

Challenges in Implementing ERP Systems in Small Medium Manufacturing Companies in Sri Lanka

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Abstract

There are numerous information systems available in the market to be selected for implementation in manufacturing organizations. When many information systems manually intergraded for management reporting for a company, there are high risks for accuracy of information. ERP is one of the information systems with inbuilt capacity to integrate many parts of the functional areas that provides meaningful information to the management. This paper describes the experiences on how a small medium size growing roof manufacturing company in Sri Lanka problem and then overcome in implementing ERP system. Small medium size manufacturing companies in Sri Lanka do not normally have electronic information system in all part of business process, whereas some processes such as production process operates outside the information system. Therefore, it is very important to predefine what level of integration to be done, who are the related parties to be consulted and what level of management information is required. The success of ERP implementation is partially depending on the selection of suitable ERP system compatible with company business process and the capability of implementation partner to map those standardized business processes into ERP by conducting BPR. This manufacturing company has many automated manufacturing plants with Programmable Logic Controllers (PLC) versions from year 1960 to 2013. When these PLCs try to integrate into ERP system, there are so many problems faced by the company that leads up to modification of plant. Finally, company decided to implement ERP by postponing the PLC integration. Well tested bugs free less customized SAP B1 system has been implemented to the company by monitoring progress by several log books. The big bang approach has been followed to implement the SAP B1 system with short term parallel run of legacy system. More importantly, top management support and motivation on change management has fuelled up the success of the SAP B1 implementation. This paper reveals the experience gained during the planning to implementation stages of SAP B1 that may occur in small medium manufacturing companies in Sri Lanka.

Keywords: *ERP, Small Medium Manufacturing, Parallel Run*