

Evaluation of Real Situation of Enterprise Resource Planning In Vietnam

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Abstract:

The paper conducts an analysis and assessment of the current situation of enterprise resources in the context of international economic integration today. Assess the current situation of Vietnamese enterprises practicing and applying enterprise resource planning. From there, we make the advantages and disadvantages of the system and make recommendations for business administrators.

Keywords: Enterprise resource planning, Vietnam.

1. Introduction

Enterprise resource management (also called Enterprise resource planning (ERP) for English) is a widely used term with two approaches: from a management perspective. and on a technical perspective.

From a management perspective, enterprise resource management is a business management model that includes business processes deployed on applications that integrate data from every unit of the enterprise to collect and store. , manage and display information of enterprise resources in real time, in order to help business operations be smooth to meet short-term and long-term goals of the business (Wallace and Kremzar, 2001).

Enterprise resources are physical resources to develop such as natural resources, capital, ... broadly, enterprise resources include all potentials, physical advantages and non-material to serve. A certain purpose (Kotler, 2003). Enterprise resources are the ability to provide the necessary elements for the process of existence and development of enterprises. The main resources of the business are: human (human), material (machinery and equipment), financial (financial), technology, customer, and business processes (Wallace and Kremzar, 2001). From a management perspective, Wallace and Kremzar (2001) think that enterprise resource management (ERP) is not a software; instead, information management software in enterprises is described by terminology of enterprise information systems (Enterprise system - ES). Enterprise resource management (ERP) is a complex and integrated system of business processes to help businesses achieve long-term goals (Boubekri, 2001).

From a technical perspective, enterprise resource management (ERP) is considered to be the most innovative enterprise information system (Al-Mashari, 2002), enterprise resource management (ERP) is defined as a Development software products integrate all processes and data in a system (Klaus et al., 2000; Koch, 2003), or enterprise resource management (ERP) is a "basic element". infrastructure "provides business solutions that help businesses perform operations more effectively (Klaus et al., 2000).

The common and widely cited concept of enterprise resource management (ERP) is: enterprise resource management (ERP) is a business software package that allows businesses to automate and integrate most of them. common business processes, data sharing and operations throughout the organization (Hoch and Dulebohn, 2012). Enterprise resource management (ERP) is also known as an integrated management system and is defined as a set of integrated software modules and a centralized database that allows data sharing for multiple processes. Different business in business organization (Tran Thi Song Minh, 2012).

In this study, we approach enterprise resource management (ERP) from the perspective of managing ERP enterprise resource management software systems. Governance applications and application of enterprise resource management are activities including planning, operational deployment, management and development of ERP software systems. Thus, enterprise resource management (ERP) applications are not merely buying software, installing and operating on computer networks, but also including standardizing, unifying and integrating business processes. data, and enhance collaboration between people and machines.

2. Literature review

Based on the tools used in enterprise resource management, we divide the enterprise resource management models into 3 levels as follows:

- Paper-based management: Enterprise uses papers, invoices and books to manage resources. The data of the enterprise is recorded manually, discrete, no system, difficult to control, difficult to access, prone to errors in the storage process, and very long reporting time. Administrators take a long time to retrieve information and make administrative decisions. This model is applied in enterprises that follow traditional methods, not applying information technology and e-commerce. Small or super small scale businesses, not many transactions have arisen. However, when the enterprise has many transactions, the size of the enterprise is larger, requires information about resources that need to be updated fully and quickly, this governance model does not meet the requirements.

- Enterprise resource management on computers (computer-based management): enterprises use excel software or individual software to manage resources. The data of the business is entered into the computer, but the input process can take place many times in separate parts, without sharing or connecting data, so that errors can still occur. Administrators have difficulty in summarizing information, making reports, planning and making decisions. This model exists in new enterprises applying information technology and e-commerce in phase 1 and phase 2 - information and electronic commerce transactions (Nguyen Van Hong and Nguyen Van Thoan, 2013). The software applied to the enterprise is of a single nature, serving for an enterprise's management activities such as accounting software, warehouse management software, sales management software.

- Enterprise resource management using ERP software: this is a management model based on overall system analysis, allowing the operator to manage and use the company's resources most effectively, helping managers can predict and balance supply and demand (Wallace and Kremzar, 2013). This model is applied in enterprises applying information technology and e-commerce in phase 3 - collaborative e-commerce (Nguyen Van Hong and Nguyen Van Thoan, 2013). An enterprise applies high-level information technology to all business activities of the enterprise, integrating the common functions of an enterprise into a common system. This means that instead of using individual software such as accounting software, human resource software - wages, production management, sales management, individual warehouse management, the independent system ERP enterprise resource management software bundles it all together into a single software package that the modules are closely linked.

The research of Wallace and Kremzar (2013) also shows that enterprise resource management (ERP) provides forecasting, planning and planning tools for enterprises, including:

- Linking customers and suppliers to a complete supply chain,
- use processes to make decisions
- coordinate sales, marketing, operations, logistics, procurement, finance, product development and human resources.

3. The situation of Vietnamese enterprises and retail market in the context of competition and innovation of growth model

Since January 2015, Vietnam has fully opened its retail market under its WTO accession commitments, allowing the establishment of wholly foreign-owned retail companies, and in 2018, Vietnam also removed its reimbursement. all barriers on import tax for businesses of 10 ASEAN countries (Thu Hoa, 2018). With a population of more than 90 million people, GDP growth of 6.8% in 2017, improved income per capita, expanded modern retail channels, Vietnam is considered an attractive market in Vietnam. eyes of foreign investors. The major retail groups AEON (Japan), Lotte (South Korea), Central Group (Thailand) ... with investment activities, mergers and acquisitions headlining into Vietnam on the one hand bring to many choices for customers, on the other hand makes competition in the market increasingly fierce. As of 2017, it is estimated that there are 958 supermarkets, 188 shopping centers, 8,580 traditional markets and about 2.2 million active retailers, including convenience stores. Benefit has the greatest potential for growth due to low investment capital, simple business registration procedures, and quick capital recovery (Thu Hoa, 2018; AtKearney, 2017). According to the results of the 2017 General Statistics Office of the General Statistics Office, as of January

2017 in Vietnam, there were more than 184,941 enterprises operating in the wholesale, retail, repair of motor vehicles and motor vehicles. Other engines (code VSIC: G), out of 464,953 enterprises nationwide, account for nearly 40% (Thu Hoa, 2018).

Large Vietnamese retail enterprises that previously occupied the majority of Vietnam's retail market such as Vinmart, Fivimart, SaigonCoop, SatraMart, Hapromart ... are now gradually narrowing the playing field with foreign retail businesses. Specifically, according to AtKearney's statistics, by January 2018, Family Mart (Japan) has 166 stores in Vietnam and is expected to open 700 more stores by 2020; 7-Eleven's other Japanese convenience store chain entered the Vietnamese market in June 2017 and opened 11 stores, and plans to open 100 stores in the next three years and 1,000 stores in the past decade. next century; Lotte Mart supermarket chain and shopping center (South Korea) intends to open 60 stores in Vietnam by 2020; GS25 (Korea) opened a store in Ho Chi Minh City at the end of 2017 and is expected to open 2,500 stores within 10 years (AtKearney, 2017).



Figure 1: Convenience store chains in Vietnam (January 2018)

Source: ACBS, 2018

Major mergers and acquisitions (M&A) have taken place in the Vietnamese retail market in recent years, including the deal of Berli Jucker Group - BJC (Thailand) spent 655 million euro to buy back the entire Metro Cash & Carry retail chain of Vietnam; Central Group (Thailand) has acquired a 49% stake in Nguyen Kim electronics supermarket chain, and annexed the entire Big C supermarket chain for more than 1 billion USD (Thu Hoa, 2018). On the domestic side, typical M&A deals such as Vinmart (belonging to VinGroup) acquired the supermarket chain Oceanmart and Vinatextmart, Mobile World acquired Tran Anh.

In the field of online retail, 75% of Vietnam's e-commerce market share is concentrated in two big cities, Hanoi and Ho Chi Minh (Vecom, 2018). The value of the online retail market is estimated to reach US \$ 9 billion in 2018 and is expected to grow by 20-30% in the coming years (Vecom, 2019). The big businesses in this field are Lazada, Tiki, Shopee, Sendo, Adayroi. The online retail market also witnessed big investment, mergers and acquisitions such as the deal of Alibaba (China) to buy Lazada.vn, Central Group (Thailand) to buy Zalora.vn and JD (China). buy 22% of Tiki.vn, Tencent (China) buy 40% of Shopee (Thu Hoa, 2018).

According to estimates of the Hanoi Supermarket Association, about 50% of Vietnam's retail market share belongs to foreign businesses, but in reality this figure is expected to be even higher, and in the near future the operation of the Vietnam's domestic retail businesses will be further narrowed (Thu Hoa, 2018). This is really a worrying figure as Vietnamese retail businesses are gradually losing market share in the domestic market, requiring Vietnamese retail businesses to make breakthroughs in their business strategies. If not want to disappear in the market.

Vietnam's retail market can be divided into 6 distribution channels according to specific characteristics, including: Big Supermarkets, Supermarkets, Shopping Centers, Shopping Centers, Convenience Stores and Stores specialized.

Big supermarket (hypermarket) is a large open retail location in terms of business area and number of products (food & non-food). Some examples of hypermarkets are: Co.opmart, Vinmart, Lotte. Supermarkets in

Vietnam provide similar goods and services. There are places that issue loyalty cards for you to earn points and get a discount for the next purchase.

The mall sells expensive items but designer clothes, branded shoes and high-end electronics. Parkson and Diamond Plaza, Vincom are the most popular places in Ho Chi Minh City. In Hanoi, there are Vincom, Trang Tien Plaza, Grand Plaza, The Manor and Parkson.

Shopping center is a new concept in Vietnam, which includes hypermarkets, supermarkets, department stores, cinemas and specialized stores. Lotte Mart & The Crescent Mall in District 7, Ho Chi Minh City can be considered as a "standard" shopping center. The convenience store chain system serves daily needs for sundries, and can be found on every street. You can easily buy a bottle of water or toilet paper, shampoo, paper towels and many other items.

Convenience store chains in Vietnam are competing with street stalls and traditional markets; Co.opFood chain stores, belonging to the chain of stores of Saigon Co.op, G7 Mart and Shop & Go can be counted as convenience store chains. However, it is the little-known convenience stores that represent the majority of the handy retail market in Vietnam.

Specialized stores are stores that sell a certain type or group of products. These stores may be scattered throughout the city, or the provincial capital, but often clustered. For example, shops selling fashion clothes on the street or areas selling construction materials and interior decoration. And it is also the new stores that are the largest suppliers and intermediaries in the retail market from perfumes, mobile phones, other drinks to cars and construction materials (except excrement. handy track and food).

On the legal and technological infrastructure for IT application and e-commerce in general, in Vietnam, the government and state management agencies, strategic planners and the whole society have initially taken steps. raise awareness about the importance of these infrastructures (Tran Van Hoe, 2008). In addition, the State and regulatory agencies have also implemented training programs, and recruited specialized staff to manage e-commerce activities and support businesses (Nguyen Thi Mo , 2006). These are favorable conditions for Vietnamese enterprises to enhance IT application in general and enterprise resource management in particular.

Facing the requirements set out in the policy of renewing the growth model, restructuring the economic sectors, the retail industry in Vietnam has made profound changes, with great changes between the distribution channel structure. and the labor force in retail. In the period from 2010 to present, there have been big changes in the market following the trends of modern retail channel development, especially online and multi-channel retail. The modern retail market share in Vietnam is expected to increase from 25% (2015) to 45% in 2020, the value of online retail in Vietnam will reach 4 billion USD in 2017, and is forecasted. will grow by 20-30% in the coming years (Vecom, 2017). Online retail tools that have been used by a large number of Vietnamese retailers include selling on websites, webshop, social networks, blogs, e-marketplaces with examples such as Adayroi of VinGroup and the World. Mobile, Nguyen Kim ... Businesses are also actively bringing new experiences to customers through promoting new ordering and e-payment methods on smartphones and mobile devices

4. Current situation of ERP application in Vietnamese retail businesses

4.1. Scale of ERP application in retail businesses

Large retail businesses in Vietnam soon learned about ERP human resource management software and deployed it for more than 10 years. Among them, there are typical retail enterprises that have pioneered ERP implementation such as SaiGon Co.op in 2005, invested 1.5 million USD for ERP software of two foreign suppliers, Oracle. and JDA to modernize the entire business operation of the Co-opMart system. In 2014, the ERP project of SaiGon Co.op went into phase 2 with a cost of 2.5 million USD to upgrade and update management software tools throughout the system with the latest version, bringing many applications into. to connect with the whole system and proceed to connect with suppliers, shorten the problem of ordering, purchasing, monitoring. In addition, retailers in Vietnam soon deploying ERP enterprise resource management applications, including Mobile World Joint Stock Company, which has implemented ERP software since 2007, Cho Lon Electronics started. SAP ERP project since 2009, Nguyen Kim Commercial Joint Stock Company has been implementing SAP ERP project since 2011, Tran Anh Digital World Joint Stock Company has started to

launch a project to implement a joint resource management system. Oracle Enterprise (ERP) in 2011, upgraded from the ERP system that the company built in 2007.

Vietnam's retail market is making positive changes in the transition to modern business models such as online retailing, omni-channel retailing, retailing at major shopping centers, hypermarkets, modern convenience stores. This is the foundation for Vietnamese retail businesses to actively promote the application of information technology and specifically ERP enterprise resource management in retail management activities. With positive changes in business model, business process towards modernization, it will help Vietnamese enterprises to have favorable conditions in deploying management software such as ERP.

In this segment, the application of modern management technology is very limited, so, according to a survey of the Vietnam E-Commerce Association in 2017, only about 11% of wholesale enterprises / retail has ERP application:

Vecom's survey results show that the majority of Vietnamese retail businesses only use accounting and financial software with 89% of the respondents using this software. And specialized software such as supply chain management SCM, CRM customer relationship management, or enterprise resource management ERP is very limited. In particular, in terms of scale, only 9% of small and medium enterprises have implemented ERP software, 38% of large enterprises participating in the survey have applied ERP software in enterprises. Thus, from a management perspective, Vietnamese retail businesses have not implemented widely ERP enterprise resource management solutions.

ERP solution providers in retail sector in Vietnam

The market of providing ERP solutions in Vietnam is very vibrant and there are many choices for retail businesses. Specifically, the leading ERP enterprise resource management software providers in the world such as SAP, Oracle, IBM, Infor ... were soon available in Vietnam. These vendors have many years of experience in consulting and implementing ERP projects, enabling retail businesses to have more choices of solution providers and take advantage of deployment experience. In addition, the software vendors have quickly grasped the needs of enterprise retailers' ERP management software for Vietnamese retailers, so they have come up with suitable and customized solution packages based on business characteristics. the size and size of retail businesses in Vietnam. Meanwhile, domestic software companies are also actively involved in this field, and have launched many products to the market, including: FPT, Lac Viet, Sao Khue, HPT Soft. In addition, e-commerce solution providers such as DKT, VNP have also been actively improving sales management software such as Sapo, Nhanh.vn for small and medium enterprises, specialized stores. utility, convenience store. This increases the opportunity to choose an enterprise resource management solution (ERP) for businesses from large, medium and small scale, and very small.

In order to improve efficiency and productivity, create a strong resource and competitive value in the market. Currently, there are many ERP vendors in Vietnam with their own advantages and characteristics. Vietnam is one of the developing countries with countless small and medium enterprises and large multinational companies. Therefore, ERP software types are quite developed and businesses pay attention to when choosing ERP software to serve in the organization and management of the company. Since then, in order to improve efficiency and productivity, create a strong resource and competitive value in the market.

Currently, there are many ERP vendors in Vietnam with their own advantages and characteristics. Currently, ERP vendors in Vietnam are providing two main groups of ERP software, domestic and foreign. In particular, domestic ERP software in Vietnam is quite suitable for ERP models for small and medium enterprises. One of the strengths of the domestic ERP system is that there are accounting software, timekeeping software that are compliant with the "pure Vietnamese" standard due to the continuous change of the circulars and provisions issued by the State. promulgate; As for foreign software, you must pay attention to the cost of copyright, the cost of consulting and implementing ERP software and the time and effort to deploy the model.

Besides, foreign ERP software is also very expensive, the cost to deploy a foreign ERP project is several hundred thousand dollars. The biggest advantage of foreign enterprise resource management (ERP) model is to be used with a standardized model because it is manufactured on high-tech production lines. These are some of the most popular enterprise resource management (ERP) software such as Odoo ERP, KIU ERP, Misa ERP,

Fast ERP, despite the different names and delivery. The appearance or function of these software may vary, but most of the erp providers in Vietnam have designed ERP to support the philosophy of business, timekeeping, and financial software. Thanks to the sales software, the accounting software.

When choosing ERP enterprise resource management software providers in Vietnam, businesses should pay attention to choose reputable units, have experience in providing ERP solutions for businesses and have received high appreciation. of those businesses. At the same time, it is advisable to choose companies that provide ERP software with a long-term support policy.

4.2. Situation of application of enterprise resource management (ERP) in some retail businesses in Vietnam

4.2.1. Current situation of successful application of enterprise resource management (ERP) at Ho Chi Minh City Union of Cooperatives Ho Chi Minh City (Saigon Co.op)

Starting its business in 1989, Ho Chi Minh City Cooperative Trade Union - Saigon Co.op with 2 functions of direct business and organizing the movement of cooperative movement. Saigon Co.op is a cooperative economic organization based on the principle of establishing collective ownership, self-control and self-responsible production and business activities. Co.opmart is a familiar brand of city dwellers and consumers nationwide. A reliable shopping place for consumers.

From the perspective of consumers, Saigon Co.op's modern retail business brands are familiar to all classes of customers from affordable to high-end. These include: Co.opFood chain store, Co.opMart supermarket chain, Co.opExtraPlus supermarket chain (joint venture with NTUC FairPrice-Singapore), Sense City Shopping Mall chain and Vivo City high-end Shopping mall chain (joint venture with MapleTree-Singapore).

2) Application model of enterprise resource management (ERP) at Saigon Coop

The pioneer of ERP implementation in the retail industry was Saigon Co.op when in 2004 reached out to two foreign software providers, Oracle and JDA. Most domestic retailers at that time did not dare to immediately invest this package because the minimum cost was not less than one million USD. Saigon Co.op, when deploying the system, chose two different suppliers, Oracle and JDA, with a total cost of up to US \$ 1.5 million.

By 2015, Sense City shopping center chain management unit is confident in having a management tool called ERP-Symphony provided by Vu Thai Duy Software Company Limited (VTD Company). According to the contract signed on September 28, 2015, VTD Company provides and implements ERP-Symphony management system for Sense City Chain including Head Office (SCID Company Office - Sense City chain management unit) and Sense City members, firstly, Sense City Can Tho and Ben Tre Sense City. ERP-Symphony of VTD with a line of solutions specific to the Mall chain named ESS-DStore includes typical modules such as:

- Leasing Space Management (Leasing Space Management): allows administration and control of the entire business leasing space of the department store;
- Leasing Contract Management: provides tools to manage the entire leasing activity, including fixed lease and / or revenue sharing leasing;
- POS system: management and operation tools in business areas in the shopping center including: shop tenant area (POS Tenant), self-service area (POS Retail) and food court (POS FoodCourt);
- Subsystems related to customer care and development such as Promotion Management (Promotion Management), Customer and Membership Management (CRM), Offer Management, Coupons (Gift Voucher, Coupon);
- Purchasing Order Management: allows to perform multi-step purchasing operations, from planning to buying, ordering suppliers, importing and returning goods, ...;
- Sales Order (Sale Order Management): Implementing and controlling the entire process of wholesale activities (wholesale);
- Complete warehouse management (Inventory Management);
- Financial management modules (Financial Management) such as Receivables Management (AR-Accounts Receivable), Payables Management (AP-Accounts Payable), Money Management (CA-Cash

Management), accounting Fixed Asset Accounting (FA-Fixed Assets) and General Accounting Management (GL-General Ledger).

The concept of Co.opmart chain was started to build with the strategy: Building Co.opmart to become the leading supermarket chain in Vietnam. With the aim of diversifying the modern retail model, aiming to exploit all customer segments, on January 9, 2014 Saigon Co.op announced Sense City Shopping Center model. Sense City shopping centers with the scale of the area and the variety of goods as well as the selection of appropriate brands are expected to best meet the shopping needs of consumers, especially with customers. have average and good income in urban areas.

iii) Requirements of a competitive business environment and innovation of growth model

In Vietnam, the retail market is in more fierce competition than ever. It can be seen that retail businesses need to have sudden changes in resource management in order to survive on the "home ground" in the context of competition and innovation of growth model in the direction of innovation. and technology.

iv) Business value of ERP application brings Saigon Co.op.

The investment of ERP-Symphony management system is considered to be in the right direction and suitable for the business models of Saigon Co.op. For 12 consecutive years, Saigon Co.op has always held the title of No.1 Retailer in Vietnam, Top 500 leading Retailers in Asia-Pacific region. The ERP system helps Saigon Co.op achieve the goal of diversifying its modern retail model, aiming at tapping all customer segments. The upgrade of ERP system helps businesses adapt to market changes, adapt to new competitive situations. The business results that Saigon Co.op achieved were the record revenue of VND 1,000 billion per week, continuously for 8 consecutive weeks on the occasion of the New Year 2019. Saigon Co.op's business network was expanded to more than 100 Co.opmart supermarkets, bringing the total number of nationwide selling points of Saigon Co.op to more than 650, welcoming more than 1 million customers to visit and shop every day in 2018. Saigon Co.op is also rated Price is a pure Vietnamese retailer with the most retail models today, covering most of the customer segment of the Vietnamese retail market and covering over 43 provinces and cities nationwide.

4.2.2. Status of successful application of enterprise resource management (ERP) at Nguyen Kim Trading Joint Stock Company

Founded in 1992, the first step of Nguyen Kim was a Electrical - Electronics - Refrigeration shop in District 1 Ho Chi Minh City. With a strategic business vision in the direction of applying multi-channel retail and e-commerce, Nguyen Kim has become one of the No. 1 retail brands in the Vietnamese market. The strength of Nguyen Kim is genuine quality products, specialized in each department, professional management with a skilled technical team, serving the reputation to meet the different needs and needs of customers. line.

Since its establishment, Nguyen Kim has constantly grown and continuously developed not only in size but also aims to become the number 1 company in Vietnam in the field of multi-channel retail and retail. , giving customers the experience and quality service.

2) Application model of enterprise resource management (ERP) at Nguyen Kim

In the period of 2011-2015, in parallel with the continued development and expansion of shopping centers towards complex centers, Nguyen Kim also focused on improving the management system through the signing of cooperative cooperation contracts. Strategies with Deloitte Consulting to deploy the world's leading ERP solution SAP for the entire operation of the Company.

It can be said that in the context of economic difficulties, the decision to invest in SAP system with a cost of millions of dollars in the period of 2011 - 2015 shows the vision and bravery of Nguyen Kim's Board of Directors as well as strong financial strength of the Company, turning difficult times into opportunities to prepare a solid foundation for strong future development, ready for acceleration and development.

The profit margin of the electronics retail business is not high (about 10%) and the only solution to survive is to expand the scale. While other consumer electronics retailers in the market such as Pico, Thien Hoa, Tran Anh, dienmay.com ... seem to be hesitant to expand scale throughout Vietnam at a very difficult time in the market. In the school, Nguyen Kim solved the conundrum of this problem very early.

Financial potential is one of the reasons for Nguyen Kim's expansion in the whole territory. Nguyen Kim's strategy of successful expansion is the accumulation of 5 elements: a long-standing brand, cash flow, a trendy model, service quality, and a management system. First, do not discuss the brand value of a pioneer enterprise in the market like Nguyen Kim.

Nguyen Kim's business model with the experience of organizing the world's leading retail models such as Bestbuy, Yamada ... to pioneer the application of this modified modern model has created a penny New shopping directions for Vietnamese consumers. Accordingly, Nguyen Kim covers 6 important categories: electronics, refrigeration, household appliances, informatics, entertainment and telecommunications, in addition to food and entertainment services. Nguyen Kim is also supported effectively by prices and promotions of major manufacturers such as Sony, Toshiba, Panasonic, Samsung, Daikin, Philips, LG, Electrolux, Nokia, HP, and Intel.

iii) Requirements of a competitive business environment and innovation of growth model

In addition to the elements of the competitive environment and the growth model innovation in Vietnam analyzed above, Nguyen Kim has to compete fiercely with not only domestic retailers but also face pressure from foreign retailers. In addition, expanding the market throughout the country also pressures businesses from customers with differences in regional cultural factors in Vietnam. However, although a modern model, competitive prices will not be successful without good service and modern management system. Many retailers in different fields have failed after encroaching on a non-forte market. Their failure is largely due to unconvincing consumers, especially with the characteristics of the service - serving the retail industry. This has also put considerable pressure on Nguyen Kim and domestic retailers trying to compete in the domestic market.

Nguyen Kim has proven the value of strategic accelerating businesses, especially in the context of economic fluctuations and pessimism in recent years. The company has been continuously in the top 3 leading retail brands in Vietnam since 2012 and top 500 leading retailers in Asia Pacific by Retail Asia Magazine and Euromonitor Company. Nguyen Kim owns large standard premises (over 3,000 m² / center with investment cost of VND 50-200 billion depending on the center), anywhere in Vietnam's major cities, annual revenue nearly 10,000 billion. The integrated omni-channel retail system of Nguyen Kim thanks to the ERP system and warehouse system nationwide can deliver goods within 4 hours after customers order online (Nguyen Thu Thy and Cao Dinh Kien, 2017).

ERP system helps Nguyen Kim achieve the goals of a business strategy that aims to create a flat, open and cohesive environment, unleashing its capacity and creativity to develop careers for all members. Harmonious combination of fast and sustainable development for each shareholder's capital. This is entirely in line with the trend of innovation, technology and sustainable development - the goals of growth model innovation in Vietnam.

5. Conclusion

5.1. *These achievements*

The three biggest achievements in the application of ERP enterprise resource management in Vietnamese retail businesses are: the big retail enterprises in Vietnam that have implemented ERP for more than 10 years, the market providing vibrant ERP solutions and choices, and the Vietnamese retail market is making positive innovations to modern business models that facilitate ERP implementation.

The typical feature of the retail industry is that there are always many branches and lists of goods up to tens of thousands of categories, a business area of thousands of square meters spread across many areas ... The more the system is expanded, the more That number continues to increase, making the management extremely difficult. Foreign retailers such as Big C, Parkson, Lotte Mart, etc., when they enter Vietnam, are transferred the ERP management system from their parent company. This is really a challenge for domestic businesses because foreign retailers who already have the advantages of brand, capital, experience ... are equipped with modern management systems, just like "tigers." add wings ". It is this competitive pressure that promotes domestic retail businesses to urgently apply ERP in management. Domestic retailers expect that the application of ERP will help cut costs, improve professionalism, ensure uniformity in the system ... In other words, ERP is considered as a tool to improve capacity. competition of retailers.

Results of expert interviews show that domestic retailers identify the results achieved when applying ERP to reduce costs, improve professionalism, ensure uniformity in the system ... In other words, ERP It is considered as a tool to help improve the competitiveness of retailers. Through the ERP system, managers can immediately know how many items a day nationwide supermarkets have sold, how much profit has been earned, how much inventory has been made, which items need to order or need promotions to reduce inventories ... This information is especially important for retailers trading high-tech items that do not allow inventory periods to be too long. A powerful tool to help administrators update information promptly is the enterprise's overall management software system (ERP - Enterprise Resource Planning).

5.2. Difficulties, inadequacies and causes

However, with the fact that the majority of Vietnamese retail businesses only use accounting and financial software (89%), from a management perspective, Vietnamese retail businesses have not widely implemented the solution. ERP enterprise resource management. The information technology infrastructure is still limited, business and management habits still follow the old method, many enterprises still do not have the strategy to apply information technology and e-commerce in enterprises. leading personnel leads to limitations in ERP application in Vietnam today. In addition, the limitations of retail businesses' access to technology, human resources, financial capacity, investment capital scale for IT, and security and risk concerns The reason leading to the low rate of enterprises applying ERP.

In addition, ERP application is an operation not easy to succeed immediately, many businesses fail and give up when deploying ERP and return to the enterprise resource management model on paper or on excel. For many of the reasons for the failure to implement ERP in retail businesses, it can be attributed to corporate awareness. Many people believe that ERP will solve all problems of businesses. This is completely wrong because it is essentially a software, a tool to record, reflect, process and analyze data, cannot completely replace human. ERP only helps managers have a basis for making decisions for the operation of their business. Experts say: in order to apply ERP in successful retail systems, the most important thing is that businesses must have human preparation, from awareness to qualification and build standard working processes. toner at the business.

Some of the main reasons leading to the application of enterprise resource management (ERP) in Vietnamese retail businesses have not been disseminated are:

- Firstly, limitations on technology infrastructure: in many retail businesses, there are many expensive systems, installed with configuration to ensure maximum operation at the time required, but in fact, they are disjointed, not connected with each other and exploited at variance with the permitted capacity. This is the main reason leading to the failure to deploy ERP enterprise resource management applications in many retail businesses.
- Secondly, limitations on business processes: the accounting system and business processes of Vietnamese retail enterprises compared to the processes and ERP systems of foreign suppliers are much different, leading to When applying foreign solutions, it will take a lot of time to customize accordingly. This has led to Vietnamese enterprises still struggling and selecting consultants to implement ERP projects accordingly. There is also the reason that the capacity of the ERP software deploying unit in Vietnam is weak.
- Thirdly, limited human resources: in Vietnam, the number of good experts in the field of ERP is too small and not all suppliers have good experts. To deploy an ERP system for an enterprise, 80% of the workload is consulting and only 20% of the workload is technical work. However, most of the ERP implementation companies in Vietnam currently do not have much experience, weak human resources, and insufficient reputation, their consultants are just at the level of implementation. , lack of ability to advise customers on business processes. In addition, ERP applications do not help retail businesses can cut significant staffing but only help better management, workloads can be faster and more accurate. However, many retail businesses think that technology can completely replace people and when deploying projects, they will reduce staff, or not invest appropriately in human resources for deployment, operation, and management. ERP management makes it impossible for an ERP project to succeed.
- Fourthly, limitations on financial capacity: The investment capital for ERP implementation is often relatively large, which many Vietnamese retail enterprises are still afraid of. Some domestic enterprises that are leading

the application of ERP in management have not achieved the desired results, creating skepticism about implementation for other enterprises.

- Fifth, limited awareness of business leaders: the application of enterprise resource management (ERP) requires changing the working mindset of every position in the enterprise, so it takes time to transform. awake. Therefore, the application of enterprise resource management (ERP) not only requires high determination of the leadership, but also the unified implementation of all employees in the enterprise, and this is not always achieved.

The application of ERP to management is an inevitable trend in the near future in the retail industry in Vietnam. However, the challenges and challenges from many sides make many Vietnamese retail businesses still confused with ERP even though the benefits of management application are clear. In the current fierce competition, foreign competitors have taken a big step when successfully applying ERP for many years, putting significant pressure on Vietnamese retail businesses.

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