

# **CHAPTER I**

## **INTRODUCTION**

### **I.1 Background Research**

Information technology is a set of tools (Hardware and Software) used to process and store information, and also include communication technologies that can deliver an information (Lucas, 2000). At this time, information technology is fast growing to facilitate the work or to access information. A company uses several software to support the progress. In addition to the ease of accessing data applications used to accelerate the work of the employees. Surely applications being used must have a relevant security, so that corporate will be secure. To increase the quality of information technology, company must do integration information system. This can make efficiency of business process. One of concept for integration information system is Enterprise Resource Planning (ERP).

ERP is an enterprise system that designed to integrate information systems and organize business processes and transactions such as purchasing of parts, planning products, maintaining inventories, providing customer service, interacting with suppliers and tracking orders and able to provide information in real-time. ERP system can integrate all of information and process in company into one database. Currently the company choose the ERP system as an important part of an organization. Therefore, implementation ERP can be use on all of companies in small to medium enterprise (Brown & Vassey, 2003).

ERP systems have the ability to set up a company source resources such as money, raw materials, production capacity and employees to be more effective and efficient (G. Buonanno, 2005). Using ERP system data can be entered into the one system from various departments such as manufacturing, purchasing, sales, accounting, etc. Management data in ERP system is by inputting data, that can be use by a variety of other business processes. ERP system can streamline the flow of information that runs across functions within the organization to relationships with stakeholders outside the company.

Implementation ERP system can be success if achieved all relevant elements that exist in the company included order management, manufacturing, human resources, financial systems, and distribution with external suppliers and customers into a tightly integrated system with shared the Data and visibility (Chen, 2001). Benefit from success of implementation ERP system is to help employees do the work more efficiently by reducing the existing constraints such as improving service to the customer, or suppliers or vendors to provide information relating to the business units such as invoices or billing.

In 2000 companies in Indonesia started to adopt the ERP system with the aim to improve the competitiveness, both nationally or internationally. However, though not all companies succeed in the implementation ERP system. According to Dantes, in Indonesia almost 60% of ERP implementation failure on the public or private sector (Hasibuan & Dantes, 2012). Trunick (1999) inferred that tertiary ERP implementation failure reaches 50% (Napitupulu, 2015). Common problems that occur in the company during the ERP implementation process is it the decline in overall performance and the other problems to adapt to the user (Tjahjadi, 2008)

Meanwhile, PT. Kimia Farma (Persero) using the new SAP ERP system in 2016 and supported by Telekomunikasi Indonesia Tbk. The purpose is to improve the synergetic and performance of operational and financial in PT. Kimia Farma (Persero). Also improve services to members of PT. Kimia Farma (Persero). In the future ERP solution SAP become a integrated application. That can perform the functions of control and monitoring and also condition the financial statements of each subsidiary.

The implementation of SAP ERP systems will greatly assist the business development process in PT. Kimia Farma (Persero). However, the implementation can be successful or failed. There are several factors that influence success or failure in ERP implementation. The research will examine the implementation of the ERP system in PT. Kimia Farma (Persero) that has been running for 2 years.

The research using UTAUT model to describe the success factor of implementation ERP system. UTAUT (Unified Theory of Acceptance and Use of Technology) is a model to explain user behavior towards information technology. This model is a

combination of eight models that have been successfully developed before. The UTAUT model have sixth construct that is Behavioral Intention, Use Behavior, Performance Expectancy, Effort Expectancy, Social Influence, Facilitating Conditions. Fourth external factor are moderated by gender, age, experience and voluntariness of use. Based on paper User Acceptance Of Information Technology: Toward a Unified View, the result using UTAUT model is outperform existing model with 70% adjust from  $R^2$  (Venkatesh, Morris, Davis, & Davis, 2003).

Based on the existing background, the authors conducted research on " **ANALYSIS OF ERP SUCCESSFUL FACTOR IMPLEMENTATION USING UTAUT MODEL STUDY CASE: PT. KIMIA FARMA (Persero)**". Research aimed to analyze the success of the implementation ERP system at PT. Kima Farma (Persero).

## **I.2 Problem Formulation**

From the above background outlined, the formulation of the problems encountered are:

1. What are the effects of ERP success factors in PT Kimia Farma (Persero) Tbk?
2. What are the variables affect the success of ERP implementation in PT Kimia Farma (Persero) Tbk?
3. How to validate the quality information ERP have a positive impact to user satisfaction?

## **I.3 Objectives**

The purpose of this empirically is:

1. To find out factors influence the successful model of ERP in PT Kimia Farma (Persero) with the successful model of ERP implementation accordingly,
2. Evaluate system success ERP that has been implemented based on end-user perceptions,
3. To find out the quality level end-user satisfaction with ERP system.

#### **I.4 Limitations of Research**

Obtained of the problem, while restrictions of scope are as follows:

- a. This research does not address changes in organizational structure, network infrastructure and security systems as well as implementation costs
- b. Do not undertake training on employee
- c. This research discusses the analysis of ERP implementation success, providing recommendations and conclusions to the company

#### **I.5 Research Benefit**

The benefits derived from this research for the company is as follows:

- a. As a reference to the basic design of the ERP system that can be used by companies later
- b. As a recommendation for the company PT Kimia Farma (Persero) Tbk to find out the factors that become the key to successful implementation of system ERP

#### **I.6 Systematics Writing**

##### **Chapter I Introduction**

This chapter discusses the background of the problem, formulation of the problem, research objectives, scope of the research, the benefits of the research, and systematic writing

##### **Chapter II Theoretical Basis**

In this chapter contains a description of the relevant theories Relating to the problem of research and methods used to the make-the research.

##### **Chapter III Research Methodology**

In this chapter describes the steps in detail of research include: starting from design analysis phase, followed by the results phase, until terminated by the testing stage.

##### **Chapter IV Analysis Data**

This chapter describe of contains a discussion of the problems that have been formulated and the results of the research conducted on PT. Kimia Farma (Pesero)

## **Chapter V Conclusion and Suggestion**

This chapter contains of a research conducted with suggestion indicated for the company to this research.