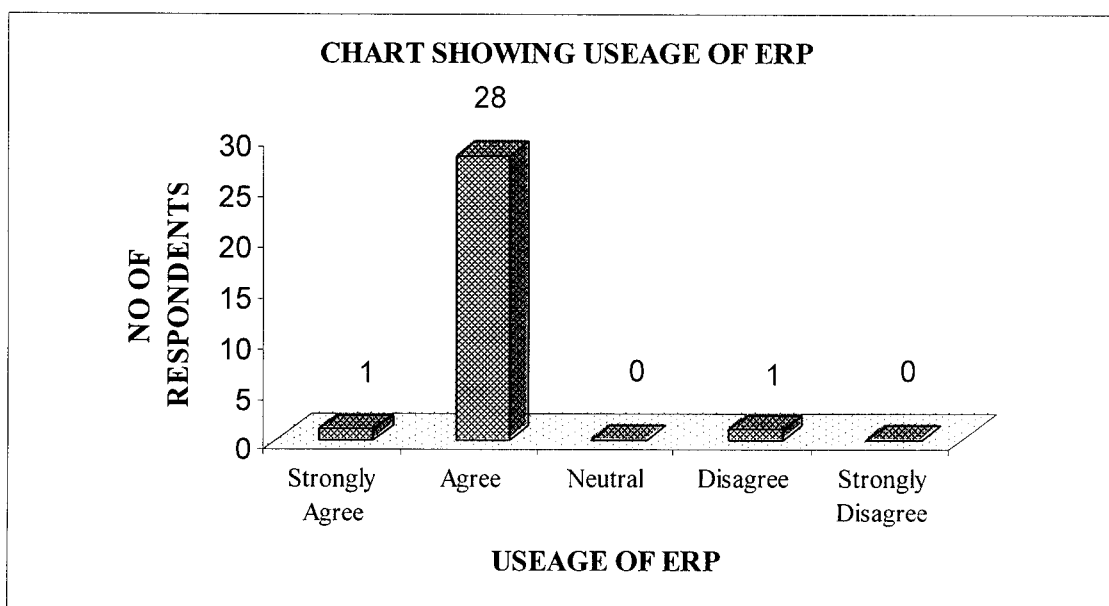


**TABLE 4.1.6 SHOW USING ERP SOFTWARE TO ITS FULL EXTENT**

	<b>Strongly Agree</b>	<b>Agree</b>	<b>Neutral</b>	<b>Disagree</b>	<b>Strongly Disagree</b>
<b>No. of Respondents</b>	1	28	0	1	0
<b>% of Respondents</b>	3.35	93.3	0	3.35	0

### Interpretation

The table 4.1.6. Shows the usage of ERP, According to the respondents, 93.3% of them agree that ERP is full extent. Where as 3.35% of them disagree that ERP is not essential. None of respondents have no response regarding ERP usage.

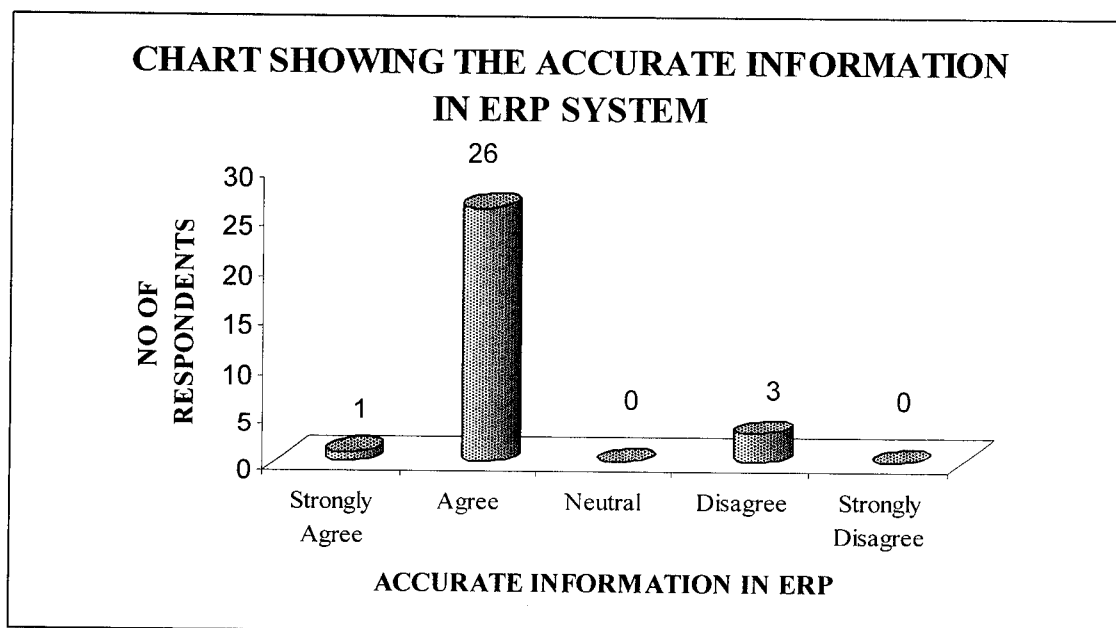


**TABLE 4.1.7 SHOWING THE ACCURATE INFORMATION IN ERP SYSTEM**

	<b>Strongly Agree</b>	<b>Agree</b>	<b>Neutral</b>	<b>Disagree</b>	<b>Strongly Disagree</b>
<b>No. of Respondents</b>	1	26	0	3	0
<b>% of Respondents</b>	3.3	86.7	0	10	0

**Interpretation**

The table 4.1.7. Shows the usage of ERP, According to the respondents, 86.7% of them agree that ERP is show the accurate information. Where as 10% of them disagree that ERP is not show information. None of respondents have no response regarding system..

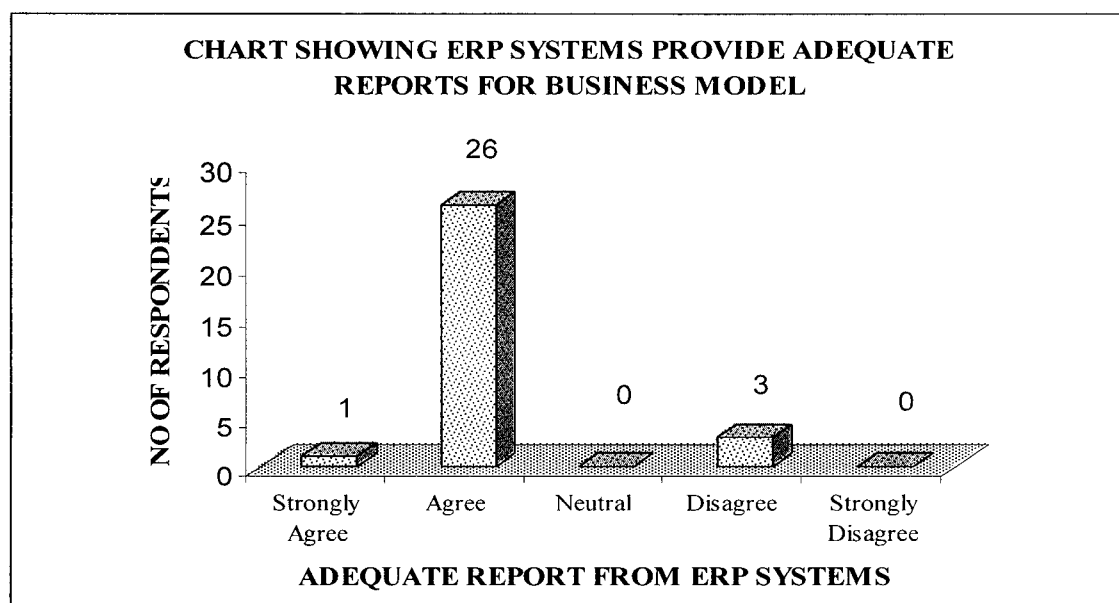


**TABLE 4.1.8 SHOWING THE ERP SYSTEM PROVIDE ADEQUATE REPORTS FOR YOUR BUSINESS NEEDS**

	<b>Strongly Agree</b>	<b>Agree</b>	<b>Neutral</b>	<b>Disagree</b>	<b>Strongly Disagree</b>
<b>No. of Respondents</b>	1	26	0	3	0
<b>% of Respondents</b>	6.7	83.3	0	10	0

**Interpretation**

The table 4.1.8. shows the usage of ERP, According to the respondents, 83.3% of them agree that ERP is show the adequate reports for your business needs. Where as 10% of them disagree that ERP is not show adequate reports. None of respondents have no response regarding system.

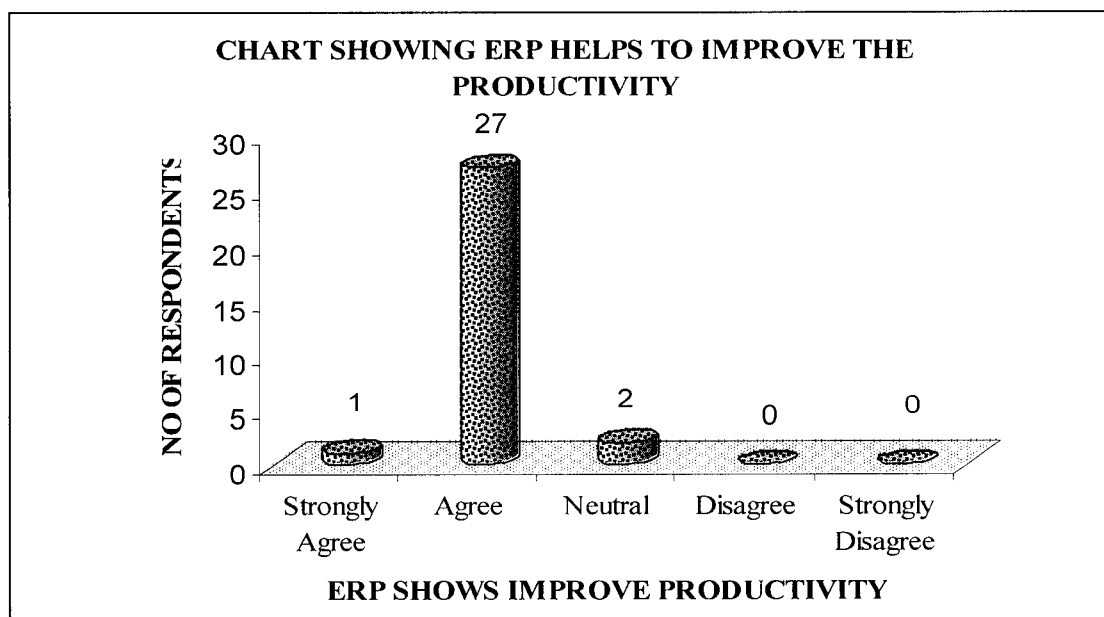


**TABLE 4.1.9 SHOWING THE ERP SOFTWARE HELPS TO IMPROVE THE PRODUCTIVITY**

	<b>Strongly Agree</b>	<b>Agree</b>	<b>Neutral</b>	<b>Disagree</b>	<b>Strongly Disagree</b>
<b>No. of Respondents</b>	1	27	2	0	0
<b>% of Respondents</b>	3.3	90	6.7	0	0

### Interpretation

The table 4.1.9. shows the usage of ERP, According to the respondents, 90% of them agree that ERP software helps to improve the productivity. Where as 3.3% of them strongly agree that the system improve the productivity. None of as 6.7% of them neutral that not show any result.

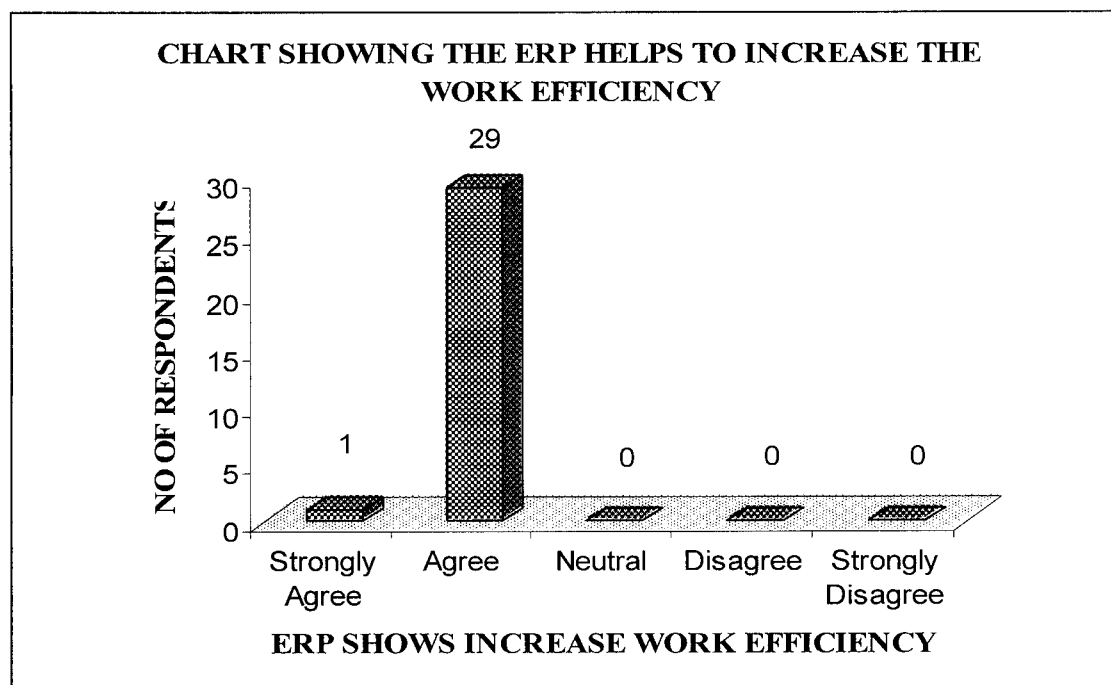


**TABLE 4.1.10 SHOWING THE ERP HELPS TO INCREASE THE WORK EFFICIENCY**

	<b>Strongly Agree</b>	<b>Agree</b>	<b>Neutral</b>	<b>Disagree</b>	<b>Strongly Disagree</b>
<b>No. of Respondents</b>	1	29	0	0	0
<b>% of Respondents</b>	4	96	0	0	0

### **Interpretation**

The table 4.1.10. shows the usage of ERP, According to the respondents, 96% of them agree that ERP software helps to increase the work efficiency. Where as 4% of them strongly agree that the system increase the work efficiency. None of respondents have no response regarding system..

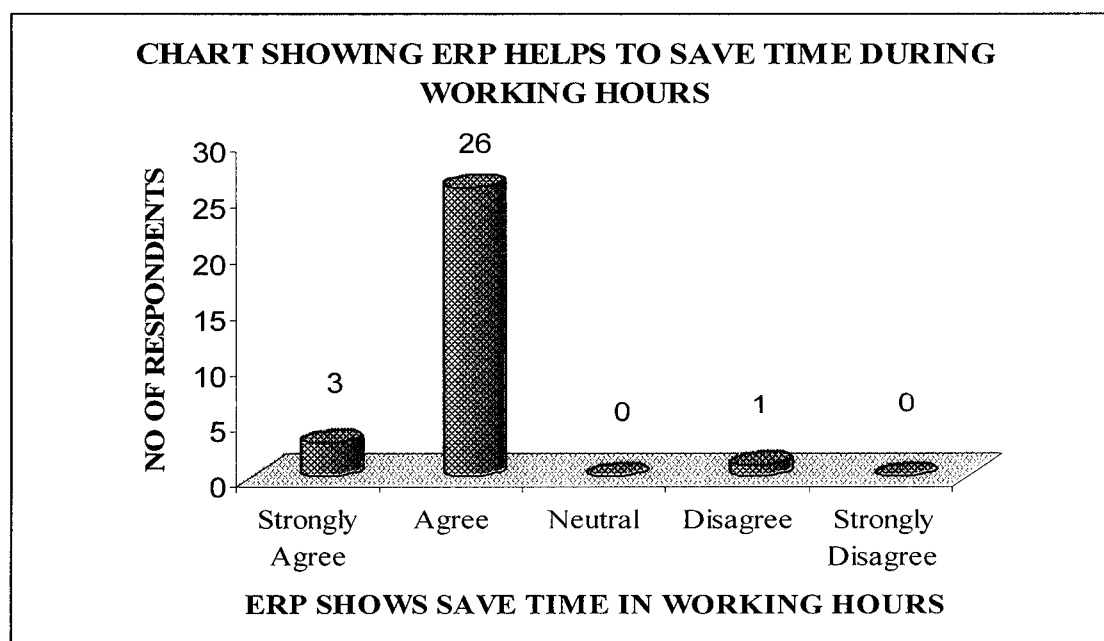


**TABLE 4.1.11 SHOWING THE ERP HELPS TO SAVE TIME DURING WORKING HOURS**

	<b>Strongly Agree</b>	<b>Agree</b>	<b>Neutral</b>	<b>Disagree</b>	<b>Strongly Disagree</b>
<b>No. of Respondents</b>	3	26	0	1	0
<b>% of Respondents</b>	10	87	0	3	0

### **Interpretation**

The table 4.1.11. shows the usage of ERP, According to the respondents, 87% of them agree that ERP software helps to save time during working hours. Where as 3% of them strongly agree that the system to save time during working hours. None of respondents have no response regarding system.



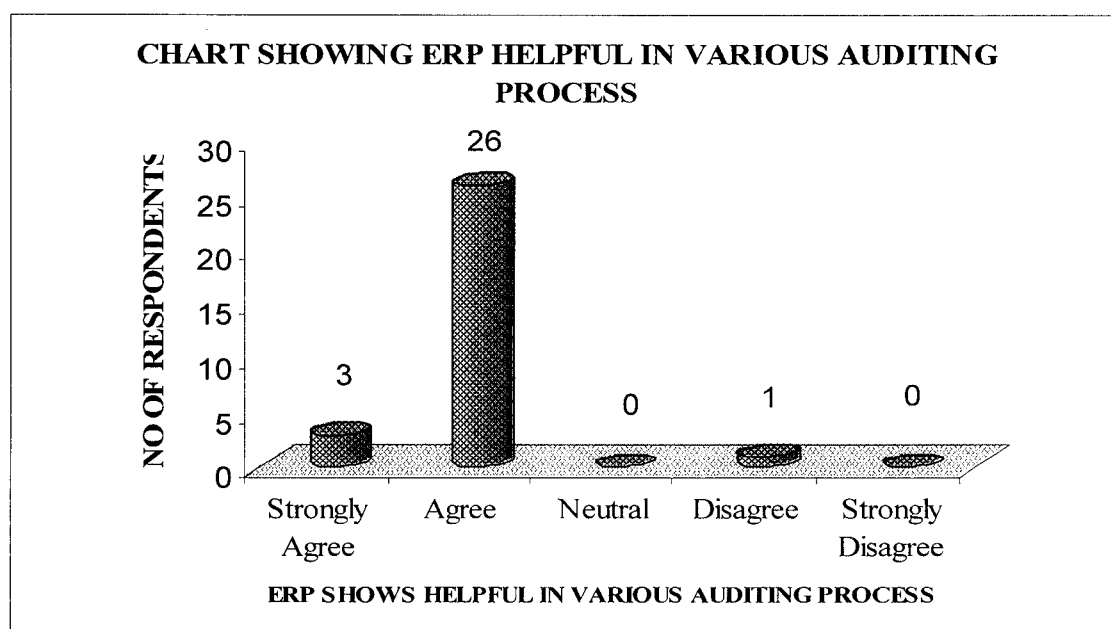


**TABLE 4.1.12 SHOWING THE ERP HELPFUL IN VARIOUS AUDITING PROCESS**

	<b>Strongly Agree</b>	<b>Agree</b>	<b>Neutral</b>	<b>Disagree</b>	<b>Strongly Disagree</b>
<b>No. of Respondents</b>	3	26	0	1	0
<b>% of Respondents</b>	10	87	0	3	0

**Interpretation**

The table 4.1.12. shows the usage of ERP, According to the respondents, 87% of them agree that ERP software helpful in various auditing process. Where as 3% of them strongly agree that the system helpful in various auditing process. None of respondents have no response regarding system.

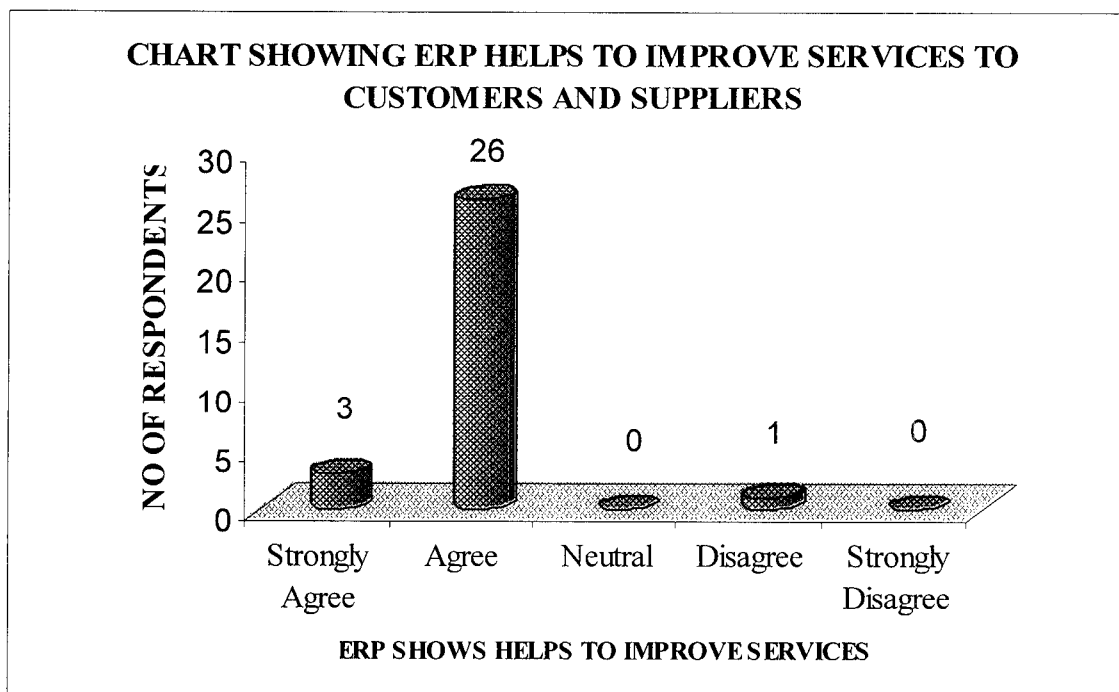


**TABLE 4.1.13 SHOWING THE ERP HELPS TO IMPROVE SERVICES TO CUSTOMERS AND SUPPLIERS.**

	<b>Strongly Agree</b>	<b>Agree</b>	<b>Neutral</b>	<b>Disagree</b>	<b>Strongly Disagree</b>
<b>No. of Respondents</b>	3	26	0	1	0
<b>% of Respondents</b>	10	87	0	3	0

### **Interpretation**

The table 4.1.13. shows the usage of ERP, According to the respondents, 87% of them agree that ERP software helps to improve services to customers and suppliers. Where as 3% of them strongly agree that the system helps to improve services. None of respondents have no response regarding system.

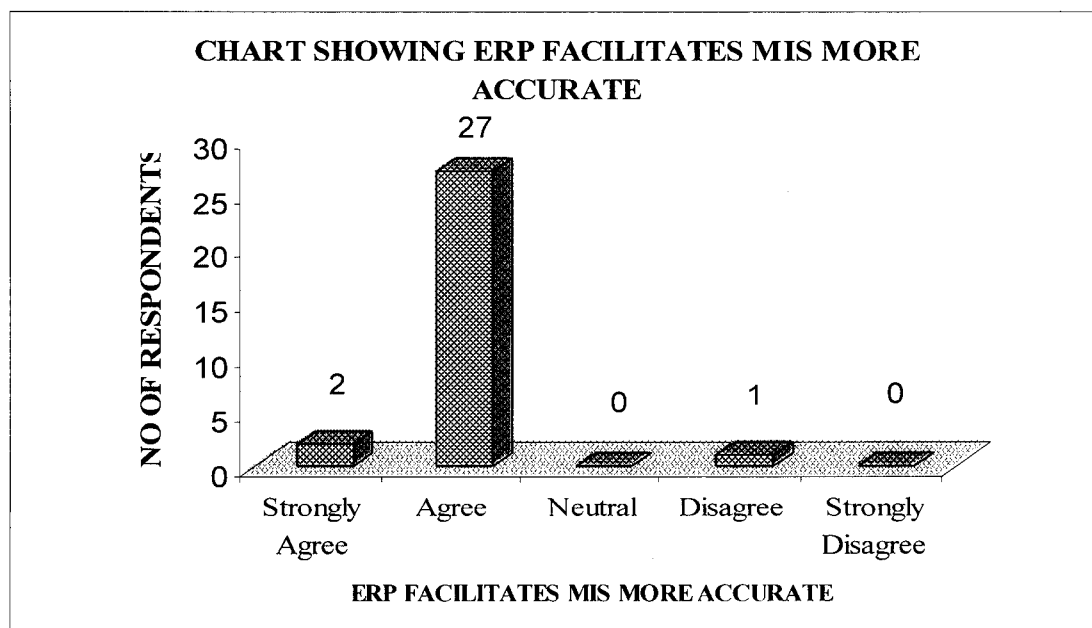


**TABLE 4.1.14 SHOWING THE ERP FACILITATES MIS MORE ACCURATE.**

	<b>Strongly Agree</b>	<b>Agree</b>	<b>Neutral</b>	<b>Disagree</b>	<b>Strongly Disagree</b>
<b>No. of Respondents</b>	2	27	0	1	0
<b>% of Respondents</b>	6.7	90	0	3.3	0

**Interpretation**

The table 4.1.14. shows the usage of ERP, According to the respondents, 90% of them agree that ERP Facilitates MIS more accurate. Where as 2% of them strongly agree that the system Facilitates MIS more accurate. None of respondents have no response regarding system.



**TABLE 4.1.15 SHOWING THE ERP IS USER FRIENDLY.**

	<b>Strongly Agree</b>	<b>Agree</b>	<b>Neutral</b>	<b>Disagree</b>	<b>Strongly Disagree</b>
<b>No. of Respondents</b>	0	30	0	0	0
<b>% of Respondents</b>	0	100	0	0	0

**Interpretation**

The table 4.1.15. shows the usage of ERP, According to the respondents, 100% of them agree that ERP is user friendly..

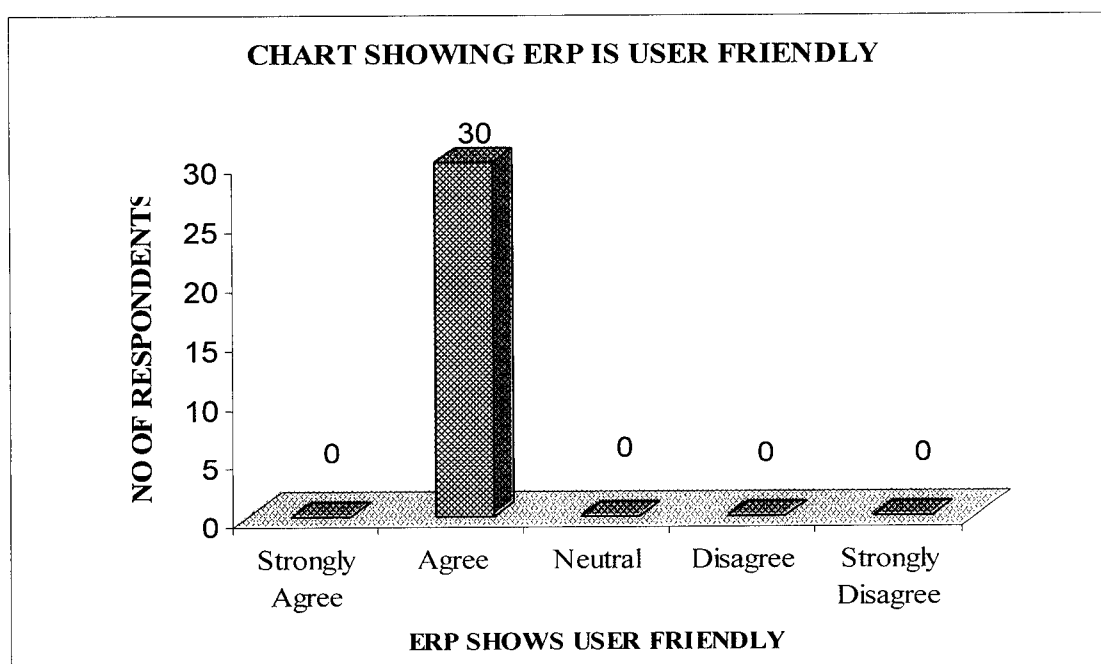


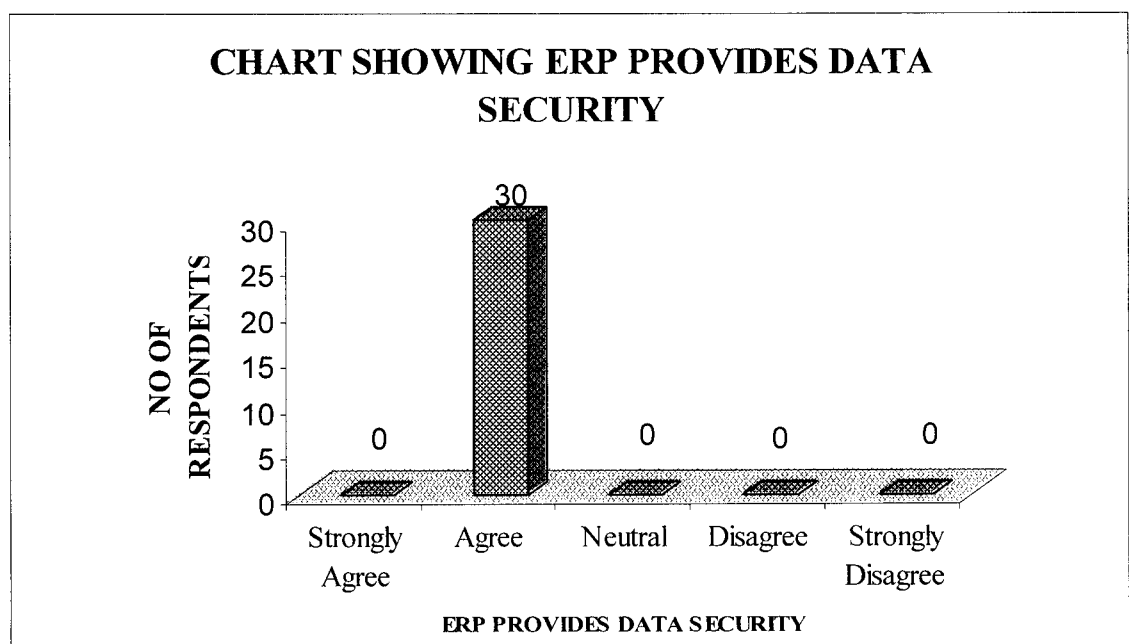
TABLE 4.1.16 SHOWING THE ERP PROVIDES DATA SECURITY.

	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
No. of Respondents	0	30	0	0	0
% of Respondents	0	100	0	0	0

### Interpretation

The table 4.1.16. shows the usage of ERP, According to the respondents, 100% of them agree that ERP Data security.

..

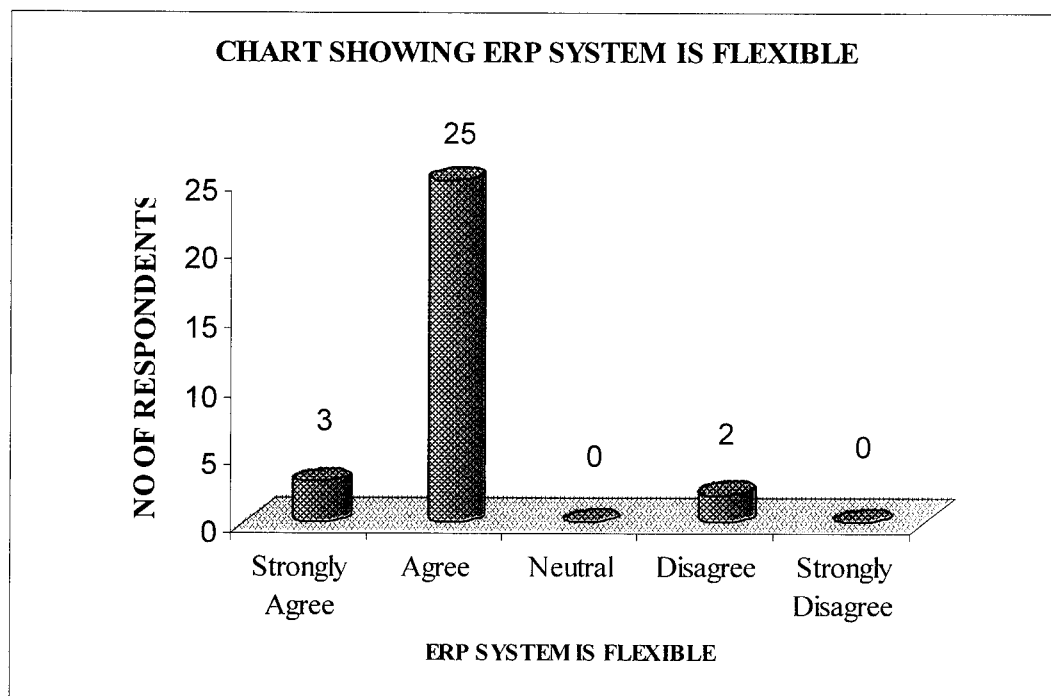


**TABLE 4.1.17 SHOWING THE ERP SYSTEM IS FLEXIBLE**

	<b>Strongly Agree</b>	<b>Agree</b>	<b>Neutral</b>	<b>Disagree</b>	<b>Strongly Disagree</b>
<b>No. of Respondents</b>	3	25	0	2	0
<b>% of Respondents</b>	10	83	0	7	0

**Interpretation**

The table 4.1.17. shows the usage of ERP, According to the respondents, 83% of them agree that ERP System is flexible. Where as 10% of them strongly agree that the system ERP system is flexible None of respondents have no response regarding system.



## CHI –SQUARE TEST

### WORKING EFFICIENCY AND WORKING HOURS IN ERP

#### WORKING EFFICIENCY AND WORKING HOURS

**Null hypothesis** : There is no significant difference between working efficiency and working hours

**.Alternate Hypothesis** : There is significant difference between working efficiency and working hours

Role ambiguity	3	8	1	0	0	12
Role Clarity	2	6	2	2	0	12
	5	14	3	2	0	24

$$\chi^2 = \sum \frac{(O - E)^2}{E}$$

O	E	O-E	(O-E) <sup>2</sup>	$\frac{(O - E)^2}{E}$
3	2.5	0.5	0.25	0.1
2	2.5	-0.5	0.25	0.1
8	7	1	1	0.142
6	7	-1	1	0.142
1	1.5	-0.5	0.25	0.167
2	1.5	0.5	0.25	0.167
0	1	-1	1	1
2	1	1	1	1
0	0	0	0	0
0	0	0	0	0
				2.818

Calculated Value = 2.818

Table Value = 9.49 Degree of freedom = (r-1) \* (c-1) = 4

It is noticed from the results of Chi-square that the calculated value (2.818) is not Statistically significant. Hence the null hypothesis is accepted. It is concluded that there is no significant relationship between working efficiency and working hours..

## ERP SERVICES TO CUSTOMERS AND SUPPLIERS

### CUSTOMER AND SUPPLIER

**Null hypothesis** : There is no significant difference between customer and supplier.

**Alternate Hypothesis** : There is significant difference between customer and supplier.

Self role	7	2	1	1	1	12
Self responsibility	1	1	1	8	1	12
	8	3	2	9	1	24

$$\chi^2 = \sum \frac{(O - E)^2}{E}$$

O	E	O-E	(O-E) <sup>2</sup>	$\frac{(O - E)^2}{E}$
7	4	3	9	2.25
1	4	-3	9	2.25
2	1.5	0.5	0.25	0.16
1	1.5	-0.5	0.25	0.16
1	1	0	0	0
1	1	0	0	0
1	4.5	-3.5	12.25	2.72
8	4.5	3.5	12.25	2.72
1	0.5	0.5	0.25	0.5
1	0.5	0.5	0.25	0.5
				11.26

Calculated Value = 11.26

Table Value = 9.49 Degree of freedom = (r-1) \* (c-1) = 4

It is noticed from the results of Chi-square that the calculated value (11.26) is not Statistically significant. Hence the alternate hypothesis is accepted. It is concluded that there is significant relationship between customer and supplier.



# Chapter V

## Conclusions

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## CHAPTER V SUMMARY OF FINDINGS

### 5.1. FINDINGS

Based on the Analysis the findings are as follows,

- ❖ The survey taken from sales, Purchase, Production, Accounts module users.
- ❖ Majority 93 % of the respondents are using the ERP to its full extent.
- ❖ Majority 87 % of the respondents are accepting the ERP provide the accurate information.
- ❖ Majority 84 % of the respondents are accepting the ERP provide the adequate reports.
- ❖ Majority 90 % of the respondents are accepting the ERP helps to improve the productivity.
- ❖ Majority 96 % of the respondents are accepting the ERP helps to increase the work efficiency.
- ❖ Majority 87 % of the respondents are accepting the ERP helps to save time during working hours.
- ❖ Majority 87% of the respondents are accepting the ERP helpful in various auditing process.
- ❖ Majority 87 % of the respondents are accepting the ERP helps to improve services to customers and suppliers.
- ❖ Majority 90% of the respondents are accepting the ERP facilitates MIS more accurate.
- ❖ 100 % of the respondents are accepting the ERP is user friendly.
- ❖ 100 % of the respondents are accepting the ERP provides data security.
- ❖ Majority 83 % of the respondents are accepting the ERP system is flexible.
- ❖ Majority 80 % of the respondents are accepting response time in opening ERP IS adequate.
- ❖ Majority 95 % of the respondents are satisfying with ERP package pertaining their modules.

## 5.2. SUGGESTIONS AND RECOMMENDATIONS

### **From this study the following points comes out for further improvement:**

1.If any changes required by end user then programmer should finish it in time and before forming the new software changes to the end user, the programmer should seen the and have an idea whether the changes required by the end user is fulfilled and the changes is working properly in ERP. Otherwise it makes end user keep on follow up with programmers to do this change that etc.

2. It would be better if transport information available in ERP.

3. Planning area should be strengthened.

4. Auditing reports should be more appropriate.

5. Periodic training need for new developments.

### 5.3. CONCLUSIONS

This project provides an approach for mapping the product with business need of the company. The benefits by implementing the ERP solution are also discussed. The proposed system well suits the company needs. By implementing the ERP solution they can optimize their business operation by complete integration. The company can do more with business information to reach high level of business success making it easy for them to speed up their decision making. So they can respond more rapidly to new competitive challenges and seize new market opportunities.

The ERP frame work should act as a complete solution for the company in order to make better decision and recommendation on customer supplier and inventory management.

## Appendix

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**APPENDIX**  
**QUESTIONNAIRE**

**“A STUDY ON EFFECTIVENESS OF IMPLEMENTING ERP IN ORDER  
PROCESSING AND PLANNING AT VISHAL PRECISION PRODUCTS (P) LTD.,  
COIMBATORE.”**

1. Name of the employee :

2. Designation of employee :

[Please tick the appropriate answers]

3. Age of employee

- a) Below 25 Years   b) 25-35 Years   c) 36-45 Years   d) above 45 Years

4. Gender of the employee

- a) Male   b) Female

5. Marital Status

- a) Married   b) Unmarried

6. Educational Qualification

- a) HSE   b) ITI  
c) Graduate   d) Postgraduate

7. How long you are working in Vishal?

- a) Below 3 years   b) 3-6 years  
c) 6-10 years   d) above 10 years

8. Which are the following modules you are using?

- |          |             |
|----------|-------------|
| 1. PDE   | 2. Purchase |
| 3. Sales | 4. Accounts |

9. Do you feel that you are using ERP Software to its full extent?

- |                        |                 |
|------------------------|-----------------|
| 1. Strongly Disagree   | 2. Disagree     |
| <b>3. Strong Agree</b> | <b>4. Agree</b> |
| 5. Neutral             |                 |

10. Does the ERP system provide the accurate information you need?

- |                      |             |
|----------------------|-------------|
| 1. Strongly Disagree | 2. Disagree |
| 3. Strong Agree      | 4. Agree    |
| 5. Neutral           |             |

11. Does the ERP system provides adequate reports for your business needs?

- |                      |             |
|----------------------|-------------|
| 1. Strongly Disagree | 2. Disagree |
| 3. Strong Agree      | 4. Agree    |
| 5. Neutral           |             |

12. Do you agree that ERP software helps to improve the Productivity in your area of operations?

- |                      |             |
|----------------------|-------------|
| 1. Strongly Disagree | 2. Disagree |
| 3. Strong Agree      | 4. Agree    |
| 5. Neutral           |             |

13. Do you agree that ERP software helps to improve the Communication between your peer groups?

- |                      |             |
|----------------------|-------------|
| 1. Strongly Disagree | 2. Disagree |
| 3. Strong Agree      | 4. Agree    |
| 5. Neutral           |             |

14. Do you agree that ERP software helps to Increase the work efficiency in your area?

- |                      |             |
|----------------------|-------------|
| 1. Strongly Disagree | 2. Disagree |
| 3. Strong Agree      | 4. Agree    |
| 5. Neutral           |             |

15. Do you agree that ERP software helps in automation of your routine work and save your time during working hours?

- |                      |             |
|----------------------|-------------|
| 1. Strongly Disagree | 2. Disagree |
| 3. Strong Agree      | 4. Agree    |
| 5. Neutral           |             |

16. Do you agree that ERP system centralizes data and helpful in various auditing process in your organization?

- |                      |             |
|----------------------|-------------|
| 1. Strongly Disagree | 2. Disagree |
| 3. Strong Agree      | 4. Agree    |
| 5. Neutral           |             |

10. Do you agree that ERP system facilitates in improving the services to customers and suppliers in your organization?

- |                      |             |
|----------------------|-------------|
| 1. Strongly Disagree | 2. Disagree |
| 3. Strong Agree      | 4. Agree    |
| 5. Neutral           |             |

11. Do you agree that ERP system makes MIS more accurate and accessible to all in your organization?

- |                      |             |
|----------------------|-------------|
| 1. Strongly Disagree | 2. Disagree |
| 3. Strong Agree      | 4. Agree    |
| 5. Neutral           |             |

12. Do you agree that ERP system enhances support to the processes in your department?

- |                      |             |
|----------------------|-------------|
| 1. Strongly Disagree | 2. Disagree |
| 3. Strong Agree      | 4. Agree    |
| 5. Neutral           |             |

13. Is ERP system is user friendly?

- |                      |             |
|----------------------|-------------|
| 1. Strongly Disagree | 2. Disagree |
| 3. Strong Agree      | 4. Agree    |



5. Neutral

14. Do you agree that ERP system provides data security?

- |                      |             |
|----------------------|-------------|
| 1. Strongly Disagree | 2. Disagree |
| 3. Strong Agree      | 4. Agree    |
| 5. Neutral           |             |

15. Does the ERP system helps in improved decision-making and planning information?

- |                      |             |
|----------------------|-------------|
| 1. Strongly Disagree | 2. Disagree |
| 3. Strong Agree      | 4. Agree    |
| 5. Neutral           |             |

16. Does the ERP system is flexibility for current and future changes in your organization like tax and duty structure?

- |                      |             |
|----------------------|-------------|
| 1. Strongly Disagree | 2. Disagree |
| 3. Strong Agree      | 4. Agree    |
| 5. Neutral           |             |

17. Is the response time in opening is adequate?

- |                      |             |
|----------------------|-------------|
| 1. Strongly Disagree | 2. Disagree |
| 3. Strong Agree      | 4. Agree    |
| 5. Neutral           |             |

18. Do you agree that ERP system eliminate duplicate data entry?

- |                      |             |
|----------------------|-------------|
| 1. Strongly Disagree | 2. Disagree |
| 3. Strong Agree      | 4. Agree    |
| 5. Neutral           |             |

19. Is the training on is adequate?

- |                      |             |
|----------------------|-------------|
| 1. Strongly Disagree | 2. Disagree |
| 3. Strong Agree      | 4. Agree    |
| 5. Neutral           |             |

20. Are you satisfied with ERP package pertaining to your modules?

1. Strongly Disagree

2. Disagree

3. Strong Agree

4. Agree

5. Neutral

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