


darwin | [Subscribe](#) | [Free Newsletters](#) | [Contact Us](#) | Search

[Home](#) > [Magazine](#) > [December 2002](#)

- Publications**
- Archives
- Search
- Free Newsletters**
- Online Features**
- Daily News
- Fear
- Swift Kick
- Answering Machine
- Reload
- Five Thoughts
- Machine Shop
- Numbers
- Learning Curve
- Book Room
- Executive Guides**
- Technology
- Career
- Reference Tools
- Lifestyle
- Research**
- Research Reports
- Polls & Surveys
- Events Calendar**
- White Papers**
- Advertising Info**
- Contact Us**
- Editorial Staff
-
- Service Center**
- Print This
- Email Article
- Request Reprint
- Talk Back
-  [SAVE THIS](#)

ERP

Santa's Reality Check

It doesn't matter if you've been naughty or nice: A smooth ERP implementation is as likely as dancing sugarplums.

As told to Bob Kubicek, Eric Graber and Sean Creager

Although it is not widely known in the IT industry, the gnome of the north is a specialist in Enterprise Resource Planning. In an exclusive interview, Santa "Mr. ERP" Claus agreed to help head off some of the many requests he gets this time of year from business people who have foolishly put a smooth ERP implementation at the top of their wish lists.

Dear Santa: Please help me figure out the difference between ERP and ERP systems. My IT elves think they're one and the same.


Claus: ERP systems have nothing to do with Enterprise Resource Planning. The term ERP, one of the many vague acronyms attempting to describe the most recent evolution of integrated business software, causes much unneeded confusion. Businesses installing ERP systems hope to integrate their separate department database systems (i.e., shipping, receiving, billing, payables, etc.) into one large, centralized database, accessible by each department. A more descriptive name for an ERP system would be a Total Integrated System.

Dear Santa: I've been good. I haven't fudged a single corporate earning this year. Please, can I have an ERP implementation that is fast, easy and headache free.

ERP vendors love to have potential customers believe system implementation is a quick fix to business problems. In reality, ERP systems often take years to design and implement, their benefits hardly ever being immediate. Large-scale ERPs are a source of much distress for many CEOs, as design and implementation is just the beginning. Required hardware is usually put to work by a vast software suite. New staff may be needed to manage the software. Existing staff must be trained to work in their new ERP environment. Such activities can consume enormous amounts of time and money. What's more, a CEO can forget about waking up to his or her newly installed ERP system running flawlessly. Long periods of debugging and fine-tuning are common and a fully functional, cost-effective ERP takes months, sometimes years, to implement.

Santa, Darling: I'm a CFO whose job is on the line. Please give me an ERP

advertisers



E-Mail Management: Taming the Beast

Tips and techniques for sending effective e-mails, organizing incoming e-mail and dealing with #%*! spam.

Strategies from the writers and readers of Darwinmag.com. Available online theCIOStore.com

implementation for which I can easily project the costs.

Accurately assessing ERP implementation can be a budgeting nightmare. The cost of buying software and hardware is just the beginning of a company's financial burden. Along with the initial costs, you'll have to factor in getting hit with training costs, consultant fees and new employee hiring costs along with a myriad of unexpected financial setbacks.

Dear Santa: I'd like an ERP system that reduces security risks. Thank you very much.

Security is a great concern for any business, especially those considering implementing an ERP system. I'm afraid you might be under the false impression that an ERP guarantees protection to their information assets. Unfortunately, many potential security risks are inherent in ERP design. Think of the number of Fortune 500 companies that have ERP systems with tens of thousands of computers interacting with their databases. Thousands of employees can input accidentally—or with the intent to defraud—incorrect information into the system. Such faulty information can then be used by countless, unsuspecting employees, which then undermines the validity and security of the ERP system.

What's on your ERP wish list for the coming year? Anything that needs a reality check? Or are you prepared for the battle ahead? Don't be shy: Tell Santa what you really want.

reader comments:

[Anything Positive](#)

[ERP implementation](#)
Ubi Geebles

[Re: ERP beats the alternative](#)
Matthew Johnson

[ERP is the PERT of the 21st Century](#)
Milton Stanley

[ERP beats the alternative](#)
Maureen Sullivan

add a comment:

Your Name: *

Title: *

Corp: *

Email: *

Subject:

Your Comment:

[submit comment](#) 

Selected comments may also be posted in [Answering Machine](#)

* Optional - we will neither sell nor display your personal information.



[2000-2002 CXO Media Inc. Privacy Policy](#)

December 01, 2002