

ABSTRACT

Performance assessment of a company is measured because it can be used as a basis for decision making both internal and external parties. The company's financial performance is a description of the financial condition of a company that is analyzed by tools of financial analysis, so it can be known about the good or bad of the company's financial condition. Company performance can not be separated with company capability. Capability basically illustrates the ability of a company to use its resources to produce products in the form of goods or services. In entering the Era of Industrialization, its achievement is determined by the mastery of technology. Implementation of information technology can be the use or implementation of a software. Enterprise Resource Planning (ERP) system is the core software program used by companies to integrate and coordinate information in every business area. The purpose of this study is to determine whether there are differences in company financial performance and capabilities between before and after the implementation of ERP.

This research uses liquidity ratio, solvability ratio, and profitability ratio to measure the company's financial performance. While the company capability viewed with 3 dimensions: operating capability dimensions measured by Operating Profit Margin (OPM) and Operating Income Return on Investment (OIROI); marketing capability dimensions measured by Sales Growth (SG); and financial capability dimensions measured by Current Cash Debt Coverage (CCDC).

The population used in this study is a company listed on the Indonesia Stock Exchange (IDX) and implemented ERP, in the period of 2008-2016. The analytical method used is paired sample t-test using SPSS application.

After ERP implementation, the value of each ratio used as indicator to measure the financial performance and capability of the company fluctuated, not likely to always rise or always fall. However, if viewed from the value of rupiah on each company account used as the basis to calculate the ratio, the value of the rupiah after the implementation of ERP tends to rise compared before the implementation of ERP.

The company's financial performance seen from the liquidity ratio and solvability ratio there is no significant difference between before and after the implementation of ERP, but seen from the profitability ratio there are significant differences. Company's capability seen from operation capability dimension that measured by OPM has significant differences, but measured by OIROI there is no significant difference. From the marketing capability dimensions measured by SG there is a significant difference. From financial capability dimensions measured by CCDC there is no significant difference between before and after the implementation of ERP.

Keywords: Financial Performance, Capability, Enterprise Resource Planning