

Chapter 1 – Introduction

1.1. Background

This thesis will involve 2 companies keeping the Tire Manufacturing (hereinafter called TM) company as our main client, and the AreteSolution, an Information Technology Consultant (hereinafter stated as ITC) as our reference client that we will help through the analysis and pre-assessment of TM throughout their business process and system requirements, hence TM are able to implement a new comprehensive and robust integrated Entity Resource Planning (hereinafter stated as ERP) system to cover all key business process in the areas of Finance & Accounting and Distribution/Supply chain area, TM itself is considering an ERP system from Microsoft[®] Business Solution system, as proposed by ITC who is the official business partner of Microsoft[®] Business Solution System, the **Microsoft[®] Dynamics Great Plains** (hereinafter stated as MDGP), for their ERP solution inside of the company to support the organization's back end processes. The background of TM itself will be discussed afterward.

1.1.1. Tire Manufacturer

TM is a manufacturing company that is moving in the tire manufacturing industry, which is limiting their liabilities focusing in producing and selling tires to the world. TM is located near Bogor city in Indonesia, and since 1996, TM has produce tires actively with safety, innovative, creative and customer orientated

concern. The core assets of the company to produce their products are well planned with the latest technology of manufacturing machines from Europe and great factory design which make the manufacturing process easier and more efficient.

TM produced and sold products are varied from high performance passage radial tires to buses and other conventional tires. Not only selling to export users over 50 countries, TM are also targeting their customer in local area mainly to domestic dealers with certain discount and special offer regarding the quantity purchasing. For more information regarding its company, TM had design a very sophisticated, user friendly homepage for their marketing usage.

A further description TM will be discussed later on this thesis.

1.1.2. IT Consultant

ITC was firstly formed in June 2000 in Jakarta, Indonesia to serve various companies that require business and technology integration. ITC has been working successfully not only with large companies, but also mid-range and smaller concerns companies, with their consultant teams consisting of the best professionals in its areas and expertise. ITC clients up until now, has vary from manufacturing industries, pharmaceuticals, education, utilities, distribution, telecommunication, to retail businesses enabling their business transformation as well as to accurately determine capacity, increase productivity, optimize the company's asset use, and also to improve the bottom line of the company itself. ITC helps their clients

leverage major investments in business software, which focuses on application development, change management, and business process re-engineering in order to help the fulfillments of full cycle of implementation starting from conducting one-day planning session to establish the project objectives, scope and timeline, to go-live and post-production support to the clients.

ITC founding vision is to build a full-service consulting company based on the objective which is “to deliver quality consulting services by providing qualified, experienced consultants with strong industry backgrounds and product knowledge; coupled with a history of successful business information systems implementations”.

Unlike any other IT consultant, ITC guarantee their clients with:

- Business solution focused,
- Bottom line results,
- Superb execution, fast knowledge transfer, high quality,
- And, profound technology expertise

ITC solutions are providing their clients with several solutions for their clients such as;

- Enterprise Resource Planning (ERP)
- Customer Relationship Management (CRM)
- Supply-Chain Management (SCM)
- Data Warehousing
- Content Management / Knowledge Management

- Specific Industry Solution

And other services for the clients such as;

- Enterprise solution
- Information Technology
- Software Development
- Training and Education

1.2. Scope of Study

The scopes of study of this thesis are:

- Review of the business process of TM, specifically in the accounting and financial area.
- A description of MSDGP on how will it works in TM, with the boundaries in the financial and accounting area.

1.3. Objectives

Seeing that TM is a professional and large organization which is moving in the industrial area as a tire manufacturing company, which frequently has problem due to lack of knowledge of information technology, information distribution, database management and communication among the personnel in the organization, implementing an ERP system as their database management and information distribution throughout all the departments in the organization, the proposed ERP system aims to help in managing their database and information distribution to:

- *Provide a fully integrated Information System for TM.*

The integrated information system supporting the manufacturing industrial organization is duty bound-to avoid lack of communication; hence TM will gain better information distribution within and outside of the organization.

- *Facilitate better services to the company inside the organization.*

Services in the manufacturing industrial area should include the accessible and consistent accounting and financing reports and data, reliable operational services as well as information providing to various parties involved, including customers, partners, suppliers, vendors, internal staff and management.

- *Provide a flexible, adaptable, accessible and centralized database management.*

The flexible, adaptable, accessible and centralized database management of the organization to allow consistency, efficiency and effectiveness of data and information providing to internal and external parties involved as well data and information storage for the organization's usage.

- *Facilitate enterprise reporting for decision making.*

In every organization, decision making determined to be one of the biggest issue and a critical path to go through to build up the organization to its success. By facilitating the organization with the most updated information enterprise reporting especially within the

financial reports, the management will be assured to give out a better decision for the organization in the future financial perspective.

1.4. Benefits

The benefits of having MSDGP installed and implemented as the Enterprise Resource Planning system in a manufacturing industry are because;

- There would be a decrease number of paper use for information and transaction flow in the company, which will lead to a better cost control for the company.
- Save more valuable time in manual updating and transfer of information inside and outside of the company.
- With a centralized database, there would be a better control and management of the data.
- An improvement of productivity by enhancing information flow and sharing through the use of an integrated system that will provide smooth information and data flow throughout the company.
- MSDGP will be a very good assistance in analysis and decision making with consolidated information available on a centralized database.
- A faster Return on Investment (ROI) for the company, since there will be an increase in productivity and efficiency in the operation management and less cost contribution in the company.

1.5. Structure

In general, the structure of this thesis will be discussed briefly as follow;

<p style="text-align: center;">Chapter 1 Introduction</p>	<p>Chapter one will introduce the thesis topic, together with the background of the company involved to reach the completion of the thesis. The study scope, objectives of the thesis, and the benefits of the perceived thesis will also be discussed in this chapter.</p>
<p style="text-align: center;">Chapter 2 Theoretical Foundation</p>	<p>Chapter two of this thesis will be listing all the theoretical foundation that are going to be utilized to support the thesis as the basis to establish this thesis not only within the information gathering methods of analyzing the information but also the methods that are going to be used to analyze the information gathered. This theoretical review is made with the hope to help the reader to understand the variety of background that will be used.</p>
<p style="text-align: center;">Chapter 3 Problem Analysis</p>	<p>Chapter three of the thesis will discuss about the current situation of TM, as our main client, and the problems that occur in the current system. This system will also be completed with the flowchart of the current system of TM bound with the scope of this thesis.</p>
<p style="text-align: center;">Chapter 4 Conceptual Solution Design</p>	<p>Chapter four of this thesis will include all the solution design proposed for TM, as well as the diagrams for TM, when the MSDGP are to be implemented in TM.</p> <p>This Chapter will also being set with a certain boundaries of the scope of the thesis.</p> <p>Besides the proposed system proposed design, This chapter will also contain the requirements and the full description of MSDGP.</p>
<p style="text-align: center;">Chapter 5 Discussion And Conclusion</p>	<p>Chapter five will be the last chapter in this thesis, which is going to describe briefly the comparison of using the current system and system after MSDGP has been implemented in TM.</p> <p>Besides that, this chapter will also conclude the overall analysis of the thesis objectives, bounded with the scope of the thesis itself.</p>

Table 1.1. Thesis Structure

