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# Critical success factors of ERP implementation at retail franchise company in Indonesia

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## Abstract

As technology develops, many companies seek to innovate and implement technology, one of them is ERP to support their business processes. One of these companies is PT Sumber Alfaria Trijaya, Jember, Indonesia. Many factors were affected the quality of ERP implementation. One of them is known as the Critical Success Factor (CFS). This study aimed to describe implementation of ERP application and the Critical Success Factors during ERP deployment at PT Sumber Alfaria Trijaya (SAT), Indonesia. This study used qualitative method for gaining data and research analysis. Interviewed are done with the key users. The results of analysis showed that five critical factors that supported and influenced the ERP implementation in the company, namely; Management Commitment and Support, User Involvement, Communication, Hardware and Equipment, and Education and Training. Those five factors have significant impact on the successful of ERP implementation at retail franchise company in Indonesia. In conclusion, the implementation of TAF application improved the quality of accounting information system information for the company.

## Introduction

The retail industry is one of the largest industries in Indonesia. During the current pandemic, the retail industry is one of the industries most affected by the Covid-19 pandemic, where the estimated loss experienced by the retail industry is more than 250 Trillion (Soraya, 2021). One of the sub-sectors of the retail industry that is also affected is the retail Franchise industry, where this industry focuses on providing the basic needs of end customers.

In the retail Franchise industry, every company is always trying to win the competition in the market, by doing promotions, discounts to opening new outlets throughout Indonesia. It was recorded that until 2021. There were 2 major players in this industry, namely PT Indomart Prisma and PT Sumber Alfaria Trijaya Tbk. Indomart which has more than 18,271 outlets, followed by Alfamart with 14,973 stores (Annisa, 2022)

Enterprise Resource Planning or ERP is a process of system used by companies to manage and integrate the important parts of their businesses. Many ERP software applications are important to companies because they help them to implement ERP by integrating all their business processes needed to run their companies with a single system. ERP system is separated into various modules such as finance, production, procurement, human resources, etc.

ERP systems have been widely used by companies with diverse industries spread all over the world. The implementation of the ERP system is to support the business processes. Most ERP

implementations were successful and some were fail. Of course, in determining the success of this ERP system implementation, researchers generally use the Critical Success Factor as an indicator that determines the success of ERP implementation.

Critical Success Factors (CSF) are the conditions that must be met in order for an implementation process to occur successfully for a manager or an organization (Bradley, 2008). Broadly speaking, Critical Success Factor is a collection of indicators that are useful as the main area in the ERP system implementation process, where these indicators are related to the successful implementation of the ERP system in a company (Yadav et al., 2021). However, CSF is considered the most relevant indicator to measure the success of implementing an Enterprise Resources Planning system in a company because each CSF indicator involves responses from top management to the lowest levels of a company.

With benefits offered by the ERP system, there are many companies in Indonesia implemented ERP systems, such as PT Sumber Alfaria Trijaya. PT Sumber Alfaria Trijaya has more than 1,400 store outlets spread across Indonesia and the Philippines (Alfamart, 2022). To support the development of these outlets, the company divides its business operations into each branch office in certain areas, one of which is the Jember branch office. PT Sumber Alfaria Trijaya branch Jember is branch office located in East Java, which currently houses more than 75 Alfamart outlets in the Besuki residency (Pasuruan, Jember, Sidoarjo, Lumajang, Banyuwangi and Situbondo).

In supporting the company's business processes. PT Sumber Alfaria Trijaya Tbk implements an ERP system in every line of their business operations, one of them is in the finance department. The implementation of this ERP system is expected by the company to support and integrate a series of business processes that the company runs, so that the business processes can run well and harmoniously. On the other hand, with the implementation of the Enterprise Resources Planning system, it is hoped that the ERP system can assist companies in processing various data to produce useful information for company decision making in the future.

One of the most important things in implementing ERP is measuring the success of the ERP implementation. The Critical Success Factor is expected to make it easier to measure the success of ERP system implementation. Based on (Hailu, 2021), there are several variables such as Project Management, Teamwork, Composition of Project Member, Top Management, User Training, Project Plan and Vision, and System Package Selection that contribute the success of ERP implementation.

Moreover, Huang et al., (2019) changed several variables to validate the four critical factors in implementation ERP in the company (Huang et al., 2019). He decided to use Top Management Support, Software Competence and Skills, Hardware and Equipment, Communication among department as the success factors of ERP implementation (Huang et al., 2019).

The variety of variables and indicators that can be used for CSF analysis made it more flexible to find out what factors affect the success of ERP system implementation in a company. Thus, it is hoped that these variables can help to answer and describe the success of ERP system implementation in a company. On the other hand, the researcher found that in several previous studies the results of the Critical Success Factor were always and tended to be uncertain in some companies. Moreover, the researcher did not find any similar research that specifically discusses CSF related to ERP implementation in retail franchise companies in Indonesia. Therefore, this study aims to describe the implementation or ERP system and focus on the critical success factor of the implementation. This research is expected to provide an insight of the deployment of ERP in organization specifically in retail company in Indonesia.

## **Literature Review**

### **Enterprise Resources Planning (ERP)**

Enterprise Resources Planning is a large, highly complex software program that integrated many business functions under a single application. ERP software can include modules for inventory

management, supply chain management, accounting, customer support, order tracking, human resource management, etc. ERP software is typically integrated with a database (Pearlson & Saunders, 2016)

With the development of technology, the ERP system has also developed and adapted to the needs of the industry that continues to change from time to time. Until now, ERP is not only used by large-scale organizations (national/multinational companies) however more than that ERP has been designed to be used and maximized by SME's around the world (Vargas & Comuzzi, 2020). Until now, many companies in the world have implemented ERP systems in their companies, of course, in collaboration with vendors and developers of the ERP itself. Currently, many ERP systems are used by world companies, such as; SAP ERP system, Oracle ERP system, Microsoft ERP system, IFS ERP system, SAGE ERP system, etc.

ERP system continues to grow rapidly, this rapid development of technology. Various of sub-modules such as Financial, Material Management, Production Planning, Human Resources, and Fi/Co to support those the ERP system (Okungbowa, 2015).

### **Advantage of ERP**

In implementation, ERP is believed to have a good impact on companies that use it. These benefits are reflected in the form of increased productivity of a business, such as shortened lead times, lower costs and efficiency of communication among functional boundaries (Nwankpa, 2015). In fact, ERP benefits can vary across industries and in many cases depending on the implementing firm.

Nwankpa (2015) described organizations that invested their money in ERP systems generally get various benefits such as; increasing business productivity, shortening lead times, and reducing cross-departmental communication costs. On the other hand, these benefits cannot always be obtained by every company, because in fact, ERP implementation in different industries will produce different outputs. For example, in the US manufacturing industry, it showed that ERP implementation has no significant effect on decreasing company efficiency and operating expenses (Nwankpa, 2015).

### **Enterprise Resources Planning Implementation Stage (Life Cycle)**

During ERP implementation, a company must really understand every stage in the ERP implementation process. Enterprise resources planning stage life cycle is an ERP implementation process flow that starts from planning to implementation and transitioning the old system to the use of enterprise resources planning. ERP implementation is changing from legacy systems into ERP systems. It is more on process change instead of technology, in line with that, the ERP implementation process has three main stages: pre-implementation, implementation, and post-implementation (Capaldo & Ripa, 2009).

However, some researchers considered each stage to be sub-stages according to their perspectives. Based on the previous research by Markus and Tanis (2000) and Ross and Vitale (2000), they grouped the ERP implementation life cycle into several different sections, where the cycle started from pre-implementation with the design stage, implementation stage until post implementation that consist of stabilization, continuous improvement and transformation stage.

### **Critical Success Factors (CSF)**

In order to achieve successful ERP implementations, organizations must understand and address a variety of critical success factors (CSF). CSF are those conditions that must be met in order for an implementation process to occur successfully for a manager or an organization (Bradley, 2008). To be sure, CSF are those key areas in which favourable results are absolutely necessary for a business to successfully compete. CSF, therefore, represented managerial or enterprise areas that

must be given special and continued attention to bring about high performance in an organization's current operating activities and its future success (Otubanjo, 2018).

Shank and Zmud highlight two main strengths of the CSF method (Planning et al., 1985). Firstly, it generates user acceptance at the senior managerial level, where these managers seem to intuitively understand the thrust of the CSF method, and consequently strongly endorse its application as a means of identifying important organizational areas that need attention (Osei-Kyei & Chan, 2015). Secondly, it facilitates a structured top-down analysis of the organizational planning process by focusing on core sets of essential issues, and then proceeding to refine these, allowing for a desirable evolving role for CSF. Müller et al Addressing CSF can therefore significantly improve the chances of a successful ERP implementation (Müller & Jugdev, 2012).

The literature identifies several CSF variables which influenced and guided the successful ERP implementations and which have a direct impact on their outcome. CSF for successful ERP implementation are identified as top management support, presence of a champion, good communication with stakeholders, effective project planning, business Process reengineering and using business analyst in the project team (Vargas & Comuzzi, 2020). Kiran et al., extended this list to include, implementation time and cost, ERP vendors, selecting right employees, and employee morale (Kiran & Reddy, 2019).

### **Critical Success Factor (CSF) of ERP Implementation**

In implementing ERP project generally CSF is used as a benchmark. There are five categories of Critical Success Factor (Shukla et al., 2014) including:

1. Management Commitment and Support.

Gorantiwar and Shrivastava (2014) explained that management commitment is direct participation by the highest-level executives in a specific and critically important aspect or program of an organization (Gorantiwar & Shrivastava, 2014). Management commitment and support is one of the two most cited CSF. This concept referred to the need to have committed leadership at the management level. In addition, this concept refers to the need for management to anticipate disturbances that may be encountered when a system has begun to be implemented (Motwani et al., 2005). Sarker and Lee (2012) empirically prove that strong and committed leadership at the top management level is essential for successful ERP implementation (Sarker & Lee, 2012).

2. User Involvement.

Bandyopadhyay and Barnes (2012) stated that user involvement is a condition in which end users are given the opportunity and opportunity to provide input and feedback regarding the system that has been run (Bandyopadhyay & Barnes, 2012). User involvement in this research is focused on whether the opportunity exists for users to provide input and also criticize the system so that the system can be used and more suited to the users themselves. Users, in many cases, are often afraid that ERP implementation changed their roles, job status, interests, responsibilities and access to valuable information (Shaul & Tauber, 2013). Therefore, user involvement is referred to an individual's psychological state to express their views, interests and personal relevance to the system they run (Chileshe & Kikwasi, 2014). Better with user criteria, improved quality of use and better acceptance system (Esteves, 2000).

3. Hardware and Equipment.

The hardware is used by the company as a bridge to use ERP software. To run a good ERP system, companies must have hardware that is not only reliable, but also compatible with the ERP software itself. In its implementation, the ERP system involved quite a lot of hardware, ranging from Monitor, CPU, Ram, Hard Disk, Mouse, Keyboard, Printer, Etc. Compatible hardware will support a good ERP system implementation. Chileshe and Kikwasi (2014) argued that a strong infrastructure, especially hardware and network, is very influential on the success of ERP implementation in a company (Chileshe & Kikwasi, 2014). It can be concluded that

the success of ERP system implementation is influenced by the use of compatible hardware. Generally, every ERP vendor provides a minimum standard system requirement for each ERP version that they develop in a company, so that the company can adjust to the minimum specifications that have been provided by the vendor (Pearlson & Saunders, 2016).

#### 4. Communication.

Communication known as an activity or process involving two or more parties which is carried out with the aim of creating and exchanging information between the individuals involved. Communication is seen as an important part in achieving goals that have been jointly determined by the stakeholders in a company (Beheshti et al., 2014). Communication serves as a tool used to exchange information and provide positive views and valuable ideas in a project. Strong communication within the entire organization during the implementation process increases success for ERP implementation. It allowed the organization's stakeholders to understand the goal and the expected benefits of the project as well as to share the progress of the project.

#### 5. Education and Training.

Education and training are the process of teaching, transferring and developing in oneself or others, about any skills and knowledge that relate with specific useful competencies. According to Somers and Nelson (2004), training and education are very important when companies decide to implement an ERP system. In fact, the lack of training and education to users and misunderstandings in the use of enterprise ERP applications seem to be the two main reasons responsible for many ERP implementation failures in a company (Somers & Nelson, 2004). In ERP implementation, companies need a large amount of knowledge transfer as well as training to enable employees to solve problems. Problems that may occur in the system in the future. Umble et al. (2003) argued that if employees did not understand how an implemented ERP system works, then they were more likely to create their own processes, by running parts of the system that they should not be running (Umble et al., 2003). To make the training of system users successful, training should begin both before the implementation process begins and also after the system has been deployed (Umble et al., 2003).

## Research Method

This study used a qualitative research method. Qualitative methods have a purpose and seek to ideographically raise various phenomena and social realities. The purpose of using qualitative methods is because qualitative methods are believed to produce strong theories, in accordance with field reality and of course contextual and historical in nature. Qualitative research focuses on social phenomena through voting on participants' feelings and perceptions (Saunders et al., 2019).

Qualitative approach is considered suitable for use in this study, because with this method the researcher is expected to be able to reveal every meaning to the phenomena that occur in the field (Saunders et al., 2019). These phenomena can involve human attitudes and views so that these phenomena are more appropriate and appropriate to be studied using a qualitative approach. Moreover, the research is done by directly involved with the operational activities carried out by the company. With this condition, the researcher can have a close relationship with the key persons, which at the end makes it easier for the researcher to collect data and directly observe the company.

## Research Subject and Data Source

The location of this research is in PT Sumber Alfaria Trijaya, Jember, Indonesia. Located at Jl. Brawijaya, Tanjung, Mangli, Kec. Kaliwates, Kabupaten Jember, East Java, Indonesia. The subject of this research is the ERP software application namely "TAF" that is owned by PT Sumber Alfaria Trijaya.

As the name implies, the TAF application (Tax, Accounting, Finance) is an ERP application that is intended to assist a series of work in the TAF department or better known as the Tax,

Accounting, Finance department. In the TAF system, there are various types of modules/features that assisted the sub-departments within TAF, namely the Tax, Accounting and Finance sub-departments. In more detail, the TAF application has an end-to-end system with the company's business processes, which makes this application integrated with other business units that require data and information produced by the TAF department. Furthermore, data for analysis was taken from interview, documents and literature review. In-depth interview was conducted with eight key users of the TAF application at PT Sumber Alfaria Trijaya, Jember, Indonesia.

### **Data Analysis Technique**

This research used qualitative approach in analyzing the case. Thematic analysis is used as a way to analyze data with the aim of identifying patterns or to find themes through data that has been collected by researchers (Braun & Clarke, 2006). This method is a very effective method if a study intends to examine in detail the qualitative data that they have in order to find linkages between patterns in a phenomenon and explain the extent to which a phenomenon occurs through the eyes of researchers (Fereday & Muir-Cochrane, 2006). After data were obtained, the researcher analyzed the data. The steps in analyzing are started from data reduction, data model, until drawing and verifying conclusion (Saunders et al., 2019).

## **Results and Discussions**

### **PT Sumber Alfaria Trijaya Company Profile**

PT Sumber Alfaria Trijaya Tbk is one of the multinational retail companies in Indonesia. The history of PT Sumber Alfaria Trijaya began in 1989, which was pioneered by Djoko Susanto and engaged in trading and distribution, which then finally the company switched to the minimarket business in 1999. As one of the retail/minimarket companies in Indonesia, PT Sumber Alfaria Trijaya is growing rapidly every year, this is evidenced by the company's rapid growth which began in 2002 after acquiring 141 Alfa Minimart outlets and transforming the name of these outlets into "Alfamart".

To support the company's expansion in the future, PT Sumber Alfaria Trijaya conducted an Initial Public Offering (IPO) on the Indonesia Stock Exchange (IDX) and became a public company with the code "AMRT". In general, PT Sumber Alfaria Trijaya is a company engaged in managing a minimarket distribution network that sells basic daily necessities needed by consumers. Currently, with good capabilities and business expansion, PT Sumber Alfaria Trijaya became one of the largest retail/minimarket companies in Indonesia.

In 2014, the company carried out more massive expansion activities, in order to increase sales and the scope of the company's own business. In 2014, the company through its subsidiary Alfamart Retail Asia Pte Ltd established a joint venture by establishing Alfamart Trading Philippines Inc which is domiciled in the Philippines, with this establishment the company has officially started a retail business as well as market expansion in the Philippines. Until now, the company is also trying to develop business potential through business expansion in various other sectors, such as the field of courier services and packaging delivery, until online stores. This is expected to support the company's performance in the midst of intense competition in the retail minimarket industry in Indonesia.

PT Sumber Alfaria Trijaya managed to have more than 15,400 outlets spread throughout Indonesia. To support their operations and business processes run, PT Sumber Alfaria Trijaya Tbk has 32 Distribution Centers spread throughout Indonesia, one of them is located in the Jember area, East Java, Indonesia. PT Sumber Alfaria Trijaya Tbk Jember Branch has started its operations since 2012, and currently has operational area coverage in the Besuki Residency area, which is spread in the areas of Sidoarjo, Pasuruan, Lumajang, Jember, Situbondo, Bondowoso and Banyuwangi.

As a branch office that has operated since 2012, PT Sumber Alfaria Trijaya Jember has an organizational structure consisting of professionals who are competent with their fields. Until now the company has a number of departments that have different responsibilities in supporting the running of the company's business processes. One of the departments in the Jember branch office is the TAF Franchisee department. This department has the task to record, summarize and manage and control all financial transactions that occur during a period, whether it involves the company as well as the franchisee or the Alfamart retail store.

### **TAF Application**

The TAF application is one form of ERP application implementation in the company. The TAF application basically devoted to being able to be used by two main finance divisions owned by the company, namely TAF Franchisee and TAF regular. Since it was first used at the Jember branch office, the TAF application has helped the company's business operations a lot. That things in line with the company's and the developer team's consistency in updating and maintaining every feature in the TAF application every year. Based on the interview with Mr. TH, In 2016 the company migrated their TAF application base system, which was originally Oracle Discover to Oracle SQL. The Migration of the system is to make it easier for users to be able to use and maximize every feature that is available to run the company's business processes properly.

### **Functional Abilities**

As the name implies, the TAF stand for Tax, Accounting, Finance application is an ERP application that is intended to assist a series of work in the TAF department or better known as the Tax, Accounting, Finance department. In the TAF system, there are various types of modules/features that assisted the sub-departments within TAF, namely the Tax, Accounting and Finance sub-departments.

The TAF application has an end-to-end system with the company's business processes, which makes this application integrated with other business units that require data and information produced by the TAF department. The existence of various functions and features makes this application able to carry out various activities related to corporate finance.

TAF application divided into 5 features and functions. (1) The Master features that accessed only by the Manager to help with a series of validations and verification if there is a new store opening activity, etc. The sub features themselves consist of; Auxiliary App Master, PPH Master, PPH Tariff Master 23/PPH 25. (2) Transaction feature which was generally provided to record and carry out activities related to financial transactions. The Transaction Sub Feature consists of; Financial, Accounting, PLL, and Tax. (3) Process feature in which users usually input and post some of the necessary data such as transaction journals and some other data that will be processed by the system. The sub-system in this feature consists only "Posting Data" menu. (4) Utility features that users usually use it to help to speed up processes that have previously been run and check progress and fix it if there are errors. The sub-systems in this feature consist of; User, Cancellation, View Job, Update Tax Invoice Initial Number, Master Tax Invoice, and Data Transfer. Lastly, (5) Report menu that is generally used to validate, report the nominal and balance of an account for a certain period. The subsystems in this feature consist of; PLL, Accounts Receivable, TTF, FEE, Accounts Payable, Cash, Bank and Compare Data.

### **The Advantages and Disadvantages of TAF Application**

Basically, companies that use ERP systems hope that the system can help them to run the business processes that exist in a company. In its implementation, the ERP system did not always provide added value for the company, however in reality, there are many obstacles and shortcomings found in the implementation of ERP system itself. That things also in line with the use of the TAF



application in PT Sumber Alfaria Trijaya, which in the TAF implementation also found several main things, both advantages, disadvantages and obstacles in using the application. Based on the interviews, the TAF application five advantages, include: (1) An application that has been integrated with other company business units, (2) Has high work efficiency and effectiveness when compared to other systems, (3) Quite concise and the system is well structured. (4) Connect with the main database in real time and (5) User Friendly, where the user is greatly facilitated in running the features that exist in the TAF system.

On the other hand, the TAF application have four weaknesses. Firstly, the TAF system cannot detail the journal process carried out by the user. Secondly, servers are often overloaded. Thirdly, it was quite complicated to make corrections if there is an input error. Lastly it must be deleted and corrected manually one by one and cannot be done automatically and some features were found manually operated. The obstacles in using the TAF applications generally related to the server capacity provided by the company, because it is often at the end of the month users were busy putting all reports into the system, as a result of the TAF application would slowed-down and sometimes connection error.

### **Interface Design**

The interface design offered by TAF Application is not much different from other ERP based applications. When finished logging in to the TAF application, generally each user will be shown “workspace” that they can access later. The interface design of the TAF application is considered simple so that it was easier for users to run the application.

### **Research Analysis**

#### **Usage background**

As one of the multinational retail companies in Indonesia, PT Sumber Alfaria Trijaya tried to innovate and develop their accounting information systems to support their business processes. Therefore, the company decided to start using an ERP (Oracle)-based accounting system as a system to help carry out operational activities, especially in the company's TAF department.

The ERP system purchased by the company has finally been used by all branches in Indonesia, including the Jember branch. The Jember branch office has started using the TAF application that has been running for more than 9 years and started since the Jember branch was first established in 2012.

Mr. RRP as Manager of TAF Franchisee stated that as one of the branch offices with a fairly large area coverage in the East Java area, Jember Branch office implemented TAF application with the hope that the system could simplified and supported the business processes that run by the company specially for financial role. He explained that:

*“The goal is clear, making TAF as a tool to facilitate and support the company's business processes, especially in the financial sector, to save time in each process.”*

The company also did not randomly choose TAF application vendor. Based on the observations, the company collaborates with Oracle to produce specific TAF application. From this, it is known that the TAF system has many advantages that other systems did not have. This was in line with the statement form Mr. TH as the coordinator of the Jember accounting branch. He said that:

*“First, this TAF is produced by Oracle, which is one of the elite systems in Indonesia or even the world. Indeed, Oracle's financial reporting system is quite simple, easy and effective in its use, compared to other systems (MYOB, Zahir, etc.).”*

Thus, it can be understood that PT Sumber Alfaria Trijaya was seriously ran their ERP/TAF application. This is evidenced by the selection of Oracle as one of the partners which developed the TAF application. As is mentioned above, the selection of Oracle is not only due to

its good reputation but also the system built by Oracle was simple, easy and effective in supporting the business processes that run by the company.

## **Critical Success Factor of ERP Implementation**

### **Management commitment and support**

Management has always been an important and critical part in achieving a goal and implementing a project run by the company. In implementing the ERP system (TAF Application) at PT Sumber Alfaria Trijaya, it is known that Management Commitment and Support is one of the important factors that influence the success of the implementation and use of the TAF application. Mr. TH as the Accounting Coordinator stated that:

*“Management Support and Commitment in my opinion is very important, because me and my friends are users, meaning that to support a job, especially when there are additional modules and new features, the manager will usually be helped and supervised directly by the manager, so that finally we as users can understand faster, and help us in speeding up the completion of a job.”*

Based on interviews there were several forms of support and commitment given by the management team to support the successful implementation and use of the TAF application in PT Sumber Alfaria Trijaya at Jember. The supports given were firstly, helping and providing advice directly to solve problems when an error occurs when using the TAF application. Secondly, bridging and connecting internal divisions with IT and developers to support the ease of use of the TAF application. Thirdly, making policies to make closing easier when double inputs found and unbalance transactions in the TAF application at the end of the month.

Lastly, submitting input and feedback from users to the IT team at Head Office and providing education and direction on the use of new features in the TAF application.

Moreover, Mr. RRP emphasized that until now the management team continues to strive to provide commitment and support so that the TAF application in the future will be more perfect and can be maximized by users. He also emphasized that things have been done as much as possible, until the company must spend a large of CAPEX for developing and solving problems on the TAF application.

To support the successful implementation of the TAF Application at the Jember in the future, of course, more intense commitment and support from the Management is needed for users and the TAF application itself. Based on the interviews, the users expect some form of support and commitment which in the future is expected to be given, the forms of commitment and support includes: (1) Managers are expected to be able to ask person to person when problems are found during the use of the TA application. (2) Managers are expected to be more innovative to create new programs so that the use of TAF can be more effective. (4) Managers are expected to be striving for automation of every feature in the TAF application.

### **User Involvement**

In a project, user involvement is needed to support the success of a project. In ERP implementation in PT Sumber Alfaria Trijaya Jember branch, the user involvement factor is one of the main factors in supporting the successful implementation of the ERP system namely, TAF Application. In line with this fact, Mr. TH as the coordinator stated that:

*“User involvement is important, because so far users are usually the ones who directly feel the obstacles and shortcomings. So, from that we can provide input (feedback) so that the system works better and more optimally used by users to realize the goals of the company.”*

With the importance of the user involvement factor in the implementation of ERP in the company, it makes users aware and actively participated in providing input and innovated the TAF application system. Based on the interview, it was found that all the users interviewed had provided input and innovation regarding the development of the TAF application. The inputs and

innovations that have been given include: (1) Fixed some bugs on System, (2) Submission for server addition/upgrading and (3) Automation of some TAF application features which still manual. Moreover, several platforms/facilities were provided to collect suggestions and inputs given by users of the TAF application. Several containers are used by users to provide input, report problems and contribution to a new innovation for the TAF Application. The facilities include AHO system, "Innovation" Event, WA Group, Customer Service and Evaluation Questionnaire.

### **Hardware and Equipment**

Hardware and equipment became one of the important factors for the successful implementation of the ERP system in PT Sumber Alfaria Trijaya. This is because hardware and equipment would closely relate to the operation of using TAF application. So, at the end these supported technology contributed to the success of the ERP implementation.

TAF Franchisee Division Manager Mr. RRP explained that:

*"Hardware and Equipment is very important. As long as there is no good hardware and supporting equipment, it is clear that this will greatly hamper and reduce the effectiveness of using the TAF application."*

Two types of PCs were used for TAF implementation. Each has different specifications according to the year of PC procurement. The younger the year of procurement date, it can be ascertained that the specifications of the PC will be better. The younger PC is build with the current specification than the oldest PC, where the younger PC use Intel Pentium with 4GB Ram and 3.90Ghz CPU clock.

On the other hand, it was found that users used additional hardware's and equipment's to support the use of the TAF application. The additional hardware and equipment in the form of Wired Keyboard, Monitor, Laptop (Manager only), Mouse, Printer and UPS. The hardware and equipment above are considered by some users to be quite feasible, but for other users who were used PCs with a long procurement period felt that they are not optimally used the system when problems occurred. According to Mr. CB, there are at least minimum specifications that the company is expected to provide to run the TAF application smoothly, he explained:

*"For specifications that must be improved, I think one CPU package should be able to be upgraded for all staff, at least for the processor itself is Core i3, and a minimum of 4GB RAM, and the hard drive would be better to use an SSD"*.

### **Communication**

The purpose of communication is to distribute and transfer information between users so that they can be mutually useful to one another. Based on the results of interview, it was found that communication is one of the important factors that supported the successful implementation of ERP at PT Sumber Alfaria Trijaya, Jember. Mr. TH as the Accounting coordinator stated that:

*"Communication is important and influential, because it's not only us who understand the TAF system, there is an IT team here too, if there is an error in the system, it will usually be directly communicated to IT. On the other hand, cross-sub-departmental communication is also influential, because in accounting it is the central point that will collect various important information from other sub-departments, which will be processed into a financial report by the TAF application."*

Other informants stated similarly, they agreed that communication was the main important factors that will support the success of ERP implementation in PT Sumber Alfaria Trijaya, Jember Branch Office.

More clearly, one of the key person, Mr. HA, explained that communication has a vital role in the success of ERP implementation. This relates to what his day to day experiences. When a problem occurred, generally the user immediately communicated the problem to the relevant parties, so that it will not cause a fatal error. Communication is also very helpful in case of finding unmatching transaction during closing period, so that each user can ensure that the closing goes

well and in balance. Therefore, the importance of communication factor made users quite intense in conducting internal and cross-departmental communication.

A direct form of communication which each employee can communicate problems face to face, this form of communication is considered more effective and reduced the probability of miscommunication and misinformation. On the other hand, when dealing with colleagues in other branches or the Head Office, usually they used indirect forms of communication with chat and email.

### **Education and Training**

Education and training is one of the important and influential factors in ERP implementation in PT Sumber Alfaria Trijaya Jember. Generally, this education and training factor is related to several routine programs held by the company with the aim of providing understanding and socialization related to information and new knowledge of TAF application.

The role of education and training is vital for every user of the TAF application. Generally, apart from routine education provided by the company, incidental education such as when there is a new employee is also quite important. With the education and training provided, new employees can be more adaptive and quickly adapt to the workings of the TAF department, especially with regard to the use of the TAF application. MR HA as the key person at TAF division stated that education and training is become one of the key factors that will support new user to understand the system and know how to run the system and avoid from the error condition.

PT Sumber Alfaria Trijaya routinely provided education and training, both within a period of 6 months to once a year. On the other hand, the company also provided several forms of programs as well as educational and training facilities, with the aim of making it easier for users to understand the TAF application itself. There are five forms of educational and training programs run by the company that consists as (1) Zoom Education (Synchron): This educational activity is one of the routine activities held by the company and is attended by various users from all branch offices in Indonesia. Generally, this activity discussed several things related to the addition of new features and also tutorials on using these new features. According to the informant, this form of education makes it easier for them to update their knowledge regarding the TAF application. (2) Jember Branch Internal Education: Different from the previous national education program, this internal education is one of the programs owned by the Jember branch, with several main objectives, namely to provide education to new employees and develop knowledge regarding the TAF feature for all employees. (3) Modules and slides: The company also provided asynchronous educational media by releasing several modules and power-point files. Generally, these modules with slides were given together with the asynchrony Zoom program, but usually the contents of this module were more tutorial and detailed, so it is hoped that users can understand the use of TAF simply by reading the module and slides. (4) Training: Training is one of the activities specifically intended to be followed by Managers and Coordinators in the TAF department. This training is usually quite rare. Based on the interview, the last training was held in 2016, along with a significant change from the TAF application, which was originally based on Oracle Discover and eventually moved to Oracle SQL.

### **Conclusion**

PT Sumber Alfaria Trijaya has successfully implemented an ERP system under the name TAF application since 2012. Until now, the TAF application has succeeded in helping users to run business processes efficiently and effectively in accordance with the company's initial goal of adopting an ERP system. Moreover, with an on-point interface design as well as various features and functional capabilities it has, making the TAF (ERP) application had many advantages such as efficiency and performance effectiveness which is very beneficial for users, on the other hand there

were shortcomings and obstacles related to server and bugs in the system, of course it will affect the user experience of the TAF application.

In implementing the ERP system in PT Sumber Alfaria Trijaya, Jember, Indonesia. There are five Critical Success Factor that play an important role in the implementation of the ERP system in the company, namely Management Commitment and Support, User Involvement, Communication, Hardware and Equipment, and Education and Training.

Management commitment and support, communication and hardware and Equipment are the most influential factors that play an important role in the implementation of ERP systems in companies. These factors are known to have a significant impact in supporting the successful implementation of the ERP system in PT Sumber Alfaria Trijaya, Jember. However, the User Involvement factor as well as Education and Training are also considered to be quite important factors, both of which have a significant role in supporting the ease of using the TAF application and the development of the TAF application in the future, so that in the end it will be very related. With the successful implementation of ERP in the company.

Finally, five Critical Success Factors above have a close relationship between one factor to another. Therefore, by maximizing those five factors, PT Sumber Alfaria Trijaya Jember succeeded in implementing the ERP system in their company.

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