

The background of the slide is a solid dark red color. A large, faint watermark of the Rutgers University seal is visible, centered behind the text. The seal features a circular design with the word 'RUTGERS' at the top and 'UNIVERSITY' at the bottom, surrounding a central emblem.

RUTGERS

Rutgers Business School
Newark and New Brunswick

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**Accounting Information
Systems**

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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
 - * understand how an enterprise wide model can be implemented in Microsoft Access
 - * identify the integration points between functional areas in an enterprise wide model

Learning Objectives for Chapter 14

- After studying this chapter you should be able to:
 - * 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
 - * 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 Dynamics, SSA Global (2006 – 78% market share)

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
- * Total Revenues c. \$14.9 billion for 2007 (up about 9–13% depending on currency)
 - but software revenue about \$5 billion (up 13–18%)
- * about 27.5% world-wide ERP market share (also 25.4% of CRM market, and 22.4% of SCM market)

Enterprise Resource Planning Systems

- **SAP 4.6b**
 - * 25,000 tables
 - * 15,000 transactions
 - * 27,000 screens
 - * 160,000,000 lines of code
- **SAP 6.0**
 - * 74,000 tables
 - * 270,000,000 lines of code

Enterprise Resource Planning Systems

■ SAP

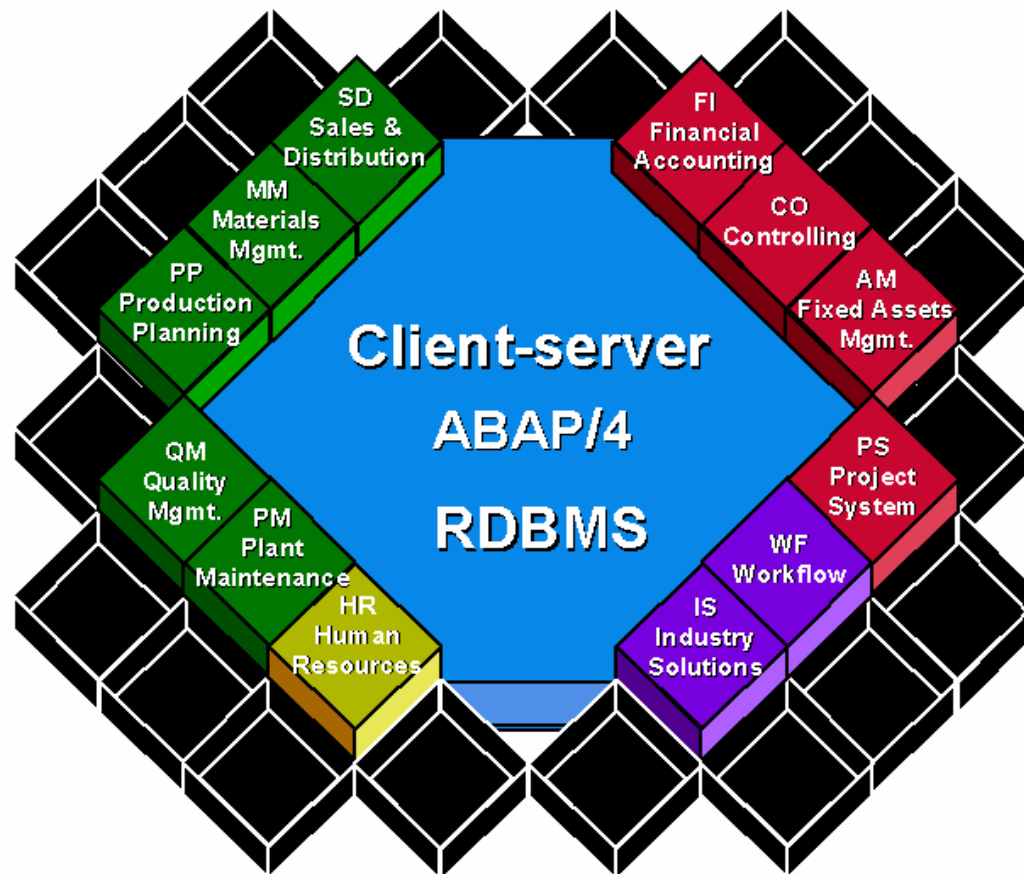
* Three core functional areas

- 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

- SAP Logon: UI1 – IDES R/3 Clients
- Client: 327
- UserID: IDES-xxx assigned on spreadsheet
- Initial Password: PASSRUTG
- 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 business enterprises 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
 - * an understanding of internal control over financial reporting and information systems
 - * 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 introduction to financial reporting using XBRL
 - * 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!