

A.I.S. Class 28: Outline

- Learning Objectives for Chapter 14
- Enterprise Resource Planning Systems
- Peachtree v. SAP
- Course Objectives
- Conclusion

Learning Objectives for Chapter 14

- After studying this chapter you should be able to:
 - ◆ identify information needs within and across functional areas of an enterprise
 - ◆ explain how business processes other than sales and purchases would be modeled in an enterprise wide scenario
 - ◆ develop an extended entity relationship diagram for enterprise wide business processes
 - ◆ convert an extended entity relationship diagram of enterprise wide business processes to tables for implementation in a relational database system

Learning Objectives for Chapter 14

- ◆ understand how an enterprise wide model can be implemented in Microsoft Access
- ◆ identify the integration points between functional areas in an enterprise wide model
- ◆ explain the benefits of cross-functional integration in an enterprise-wide system
- ◆ discuss the advantages of an enterprise-wide accounting information system relative to manual and automated "bookkeeping" oriented software packages

Learning Objectives for Chapter 14

- ◆ describe in some detail the features of a high-end enterprise resource planning system, specifically SAP R/3
- ◆ understand the client-server architecture of SAP R/3 and the features of the major modules within the R/3 system
- ◆ discuss the advantages of ERP systems relative to manual and "computerized bookkeeping" systems

Enterprise Resource Planning Systems

- Cross-functional integration
- Cutting across ‘stove pipes’ or ‘silos’
- Integration points
 - ★ *Inventory*
 - ★ *Cash*
- *Recall “decoupling”*
- *Note links also with Julia Smith David’s “Three Events . . .” paper*

Enterprise Resource Planning Systems

- Duality relationships
 - ★ In an economic exchange, one resource is increased while another is decreased
- Each resource must have events that increase it and events that decrease it
 - ★ Often these are not in the same cycle
 - ★ This will be clearer in an integrated approach
- Bottom-up v. Top-down integration

Enterprise Resource Planning Systems

- *Beware of errors in the integrated diagram (beyond purchases and sales) and the associated tables*
- Enterprise Resource Planning Systems – BOPSE (1999 – 59% market share in total)
 - ★ Baan (now SSA Global)
 - ★ Oracle (includes PeopleSoft and J.D. Edwards)
 - ★ SAP (market leader)
- Enterprise Resource Planning Systems – SAP, Oracle, Sage Group, Microsoft, SSA Global (2005 – 72% share expected)

Enterprise Resource Planning Systems

■ SAP

- ★ Systems, Applications, and Products
- ★ Founded in Germany in 1972
- ★ R/3 released 1992
- ★ Programmed in ABAP/4
 - ◆ Advanced Business Application Programming language
- ★ Revenues c. \$10 billion for 2004
- ★ over 40% market share

Enterprise Resource Planning Systems

■ SAP 4.6b

- ★ 25,000 tables
- ★ 15,000 transactions
- ★ 27,000 screens
- ★ 160,000,000 lines of code

Enterprise Resource Planning Systems

■ SAP

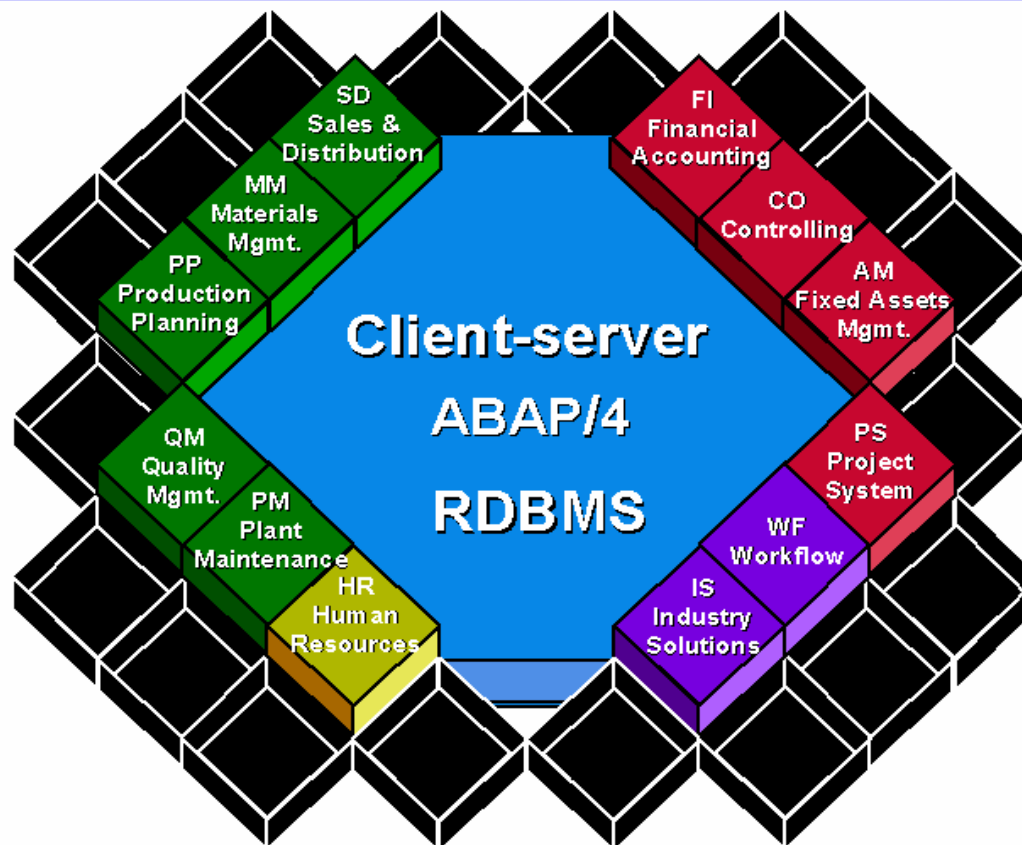
★ Three core functional areas

- ◆ financial
- ◆ logistics
- ◆ human resources

★ Three layer approach

- ◆ Presentation layer (SAPGUI)
- ◆ Application layer
- ◆ Database layer

Enterprise Resource Planning Systems



Enterprise Resource Planning Systems

■ Advantages

- ★ No data redundancy
- ★ On-line data validation
- ★ Cross-functional integration
- ★ Ability to perform cross-functional queries
- ★ Ability to generate real-time reports
- ★ Ability to “drill down” to view details of summary reports

Enterprise Resource Planning Systems

■ Potential Obstacles/Drawbacks

- ★ High cost of software, consultants, employee time and training
- ★ Significant changes in corporate culture and business processes
- ★ Complex and extended undertaking
- ★ Extensive reliance on the ERP software vendor

SAP

■ Hands-on Demonstration

SAP

- Client: 420
- UserID: your Blackboard id
- Initial Password: sapr3
- New Password: your regular Blackboard password
- See Handout for further work . . .

PEACHTREE v. SAP

Course Objectives

- At the conclusion of this course, students should have gained:
 - ◆ an enhanced understanding of organizations and business processes
 - ◆ an awareness of the role of information and accounting systems in business management
 - ◆ an understanding of traditional accounting information systems and criticisms of them
 - ◆ an understanding of semantic modeling and event driven accounting information systems

Course Objectives

- ◆ familiarity with the development, documentation, control and audit of accounting information systems
- ◆ familiarity with the use of database management software in developing modern accounting information systems
- ◆ experience of working in groups
- ◆ an opportunity to practice presentation skills
- ◆ an introduction to accounting software packages and Enterprise Resource Planning systems.

Group Evaluations

Please turn these in to
me as you leave

Conclusion

Happy Holidays!