

**Analyzing the Impact of Implemented Enterprise Resource Planning (ERP)
Systems on Organizational Performance: A Case of Consulting Companies
Functioning on Georgian Market**

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Abstract

Companies striving to become more effective in a marketplace and find their competitive advantage, often turn to software systems for simplifying business processes and consequently improving certain functional areas of the organization. ERP systems - as a single tool for uniting all the processes in the organization - have gained popularity throughout the past decade. However, ERP system implementation is a costly and complex process for the company to go through, requiring numerous additional resources. Retail organizations simply cannot function without such software since they require to record and monitor numerous products, yet other companies which do not have this specific aspect require more information and evidence to make a decision about implementing an ERP system.

The main objective of this research was to study the impact of ERP system implementation on the organizations' performance, examining how much attention has been given to considering critical success factors during this process since the first step for the successful performance of the system is the preparation of the company for launching ERP. For the purpose of this study, consultancy companies based on Georgian market were chosen for investigation.

A mixed-method approach was used in the study drawing both on interviews and surveys: First, collecting qualitative data using unstructured interviews with the representatives of companies working on the ERP implementation. Second, gathering qualitative data using semi-structured interviews with the representatives of consulting companies which had implemented the ERP system. Third, collecting quantitative data using surveys, from the employees of these organizations that have the implemented the system.

The results of the research showed that ERP systems have a positive impact on organization's overall performance if implemented properly. The main indicators of the performance were: Efficiency – the decreased time spent on one project using same financial and human resources as before launching the system- was identified as one of the benefits of the ERP software. This

enables companies to work on an increased number of projects compared to the period before the implementation.

This research will be useful for the companies who are considering implementing the ERP systems and also for those companies which have already done so but are not fully satisfied with the results.

The main limitation of the study is: Focus on one industry doesn't provide the information regarding the direct financial benefits, non-financial indicators are not financially measured, and it is based on the cross-functional study. The topics for farther research should be based on the limitation to get the full picture of the system benefits.