Chapter 6

Money: The Root of All Evil?

Sarah Craig
University of the Sunshine Coast, Australia

ABSTRACT

This chapter uses real-world case studies by following two companies introducing Enterprise Resource Planning Systems. The case studies give an overview of the introduction of the Enterprise Systems and detail how the Feral Information Systems came about. The chapter goes on to discuss various possible reasons for the introduction of the FIS, together with methods for avoidance. The chapter discusses whether cost cutting was partially to blame for the failure of the ERP implementations and the problems faced by the ERP implementation teams. Later on, the chapter discusses whether Cloud implementations and Agile project management methodologies may have a positive or negative impact on Enterprise Systems and Feral Information Systems.

INTRODUCTION AND BACKGROUND

Using two case studies as illustrative examples, this chapter explores whether local business conditions can assist in the introduction of Feral Information Systems, or whether companies can avoid them through careful management of the implementation. The chapter will also explore whether money is one of the key components in the introduction of FIS.

The chapter starts with an overview of two Enterprise System Implementations at two different sites. The first site is a large organisation, with its headquarters in Europe, and regional offices located globally. The second site, a much younger and more nimble business, is located in one building. Following a summary of both organisations, this chapter explores whether the size of the organisation, the knowledge of requirements for system implementation, demonstrated behaviours of team members, and the business climate facilitated the use of Feral Information Systems.

CASE STUDY 1

Case Study 1 centres on a large, public organisation embarking on the introduction of a brand new ERP solution. The company, with over 100,000 employees located around the world, was struggling to provide needed
information across the organisation as a whole. Even the parts of the company that were receiving data were not getting hold of it until it was quite out of date. Given that the primary revenue stream for the company was consumer electronics, it needed up to the second information, especially in the Research and Development areas. Something needed to be done in order to speed up the transfer of data to the regional offices, and back to headquarters so that senior management and R & D could have access to the information they needed in a timely fashion. This type of accurate and up to date information was essential to the successful running of the business in a highly competitive market.

About to embark on a new phase of product development, senior management decided it was the right time for the business to introduce an ERP solution. The company wanted to make sure that various departments around the world had access to research data, sales figures and management information quickly and easily.

Traditionally, each department in the company existed in its own little universe. Each had their own systems, whether off-the-shelf or bespoke, and there was no formal method of sharing information, which led to collaboration between departments being difficult and extremely time-consuming. Senior Management saw the implementation of the Enterprise System as a means of enabling all parts of the business to have access to the same data at the same time by providing a central storage location for that data and providing simple collaboration methods. It was hoped that it would allow an increase in the ease of working together and allow product development to be a speedier and more cost effective process as well as reducing the overall spend in hardware, software, training and on-going business and running costs.

The company board held preliminary meetings with several ERP solution providers in order to gain an overview of the market. The various vendors showed the Board members what their solution was capable of, and how easy it was to configure and maintain. Attendees of the meetings were convinced very early on that any one of the solutions would achieve their primary objectives, and because the vendors informed management that the project relied on configuration only, they believed it was a simple initiative and virtually guaranteed to be a success. Because of this, management saw the implementation of the system as very desirable and very low risk.

As each of the ERP solutions appeared to offer the same or very similar functionality and ease of installation, management decided it was most important to be working with people that they had established a good relationship with, and who gave them the most confidence in the installation being a success. The company decided to base the choice on the vendor whose team were the most approachable and helpful during the selection process.

Once the Board made the decision to purchase their chosen solution, they unwittingly gave the appearance of mothballing the project as everything stalled. People that had been involved in the decision process moved back to their normal daily roles and the vendor sales team moved out to carry on with their next assignment. To the people in the departments who really wanted the new ERP, it appeared that everything had stopped. In reality, it was just taking a considerable amount of time to gain the necessary approval for funding. Eventually, after garnering financial signoff, the project began properly.

Once the project started up again, the vendor supplied a team of analysts, all previously unknown, to the client to handle the configuration and implementation phases.
Related Content

Management's Contribution to Internet Commerce Benefit - Experiences of Online Small Businesses
[www.igi-global.com/chapter/management-contribution-internet-commerce-benefit/7205?camid=4v1a](www.igi-global.com/chapter/management-contribution-internet-commerce-benefit/7205?camid=4v1a)

[www.igi-global.com/chapter/nazar-foods-company/28635?camid=4v1a](www.igi-global.com/chapter/nazar-foods-company/28635?camid=4v1a)

The Role of Information System within Enterprise Architecture and their Impact on Business Performance
[www.igi-global.com/chapter/the-role-of-information-system-within-enterprise-architecture-and-their-impact-on-business-performance/116970?camid=4v1a](www.igi-global.com/chapter/the-role-of-information-system-within-enterprise-architecture-and-their-impact-on-business-performance/116970?camid=4v1a)

Critical Success Factors (CSFs) for Enterprise Resource Planning (ERP) Solution Implementation in SMEs: What Does Matter for Business Integration
[www.igi-global.com/chapter/critical-success-factors-csf-enterprise/44136?camid=4v1a](www.igi-global.com/chapter/critical-success-factors-csf-enterprise/44136?camid=4v1a)