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Abstract

Today's business environment is characterized by volatile demand, decreased customer loyalty, mass customization, shorter product life cycles, and tougher global competition. The supply chain has transformed from an enterprise-focused supply chain to an adaptive supply chain network in which several tiers of trading partners are interconnected. Together, they create a complex network held together by information flows. To survive, organizations need an information infrastructure that allows them to make accurate, real-time decisions and to give customer satisfaction a top priority while still remaining competitive and profitable. Many companies have found out that their present information systems do not fully support real-time information flow due to limited integration capabilities. The systems are often built up by interfacing new software with legacy software. Enterprise Resource Planning systems (ERP) have become increasingly popular due to their ability to improve information flow and integrate operations into one common system. ERP software systems, such as SAP's R/3, offer integrating modules for such functions as production, factory automation, finance, sales, purchasing, and human resource management.

There are many things that have to be considered in order to successfully implement an ERP system. These critical success factors include amongst others top management support, interdepartmental communication and cooperation. Successful ERP implementation is not something, which can be bought from external vendors, but the company representatives must view themselves as the process owners throughout the implementation process and beyond.

The empirical part of this thesis examines the first steps of a SAP/R3 Production Planning-module implementation, which took place during autumn of 2003 and spring of 2004 in a Finnish chain manufacturing factory, OFA Oy, in Loimaa. It was possible to recognize similarities between the critical success factors presented in theory, and the ones observed in empirical surroundings.

Key words	ERP implementation, Critical Success Factors (CSFs), Data integration
Further information	