With the introduction of Enterprise Resource Planning (ERP) systems, business education has opportunities to break out of so-called academic "silos" like finance, accounting, marketing and operations, to teach students to take the big-picture view of how those functions blend together in business, and to learn how one discipline affects another and ultimately how they all impact the company.

**Business Scenario**

Pen, Inc. is a supplier of stationery items of various pens (Barrel, Premier, Promotion and click). The company has a single plant in the United States and the company operates under US chart of Accounts. The procurement division has a single purchasing group for its purchasing organization. Sales department has both wholesale and retail distribution channels and sells its products via a common division (general products). The plant is facilitated with the storage locations for Inventory and Quality inspection as well as a shipping point.

**Accounting vs. Business Processes**

- **Pre-Sales Activity**
  - Availability Check
  - In Inventory
- **Sales Order**
  - Purchase Requisition
  - Purchase Order
- **Delivery**
  - Goods to Delivery
- **Billing**
  - Invoice Receipt
- **Accounts Receivable**
  - Accounts Payable

**Financial Accounting Concepts**

- Assets = Liabilities + Paid-in Capital + Retained Earnings
- Dr = Cr
- + = -
- Revenue - Expense
- Sales Order Entry
- Check Availability
- Run MRP
- Purchase Requisition
- Purchase Order
- Goods Receipt
- Invoice Receipt
(ERP) System Integration
Technology, Missouri University of Science and Technology, Rolla, MO 65409

Order to Cash Cycle Transactions

Sales Order Entry
Check Availability
Run MRP
Purchase Requisition
Purchase Order
Receipt of Payment
Invoice Customer
Post Goods Received
Pick Materials
Payment to Vendor
Invoice Receipt
Goods Receipt

Procurement Process

Sales Order Process

To be successful
... students learned ...
... to be proficient in technical ERP (e.g. SAP) operations in order to manage end-to-end production of products, from purchasing raw materials to choosing the distribution channel.
... to integrate knowledge from accounting, finance, operations, economics, marketing and management in order to evaluate market fluctuations, consumer behavior, and market reactions.
... to master management skills, teamwork, and human behavior in order to have a well-coordinated high performance team.
... to have good oral and written communication skills to dissipate their performance results.

Tracking Financial and Non-Financial Impact for Each Process

Tracking Financial Impact
Non-Financial Impact
Business Processes Impact

Sample Assignments

Bring Managerial Relevance into Financial Accounting

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