

# CHAPTER I

## INTRODUCTION

### 1.1 Background

One of critical assets in many big companies or organization is information technology. As we know, information technology could keep and share any confidential data which related with behavior of a certain company or organization among that their branch. Information technology is used for data warehouse, data mining, data processing, data analysis, data networking, and Enterprise Resource Planning (ERP).

Nowadays, many companies including multinational company is using Enterprise Resource Planning (ERP) as an application for decision support in their top management. The ERP content itself has a lot of confidential data where it could become a critical threat if they are not using it wisely. It became critical threat because inside ERP has data processing, data monitoring, data warehousing, data transaction, and any other confidential document. Therefore it is important to seek the risk of using ERP.

PT. XYZ, Oil and Gas Company, has an ERP system as one of their assets including PT. XYZ as one of their holding company in Indonesia. PT. XYZ is one of the largest Oil and Gas Company in Indonesia with the total average oil production around 442,000 barrels a day and Gas production around 636 million cubic feet a day at 2011 (PT. XYZ, 2011).

According to one of PT. XYZ's user, PT. XYZ has upgraded their ERP system but they need to review the system from users' prespective There're several users complained the system doesn't do well after upgraded lately. According to the leader of ERP system, the system has not evaluated ERP system from users' perspective until this thesis had been started. Their ERP system is using Oracle's JD Edwards, called JDE, and their ERP system consist of 5 Module which are Human Resource (HR), Procure to Pay (P2P), Enterprise Asset Management (EAM), Finance, and Supply Chain Management (SCM).

The purpose of this thesis is to assist PT. XYZ to review their ERP system by identify the root cause problem from their users' perspective afterwards giving a recommendation by the most suitable to their ERP system.

UTAUT model (Unified Theory of Acceptance and Use of Technology) is one model developed by Venkatesh which is a combination of 8 popular element models. The goal of this model is to retrieve a unified of user perception about one technology.

## **1.2 Project Objective**

The context from previous subchapter 1.1, UTAUT method is used to evaluate and identified users' perception about their satisfaction using upgraded ERP system at PT. XYZ within these 5 perspectives.

- (1) Behavioral intention - the probability of user will perform the upgrading ERP system;
- (2) Performance expectancy - the perspective of user use the system that assist in job performance;
- (3) Effort expectancy - the perspective of the easiness using the ERP system;
- (4) Facilitating condition - the perspective of inevitably support by organizational/technical infrastructure;
- (5) Social influence - the perspective of individual belief the importance of using ERP system.

The result from above perspective would be analyzed and proposed a recommendation to their company as items that need to be monitor and maintenance for the ERP system improvement in the long run.

## **1.3 Project Scope**

In order to be more precise and focused, the outline of thesis will only be discussed as the following matters:

1. Thesis will be conducted at PT. XYZ.

The project only focus for ERP users at PT. XYZ by distributing a questionnaire to each their ERP users

2. This project is not creating new system but it is giving a recommendation that could solve user issue.
3. This project only evaluates the ERP system based on user acceptance to use the ERP system.

#### **1.4 Project Goals and Benefit**

##### **1.4.1 Goals of this project**

- 1 Evaluate users' effectiveness of ERP system.
- 2 Giving a recommendation to increase users' effectiveness and solving the issue around the

##### **1.4.2 Benefits could achieve in this project**

1. Company benefit: giving a solution and recommendation for ERP improvement that suits to their users.
2. User Benefit: giving new information in the form of the satisfaction and the important of using the ERP system.