

Explore the Scope to Implement Intelligent Enterprise Resource Planning (I-ERP) System in Business Processes

Senarathna D.M.I.P

Reg. No.: ID -MS19817354

M.Sc. in IT

Specialized in Information Systems

Supervisor: Dr. Anuradha Jayakody

September 2021

22500

Department of Information Systems

Faculty of Graduate Studies and Research

Sri Lanka Institute of Information Technology

PGD/M 11

Declaration

The thesis entitled "Explore the Scope to Implement Intelligent Enterprise Resource Planning (I-ERP) System in Business Processes" is conducted under the supervision of Dr. Anuradha Jayakody

I declare that the information provided in this thesis is a result of my own work, except where referenced. The work has not been previously accepted in substance for any degree and is not being concurrently submitted in candidature for any degree.

Signed: -

(Candidate)

Date; - 21.10.2021

SUPERVISOR'S DECLARATION STATEMENT

Student Name – Mr. DMIP Senarathna

Supervisor's Name - Dr.Anuradha Jayakody

I acknowledge that the above-named student has regularly attended the meeting, and actively engaged in the dissertation supervision process.

Signed -

(Supervisor)

Date - ...21/10/2021

Acknowledgement

I would not have been able to complete this thesis on a commendable note, if not for the tireless, continuous and praiseworthy advice and guidance expended by my supervisor Dr. Anuradha Jayakody, I thank you Sir, for the invaluable knowledge and expertise that you have shared with me to ensure that I was able to deliver a quality piece of work.

Next, I sincerely express my gratitude towards my fellow peers who have assisted me in numerous ways to ensure the success of my thesis.

Lastly, I would like to extend my sincerest appreciation to my beloved family. If not for them I would not have been able to complete this thesis to the best of my abilities. I thank them for being my frequent source of motivation and inspiration in both small and big ways.

Abstract

Businesses are known to invest a significant capacity of their funds towards the implementation of Enterprise Resource Planning (ERP) as well as Business Intelligence (BI) systems in order to gain a sustainable competitive edge, to be in par with the advantages that the latest technological advancements are able to provide and to ensure the smooth running of their work processes. In today's challenging economic environment contained by the context of complicated BI and ERP, these techniques have become key strategical tools, which promptly influences the success of any software project implementation. Not much attention has been given to the integration of "Business Intelligence and Enterprise Resource Planning" which was convert form the traditional ERP system to an Intelligent-ERP system. A few experiments had been conducted in some organizations but most of the projects did not see a conclusion towards a successful integration or completion of the project due to various challenges faced during the implementation process. This research attempts to evaluate and assess the implementation of an Intelligent Enterprise Resource Planning (I-ERP) System in business processes in the company Norlanka Manufacturing Colombo Limited in Sri Lanka; in order to increase efficiency of business processes and use human knowledge effectively for decision making activities and to overcome business related issues such as repetitive and tedious work processes, increased costs and unproductivity. The main methodology that was utilized in this thesis was a primary method that utilized surveys to obtain information from 145 employees working in Norlanka. Using the SPSS tool, the data was analyzed using a number of statistical methods such as correlation, frequencies, descriptive and inferential analysis and the findings revealed that there was a significant link between the independent variables, business values, user engagement, user adoption, operational costs, operational efficiency with the dependent variable implementation of I-ERP in Norlanka. Furthermore, recommendations included, ensuring a change management team is in place, making sure toplevel management and other key stakeholders were actively involved and the aspect of customization was considered according to the organization's aim, objectives and scope.

Key words – Enterprise Resource Planning, Intelligent-Enterprise Resource Planning, Industry 4.0

Table of Contents

| Declaration | ii |
|---|------|
| Acknowledgement | iii |
| Abstract | iv |
| Table of Contents | v |
| List of Figures | viii |
| List of Tables | ix |
| Chapter 1 Introduction | 10 |
| 1.1 Introduction | 10 |
| 1.2 Background | 11 |
| 1.3 Problem Statement | 12 |
| 1.4 Research Objectives | 13 |
| 1.5 Importance of the Research | 13 |
| 1.6 Scope of the Study | 14 |
| 1.7 Structure of the Thesis | 14 |
| 1.8 Conclusion | 15 |
| Chapter 2 Literature Review | 15 |
| 2.1 Introduction | 15 |
| 2.2 History of ERP | 16 |
| 2.3 Business values of I-ERP | 17 |
| 2.4 User engagement and user adoption of I-ERP | 19 |
| 2.5 Operational costs and operational efficiency of I-ERP | 22 |
| 2.5.1 Business Intelligence | 22 |
| 2.5.2 Machine Learning (ML) | 23 |
| 2.5.3 Artificial Intelligence (AI) | 24 |
| 2.5.4 Robotic process automation (RPA) | 25 |
| 2.5.5 Cloud Computing | 26 |
| 2.5.6 Operational costs | 27 |
| 2.6 Technological factor of Intelligent ERP and challenges faced by organizations | 28 |
| 2.7 Values that can be delivered to the company via Intelligent ERP | 30 |
| 2.7.1 Resource optimization | 30 |
| 2.7.2 Decreasing the cost of the operating costs | 30 |
| 2.7.3 The decision-making process and evaluation of real time analysis | 31 |
| | |

PGD/M 11

| 2.7.4 A better experience for the user | 31 |
|---|----|
| 2.7.5 Improving Product Quality | 32 |
| 2.8 Real World examples for Intelligent ERP | 32 |
| 2.9 Other studies | 33 |
| 2.10 Conclusion. | 35 |
| Chapter 3 Research Design and Methodology | 36 |
| 3.1 Introduction | 36 |
| 3.2 Research methodology | 37 |
| 3.3 Conceptual Framework | 37 |
| 3.4 Hypothesis of the study | 38 |
| 3.5 Operationalization | 39 |
| 3.6 Research Design | 40 |
| 3.7 Population | 41 |
| 3.8 Sample and sampling technique | 41 |
| 3.9 Analysing the Data | 42 |
| 3.9.1 Correlation Analysis | 42 |
| 3.9.2 Inferential Analysis | 43 |
| 3.9.3 Descriptive Analysis | 43 |
| 3.10 Consideration of Ethics | 43 |
| Chapter 4 Data Presentation, Analysis and Discussion | 45 |
| 4.1 Introduction | 45 |
| 4.2 Validity and Reliability of the Data | 45 |
| 4.3 Demographic Analysis | 46 |
| 4.3.1 Age Profile | 46 |
| 4.3.2 Gender Profile | 47 |
| 4.3.3 Marital Status | 48 |
| 4.4 Descriptive Analysis | 48 |
| 4.4.1 Business Values | 49 |
| 4.4.2 User engagement | 51 |
| 4.4.3 User adoption | 52 |
| 4.4.4 Operational Costs | 53 |
| 4.4.5 Operational Efficiency | 54 |
| 4.4.6 Implementation of I-ERP System | 55 |
| 4.5 Inferential Statistics | 56 |
| 4.5.1 One Sample T-Test for the independent variables | 56 |
| | V1 |

PGD/M 11

| 4.6 Correlation Analysis | 60 |
|--|----|
| 4.7 Explaining the hypothesis | 60 |
| 4.8 Limitations of the Study | 62 |
| 4.9 Discussion | 62 |
| 4.10 Conclusion | 64 |
| Chapter 5 Conclusion and Recommendations | 65 |
| 5.1 Introduction | 65 |
| 5.2 Summaries | 65 |
| 5.3 Recommendations | 66 |
| Chapter 6 References | 69 |
| Appendix 1: QUESTIONNAIRE | 74 |

List of Figures

| Figure 2.1: Industrie 4.0 approach |
|---|
| Figure 3.1: Conceptual Framework (Self) |
| Figure 3.2: Sample Calculator (SurveyMonkey, 2021) |
| Figure 4.1: Operationalization Table (Self) |
| Figure 4.2: Age Profile (Source: SPSS, 2021) |
| Figure 4.3: Gender Profile (Source: SPSS, 2021) Error! Bookmark not defined. |
| Figure 4.4: Marital Status (Source: SPSS, 2021) Error! Bookmark not defined. |
| Figure 4.5: Screenshot of SPSS Output (Source: SPSS, 2021) Error! Bookmark not defined. |
| Figure 4.6: Screenshot of variable user engagement (Source: SPSS, 2021)Error! Bookmark not |
| defined. |
| Figure 4.7: Screenshot of independent variable user adoption (Source: SPSS, 2021)Error! |
| Bookmark not defined. |
| Figure 4.8: Screenshot of independent variable operational costs (Source: SPSS, 2021)Error! |
| Bookmark not defined. |
| Figure 4.9: Screenshot of independent variable operational efficiency (Source: SPSS, 2021) |
| Error! Bookmark not defined. |
| Figure 4.10: Screenshot of dependent variable (Source: SPSS, 2021)Error! Bookmark not |
| defined. |
| Figure 4.11: Normal Q-Q Plot of Question 4 (Source: SPSS, 2021) Error! Bookmark not |
| defined. |
| Figure 4.12: One sample chi-square test (Source: SPSS, 2021) Error! Bookmark not defined. |

List of Tables

| Table 3.1: Hypothesis Table (Self) | 38 |
|---|----------|
| Table 3.2: Reliability Analysis (Source: SPSS, 2021) Error! Bookmark not | defined. |
| Table 4.1: Frequency distribution of Age profile (Source: SPSS, 2021) | 46 |
| Table 4.2: Frequency distribution for Gender Profile (Source: SPSS, 2021) | 47 |
| Table 4.3: Frequency Distribution for Marital Status (Source: SPSS, 2021)Error! Books | nark not |
| defined. | |
| Table 4.4: Descriptive Analysis of Business Values variable (Source: SPSS, 2021) | 49 |
| Table 4.5: Descriptive Analysis of variable user engagement (Source: SPSS, 2021) | 51 |
| Table 4.6: Descriptive Analysis of independent variable user adoption (Source: SPSS, 20 | 21)52 |
| Table 4.7: Descriptive statistics of independent variable operational costs (Source: SPS | S, 2021) |
| | 53 |
| Table 4.8: Descriptive statistics for independent variable operational efficiency (Source | e: SPSS, |
| 2021) | 54 |
| Table 4.9: Descriptive Statistics of the dependent variable implementation of I-ERI | ? system |
| (Source: SPSS, 2021) | 55 |
| Table 4.10: One Sample statistics (Source: SPSS, 2021) | 56 |
| Table 4.11: One Sample Test (Source: SPSS, 2021) | 58 |
| Table 4.12: Correlation Analysis between the independent and dependent variables (Source | e: SPSS, |
| 2021) | 60 |