# **EVOLUTION** of ERP

ENTERPRISE RESOURCE PLANNING



# Enterprise Resource Planning or ERP software has evolved from an amalgamation of different functionalities over several decades.

Starting as a basic inventory management solution, it has quickly grown to be one of the most widely used tools in the retail sphere. Below, you can find the different stages of evolution in terminology and software development that has led to the sleek, integrated systems that have become essential to enterprise organisations today.

### IC Software (1960s)





#### Inventory Control Software

Developed independently by enterprise-level manufacturing businesses in order to track inventory and plan procurement schedules. Generally based on legacy software and systems.

### MRP Software (1970s)

#### **Material Requirements Planning Software**

A software solution coordinating the various aspects of production & procurement for greater manufacturing efficiency and optimised spend on raw materials.

Monitoring stocks and demand leading to the automated completion of procurement proposals.

Stating what is needed, how much and when.



#### MRP II (1980s





#### Manufacturing Resource Planning Software

Growing out of the original MRP software function these systems had an emphasis on creating and producing production reports that could easily be used to make high-level business decisions. Providing information useful to all functional areas of a business including sales, marketing, finance and HR.

# **ERP Software** (1990s)

## Enterprise Resource Planning Software The first multi-module application software system. Offering

end-to-end integration across many, sometimes all departments, supporting functions of daily operations.
Restricted to use within larger corporations at this time due to the high costs of implementation.



# **ERP II** (2000s)



### **Extended ERP Supporting Web Functionality**This phase of ERP's evolution saw the inclusion of software

allowing for the inclusion of data from other business solutions. CRM packages, for example, when integrated, generating better understanding of consumer demand when creating production schedules. Technological advancements including the accessing of information from mobile and web devices were integrated.

# Cloud ERP (2010s)

#### Cloud ERP

The evolution of Cloud ERP systems allows for the adoption of the Software as a Service (SaaS) model. Providing remote delivery of system functionality and lowering the cost-to-entry for mid-sized businesses, opening up the functionality to a much wider scale of businesses.

