

PROBLEMS ENCOUNTERED AFTER IMPLEMENTATION OF ERP IN TEXTILE INDUSTRY

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Abstract :

The supply chain information technology (SCIT) is the most important effective supply chain management in apparel industry. Most of the firms face risks of battered financial performance if supply chain information technology does not work well upto the expectation. But there are firms which reaps benefit from SCIT. Even though considerable research relating to operating information technology in a SCM (Supply Chain Management) context, the influence of SCIT on firm performance remains undistinguishable. There is more number of IT software's used in apparel sectors for various operations, but the firms face risks in all these type of technologies adopted. Therefore, the purpose of this research article is to conduct a systematic investigation over the problems faced due to implementation of ERP (Enterprise Resource Planning) in apparel sector.

Keywords :ERP, SCIT, SCM, Technology, Apparel industry.

Introduction :

In the past decade, academic research has emphasized two important issues: the prominence of supply chain management and the roles of information technology (IT) in supply chain management (SCM). These two issues are harmonizing to each other. An effective SCM is impossible to achieve without information technology, while the development and use of IT became more pervasive in the SCM era (Gunasekaran&Ngai, 2004). SCIT has been observed as a widespread strategy to increase sales and profitability in many industries. Whereas benefits and competences of SCIT are clear, the influence of SCIT on firm performance has been a long and continuingdeliberation in the literature. Most of the literatureshas also stated contradictive results regarding relationships between SCIT and firm performance. This research article seeks to further appraise roles of IT in SCM and its impact on apparel industry performance.

SCIT has increasingly received scrutiny in recent years (Cecere, 2014; Carr, 2003).Because of various reasons, such as complication of implementation, common standards of IT infrastructure, or high cost of maintenance, several academics and practitioners are unconvinced on values of SCIT.

This article focuses on the implementation of ERP in apparel industry and the problems faced by the firms after implementation.

Review of Literature:

Jacobs and Whybark (2000) expressed their concerns with ERP implementation. By using the furniture industry as a reference, they illustrated how ERP implementation could lead to disaster unless there were considerations for production processes and customer demands. They have suggested for the centralization of information and flexibility of production systems should be simultaneously considered as firms configure their ERP systems with multiple facilities.

CHAOS (2012) revealed that 37% of the ERP projects were successful in terms of Delivery in time, completion in line with budget provisions and delivered all features and functions. 21% of these projects failed to take off and abandoned prior to completion. However 42% of Projects failed to deliver the expected results, and could not complete the project in time due to over shooting of the budget allocation

Research Methodology

The analysis of this research is based on both primary and secondary data. The primary data is collected through distribution of structured questionnaire to 282 respondents and the secondary data was collected through online databases, digital libraries, books, journals, conference papers, etc. All-embracing SCM of textile industry research papers of academicians and practitioners are evolved from renowned international journals.

Data Analysis

The collected data has been analysed through SPSS using Frequency Analysis.

Table 1: Implementation of ERP

Process	Frequency	Percent
Implemented	94	33.3
partially implemented	80	28.4
In progress	81	28.7
Not implemented	27	9.6
Total	282	100.0

Source : Primary Data

From the table, it is understood that out of 282 organisation, 33.3 percent of the organization have implemented ERP, 28.7 percent of the organisation's process is in progress, 28.4 percent of the organization have partially implemented and 9.6 percent of the organization have not implemented ERP in their organization.

Table 2: Initiation

Initiation	Frequency	Percent
IT Department	27	9.6
Senior Management	63	22.3
Finance Department	81	28.7
Consultant	111	39.4
Total	282	100.0

Source : Primary Data

From the table, it is understood that out of 282 organisation surveyed, 39.4 percent of the organization were initiated by the consultant for adopting an ERP system, 28.7 percent of the organization were initiated by Finance department, 22.3 percent of the organization were initiated by senior management and 9.6 percent of the organization were initiated by IT department for adopting an ERP system.

Table 3: Motivation for ERP implementation

Motivation for ERP implementation	Frequency	Percent
Technical Aspects	103	36.5
Business / Strategic Aspects	115	40.8
Functional aspects	57	20.2
Financial aspects	7	2.5
Total	282	100.0

Source : Primary Data

From the table, it is understood that 40.8 percent of the organization's motive for ERP implementation is business / strategic aspects, 36.5 percent of the organisation's motive for ERP implementation is Technical aspects, 20.2 percent of the organisation's motive for ERP implementation is Functional aspects and 2.5 percent of the organisation's motive for ERP implementation is Financial aspects.

Table 4 : Expectations for going for ERP software

Expectations	Frequency	Percent
To Increase overall productivity	17	6.0
To Reduced cycle time	14	5.0
To Reduced inventory levels	73	25.9
Better Return on investment	85	30.1
Supplier and customer satisfaction	93	33.0
Total	282	100.0

Source : Primary Data

From the table, it is understood that 33 percent of the organisation's expectation for going for ERP software is supplier and customer's satisfaction, 30.1 percent of the organisation's expectation is for better return on investment, 25.9 percent of the organisation's expectation is to reduce inventory levels, 6 percent of the organisation's expectation is to increase overall productivity and 5 percent of the organisation's expectation is to reduce cycle time.

Table 5 : Type of ERP software used

Type of ERP software used	Frequency	Percent
REACH ERP	40	14.2
Stage	109	38.7
Microsoft Dynamics	25	8.9
Fast React	22	7.8
SAP AFS	22	7.8
Now (Data Tex)	18	6.4
WFX	19	6.7
Developed in house	27	9.6
Total	282	100.0

Source : Primary Data

From the table, it is understood that 38.7 percent of the organisation's use 'Stage' software, 14.2 percent of the organisation's use 'REACH ERP', 9.6 percent of the organisation's use 'Developed in house' software, 8.9 percent of the organisation's use 'Microsoft Dynamics' software, 7.8 percent of the organization's use 'Fast React' and another 7.8 percent of the organisation's use 'SAP AFS' software, 6.7 percent of the organisation's use 'WFX' software and 6.4 percent of the organisation's use 'Now (Data Tex)' software.

Table 6 : Type of ERP modules implemented.

Type of ERP modules implemented	Frequency	Percent
Marketing and Merchandising	18	6.4
Production Management	28	9.9
Material Management	106	37.6
Production Planning and Control	22	7.8
Supply Chain Management	12	4.3
Human Resource	17	6.0
Financial	13	4.6
Maintenance	35	12.4
Customer Relations Management	23	8.2
Product Lifecycle Management	8	2.8
Total	282	100.0

Source : Primary Data

From the table, it is understood that the highest of 37.6 percent of the organisation's has implemented 'Materials Management' module and a least of 2.8 percent of the organisation's has implemented 'Product Life Cycle management' module.

Table 7 : Problems Faced after implementation of ERP

Problems faced	Frequency	Percent
Project cost overrun	40	14.2
Project delays	109	38.7
Conflicts with business strategy	52	18.4
Employee resistance to change	22	7.8
Conflicts with Consultants	22	7.8
Internal conflicts	18	6.4
Conflict with vendors	19	6.7
Total	282	100.0

Source : Primary Data

From the table, it is understood that 38.7 percent of the organisation's face project delays after implementation of ERP software and a least percent of 6.4 percent of the organization's face internal conflicts after implementation of ERP software.

Conclusion :

From this research, it has been found that the implementation of ERP in apparel industry provide both benefits and hindrances. Through the study, the researcher has found that the project delays are caused after implementation of ERP software. The implementation of ERP software avoids many ambiguities in the administration level but some delays in the production level.

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Acknowledgement:

We would like to express our gratitude to our Institution 'Hindusthan College of Arts & Science (autonomous), Coimbatore for encouraging us to carry over this research work. We would also like to thank our PG & Research Department of Commerce with International Business head for supporting us.