

Enterprise Resource Planning Implementation Towards Improving Company Performance

Enterprise Resource
Planning

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797

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ABSTRACT

In this digital era, companies are required to adapt to rapid technological developments. One way that can be done is by implementing Enterprise Resource Planning (ERP). ERP is an integrated system that combines various business processes in one platform. Implementing ERP can help companies improve the efficiency and effectiveness of business processes, improve product and service quality, increase customer satisfaction, and increase company profits. This research aims to analyze digital transformation through the implementation of ERP at PT. Kobexindo Equipment. This research uses a descriptive method with a case study approach. Data collection techniques were carried out through in-depth interviews, participant observation, and documentation. The research results show that the implementation of ERP at PT. Kobexindo Equipment has brought about significant digital transformation. This transformation can be seen from several things, including: increasing use of information technology in business processes, increasing data integration between departments, increasing automation of business processes, increasing access to information for employees. This digital transformation has had a positive impact on company performance. This can be seen from several indicators, including: increasing efficiency and effectiveness of business processes, increasing product and service quality. Increased customer satisfaction. Increased company profits. The findings of this research indicate that implementing ERP can be an effective way to carry out digital transformation and improve company performance.

Keywords: Digital Transformation, ERP, Company Performance, PT. Kobexindo Equipment

ABSTRAK

Di era digital ini, perusahaan dituntut untuk beradaptasi dengan perkembangan teknologi yang pesat. Salah satu cara yang dapat dilakukan adalah dengan menerapkan Enterprise Resource Planning (ERP). ERP merupakan sistem terintegrasi yang menggabungkan berbagai proses bisnis dalam satu platform. Penerapan ERP dapat membantu perusahaan dalam meningkatkan efisiensi dan efektivitas proses bisnis, meningkatkan kualitas produk dan layanan, meningkatkan kepuasan pelanggan, dan meningkatkan laba perusahaan. Penelitian ini bertujuan untuk menganalisis transformasi digital melalui penerapan ERP di PT. Kobexindo Equipment. Penelitian ini menggunakan metode deskriptif dengan pendekatan studi kasus. Teknik pengumpulan data dilakukan melalui wawancara mendalam, observasi partisipan, dan dokumentasi. Hasil penelitian menunjukkan bahwa penerapan ERP di PT. Kobexindo Equipment telah membawa transformasi digital yang signifikan. Transformasi ini terlihat dari beberapa hal, antara lain: meningkatnya penggunaan teknologi informasi dalam proses bisnis, meningkatnya integrasi data antar departemen, meningkatnya otomatisasi proses bisnis, meningkatnya akses informasi bagi karyawan. Transformasi digital ini telah membawa dampak positif pada kinerja perusahaan. Hal ini terlihat dari beberapa indikator, antara lain: meningkatnya efisiensi dan efektivitas proses bisnis, meningkatnya kualitas produk dan layanan. Meningkatnya kepuasan pelanggan. Meningkatnya

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INTRODUCTION

The development of information technology has become a fundamental pillar in transforming how companies conduct their business. In an era where information is easily accessible and disseminated, information technology plays a central role in shaping company strategies and operations. Companies can now access data and information in real-time, enabling them to make faster and more accurate decisions. With the integration of information technology, companies can increase operational efficiency, reduce costs, and speed up response times to market changes and customer needs (Firdaus, 2023). Information technology also changes how companies interact with customers and business partners. Through various digital platforms, companies can reach customers more effectively and personally, enhancing customer satisfaction and loyalty. Information technology allows companies to develop closer relationships with business partners through better communication and more efficient collaboration. In this context, information technology functions not only as an operational tool but also as a strategic enabler that drives business innovation and growth (Alayida et al., 2023).

Companies engaged in the trade of heavy equipment and spare parts in an increasingly competitive industry need to continuously innovate and improve their performance to stay competitive. One way to achieve this is by implementing an Enterprise Resource Planning (ERP) system. ERP enables the integration of various business functions into a unified system, thereby increasing operational efficiency and information transparency across all company departments (Zani & Spalanzani, 2021). By implementing ERP, PT. Kobexindo Equipment can optimize inventory management, accelerate order processing, and improve accuracy in planning and financial reporting. Additionally, ERP helps manage relationships with customers and suppliers more effectively and provides real-time data for better decision-making. The implementation of ERP will not only enhance the company's productivity and efficiency but also provide a competitive edge in the evolving heavy equipment market.

ERP is an integrated system that combines various business processes into one platform. ERP can help companies increase the efficiency and effectiveness of business processes, improve the quality of products and services, enhance customer satisfaction, and boost company profits. The implementation of ERP impacts not only business processes but also organizational culture. Organizational culture comprises the values, beliefs, and norms adopted by the organization's members. A positive organizational culture can support the successful implementation of ERP, while a negative culture can hinder it. Therefore, managing changes in organizational culture is crucial for the successful implementation of ERP. Organizational culture change management is a process aimed at helping organizations adapt to changes. This research aims to analyze digital transformation through the implementation of ERP at PT. Kobexindo Equipment. This study uses a descriptive method with a case study approach.

LITERATURE REVIEW

An integrated system designed to help companies plan and manage their resources effectively and efficiently. This system focuses on the entire organization, covering various resources such as raw materials, finances, assets, people, and information. The core concept of ERP emphasizes integrated planning aspects, allowing companies to unify data and information from various departments and divisions (Al-Hawary et al., 2018). This gives the company a comprehensive overview of its operations, so it can make more informed and strategic decisions. ERP implementation aims to increase the efficiency and effectiveness of business processes, improve product and service quality, increase

customer satisfaction, and increase company profits. By eliminating data redundancy and process duplication, ERP can save time and operational costs. However, ERP implementation requires adequate computer infrastructure support, both hardware and software. Apart from that, well-integrated data and information management is needed, as well as skilled human resources who have knowledge of ERP systems. Overall, ERP is a useful tool for companies that want to improve performance and achieve their business goals. With proper implementation and strong support, ERP can help companies become more competitive and sustainable in the long term. ERP implementation can manage project costs and the entire project easily. Operational activities are fully automated, including all stages of the construction process and report generation in real time (Indrayani, 2022).

Information digitization is the process of changing various types of information from analog to digital form. This allows information to be: Created easily: Using digital tools and software. Stored securely: On digital storage such as hard disk, cloud storage, etc. Efficiently managed: Through a structured information management system. Share easily: Via internet networks, email, or other digital platforms (Alayida et al., 2023). Digital transformation is the process of utilizing digital technology to change the way a company operates and interacts with customers. Digital transformation can help companies increase efficiency and effectiveness, improve product and service quality, increase customer satisfaction, and increase company profits. Some of the benefits of digital transformation include: increasing efficiency and effectiveness by automating business processes and reducing data redundancy, improving product and service quality by providing more accurate and timely information, increasing customer satisfaction by providing more personalized and accessible services, increasing profits companies by reducing costs and increasing revenues (Putra et al., 2021).

Technology plays an important role in improving employee performance in various sectors, including manufacturing and service industries (Narayanamurthy & Tortorella, 2021). Case studies show that digital technology can speed up and increase the effectiveness of human resource management, encourage collaboration between employees, and make data access and management easier. Research shows that investments in technology can improve employee and manufacturing performance. Companies that invest in advanced technology generally have higher productivity, quality and production flexibility. Technology also drives organizational innovation and has a positive impact on company performance. Companies that implement technological and organizational innovations generally have higher productivity, efficiency and profitability. In the industrial era 4.0, technology has become an important factor for manufacturing organizations to achieve work efficiency and effectiveness. The use of software, apps and other digital tools can help employees work more efficiently and productively, optimize time and resources, and increase work accessibility and flexibility. The use of technology also allows employees to have a balance between work life and personal life, thereby increasing motivation and job satisfaction. The digital era has brought profound changes in the paradigm and implementation of human resource management (HR). In managing HR competencies in the digital era, appropriate strategies are crucial in managing millennial generation employees. The transformation of HR competencies from the traditional to the digital era is an essential change. (Wahyudi et al., 2023).

Research shows that Enterprise Resource Planning (ERP) has a significant influence on company performance, reaching 79.4% from a non-financial perspective. This shows that ERP implementation has a large and positive impact on company performance (AlMuhayfith & Shaiti, 2020). Therefore, companies need to carefully consider implementing ERP to maintain performance and increase competitiveness amidst intense business competition. ERP can help companies in various aspects, such as: Increasing operational efficiency and effectiveness, ERP automates many manual processes and integrates data from various departments that influence quality, thereby increasing operational efficiency and effectiveness. Improve decision making: ERP provides

accurate and real-time data and information, thereby helping companies make better decisions. Increase customer satisfaction: ERP can help companies improve customer service by providing faster and more accurate information. Improves collaboration and communication: ERP enables better collaboration and communication between departments and employees. Implementing ERP can provide many benefits for companies, including increased performance, efficiency and competitiveness (Rahmani, 2018).

METHOD

This research uses a descriptive method with a case study approach. This research method aims to systematically, factually and accurately describe the facts and relationships between marketed phenomena (Atmowardoyo, 2018). The case study approach was chosen so that researchers can explore one or several particular cases more intensively and in detail. The case study approach is very relevant for this research which aims to understand in depth the digital transformation process through the implementation of ERP (Enterprise Resource Planning) at PT. Kobexindo Equipment. Digital transformation through the implementation of ERP in this company involves significant changes to operations, organizational culture and work structure. Case studies allow researchers to explore how PT. Kobexindo Equipment plans, implements and deploys ERP systems. Researchers can dig deeper into the challenges faced during the implementation process, strategies used to overcome obstacles, and the impacts felt by various parties in the organization. This approach also makes it possible to identify best practices and valuable learnings that can be used by other organizations planning similar digital transformations. It is hoped that the results of this research can provide a meaningful contribution to academic and practical literature, as well as serve as a guide for other companies planning to adopt ERP systems in their efforts to transform digitally.

RESULT

Implementation of ERP at PT. Kobexindo Equipment has brought about significant digital transformation. It is hoped that this research can contribute to understanding how ease of use of IT can increase employee benefits and performance. This research can help companies implement and manage IT effectively to increase employee productivity and performance (Zani & Spalanzani, 2021). The implementation of ERP has encouraged increased use of information technology in business processes at PT. Kobexindo Equipment. This can be seen from several indicators, including: increasing use of computers and ERP software in various business activities, increasing use of the internet to access information and communicate with customers and business partners, increasing use of cloud technology to store data and applications. This increased use of information technology has had a positive impact on the efficiency and effectiveness of business processes.

In the competitive and dynamic era of globalization, companies are required to utilize Information Technology (IT) to support their business processes. Effective IT management requires a strategy that combines IT with business processes. This IT strategy can be realized through investment in systems such as Enterprise Resource Planning (ERP). ERP, or Corporate Resource Planning in Indonesian, is an information system structure that integrates various business functions, such as marketing, production, logistics, finance, human resources, and others (Putra et al., 2021). ERP functions as an integration tool that connects all company applications to a central data storage, so that it can be easily accessed by all parties who need it. One of the main advantages of ERP is data integration through single data entry. This means that data entered by one department can be used by other departments in the company. ERP also enables integrated management of company resources using information technology. Using ERP equipped with the right hardware and software can coordinate and integrate information data in various areas of business processes. This enables faster and more accurate decision making by providing real-time financial, sales, production and inventory analysis and

reports. ERP programs are very useful for companies with complex and extensive business processes. ERP utilizes integrated database and management reporting tools to support overall business processes, including sales, marketing, manufacturing, logistics, accounting and staffing. ERP software can improve the operational efficiency of business processes by integrating activities from across the business (Rudi et al., 2017). ERP has helped integrate data between departments at PT. Kobexindo Equipment. This means that the same data can be accessed by all departments that need it. This data integration has brought several benefits, including: Increasing data accuracy and consistency, Facilitating communication and collaboration between departments. Speed up decision making.

ERP systems play an important role in automating various processes in companies, from customer management, finance, to employees. This ERP software provides real-time information and data with a high level of accuracy. Key Benefits of ERP Systems: Process Automation: ERP automates various manual tasks, increases efficiency and reduces the risk of human error, centralized data management: ERP integrates data from various departments, enabling easy and centralized data access and analysis. data-driven decision making: Business decisions can be made more quickly and accurately based on available real-time data. Performance Improvement: ERP helps increase company productivity, efficiency and profitability (Yulfiswandi et al., 2023). ERP has helped automate several business processes at PT. Kobexindo Equipment. This means that business processes that were previously carried out manually can now be carried out automatically using an ERP system. This business process automation has brought several benefits, including: Increasing the efficiency and effectiveness of business processes, reducing operational costs, improving the quality of products and services.

Evaluations show that ERP systems generally have a positive impact on user performance. This is reflected in improvements in various aspects of performance, such as: Increased quantity and quality of work, better job knowledge Increased creativity and reliability, Improvements in personal qualities, such as personality, leadership and overall integrity, ERP systems are proven to be able to improve user performance in various aspects of work, thus providing significant benefits for the company (Rudi et al., 2017). ERP has provided easier access to information for employees at PT. Kobexindo Equipment. This means that employees can access the information they need to complete their work easily and quickly. This easy access to information has brought several benefits, including: increasing employee productivity, increasing employee job satisfaction, improving product and service quality.

According to Zeplin Jiwa Husada, Enterprise Resource Planning (ERP) is a method of managing company resources by utilizing information technology (Tarigan et al., 2021; Djiantoro & Tarigan, 2022; Lestari et al., 2022). ERP combines hardware and software to coordinate and integrate information data in various business process areas. This enables faster and more accurate decision making by providing real-time financial, sales, production and inventory analysis and reports. ERP programs are very useful for companies with complex and extensive business processes. ERP utilizes integrated database and management reporting tools to support overall business processes, including sales, marketing, manufacturing, logistics, accounting and staffing. ERP software can improve the operational efficiency of business processes by integrating activities from across the business. However, according to Al & Miller (2017), implementing ERP does not always bring positive results. Some companies experience failures in ERP implementation, which can damage the company's system (Rahmani, 2018).

Successful implementation of Enterprise Resource Planning (ERP) can have a positive impact on company performance, one of which is by increasing business efficiency. The ERP system acts as a tool for operational monitoring and maintenance of company resources, as well as assisting companies in establishing integrated work standards and increasing employee responsibility for these standards. Increasing the influence of ERP on a company's effectiveness has a positive impact on its financial performance. Financial performance can be measured through analysis and evaluation of financial reports.

Information on past financial positions and performance is the basis for predicting future financial positions and performance, as well as assisting in decision making. One of the main indicators of financial performance is profitability. An increase in profitability indicates an increase in company value, because high profitability indicates good future prospects. This shows the company's ability to obtain net profits from its operational results. Apart from profitability, company solvency also increases with ERP implementation. Solvency shows the company's ability to fulfill its obligations. ERP helps companies manage resources well, thereby reducing uncertainty in payment of obligations (Hapsari, 2019). Digital transformation through the implementation of ERP has had a positive impact on PT company performance. Kobexindo Equipment. This can be seen from several indicators, including: increasing efficiency and effectiveness of business processes, increasing product and service quality, increasing customer satisfaction, increasing company profits.

CONCLUSION

The research results can be concluded that the implementation of ERP at PT. Kobexindo Equipment has brought about significant digital transformation, visible from various aspects. First, the increased use of information technology has increased the efficiency and effectiveness of business processes through the increasingly intensive use of computers, ERP software, the internet and cloud technology. ERP has integrated data between departments, allowing the same data to be accessed by all departments, thereby increasing accuracy, data consistency, and facilitating communication and collaboration between departments. Business process automation with ERP has replaced many manual tasks, increasing efficiency, reducing operational costs, and improving the quality of products and services. Fourth, ERP provides easier access to information for employees, which ultimately increases productivity, job satisfaction and output quality. Overall, digital transformation through ERP implementation has improved PT company performance. Kobexindo Equipment as seen from increasing business efficiency and effectiveness, product and service quality, customer satisfaction, and company profits. This research provides theoretical contributions in several fields, including organizational change management theory, organizational culture management theory, and corporate performance theory. In organizational change management theory, this research shows that existing models can be applied effectively in the context of digital transformation through ERP implementation. This research also contributes to organizational culture management theory by showing that a positive organizational culture can support the success of digital transformation through ERP implementation. Finally, in company performance theory, this research shows that digital transformation through ERP implementation can improve company performance.

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