Distinct Stakeholder Roles Across the ERP Implementation Lifecycle: A Case Study

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ABSTRACT

Enterprise Resource Planning (ERP) implementation is a difficult and complex decision where it involves people issues more than technological issues. In this paper, identifying stakeholders is emphasized as a key definitive step during the process of ERP implementation and if done improperly, will lead to failure of the implementation project. The impact of stakeholder’s interests on the project’s decisions was already highlighted as a critical issue in success of the ERP implementation. Consequently the aim of this study has been set to explore the distinct stakeholder’s role on ERP implementation life cycle. Accordingly, a qualitative research was designed and through conducting a number of semi structured interviews with project stakeholders a certain amount of data on project’s stakeholder lists and roles were gathered. Furthermore, the related project documents, including meeting memos, project charters and some technical reports were studied. It is seen that there is fluidity between the stakeholder roles in each stage of implementation and accordingly, it is imperative that the stakeholder issues must be addressed throughout the lifecycle, not only in the initial stages.

Keywords: ERP Implementation, Stakeholder, Stakeholder Identification, Stakeholder Roles

INTRODUCTION

ERP systems are complex and comprehensive software packages designed to integrate business processes and functions (Boon et al, 2004 and Ethie et al, 2005). Despite the difficulties and risk involved in their adoption, their use is expanding rapidly. Today’s business operates in a rival and competitive environment. The exponential growth and advancement in IT is a significant factor that influence today’s business environment. This of course, has made a rival competition among organizations. Therefore, if organizations wish to remain successful and be competitive, managers need to employ technologies for the benefit of their organizations. This
in turn helps organizations improve information flow, reduce costs and streamline business, offer product variety, establish linkage with suppliers and reduce response time to customer needs and expectations (Bhatti, 2005). Organizations may be composed of different dispersed units that require integration. Therefore, managers can focus on ICT (information and communication technologies) to integrate information and communication across units of an organization. Currently, a popular approach to the development of an integrated enterprise-wide system is the implementation of an ERP system (Khullar et al, 2011). Many organizations are adopting ERP systems for different reasons, including legacy systems replacement, cost reductions and faster information transactions (Post et al, 2002). They have set their mark in the information technology frontier and have enticed the interest of the global business community projects (Holland et al, 1999). As ERP implementation is usually complex, it is not uncommon that many organizations do allocate significant resources to this phase of the project. In today’s turbulent business environment ERP systems are considered as a license to play in the market and a pre-requisite to achieve operational excellence. On the other hand there is consensus that ERP implementation projects could be one of the single major projects an organisation undertakes with all that it encompasses (Law et al, 2014). As a consequence, implementation processes and success factors have been one of the major concerns in industry, further exacerbated by the numerous failed endeavours and in a minority of cases fatal disasters. Therefore, despite the benefits that can be accrued from successful ERP system implementation, there is a lot of evidence of failure in projects related to ERP implementations. ERP implementations get involved with organizational change (Kwon and Zmud, 1987) therefore a great deal of risks is expected while a company begins to implement an off-the-peg ERP solution. A majority of these risks stem from the ERP project stakeholders reaction, because ERP implementation impacts the interest of stakeholders (Kamal et al, 2011). Stakeholders, according to their power, influence on project decision-making processes and change the direction of implementation. Since ERP implementation projects engage different parts of the organization so a variety of stakeholders with different requirements are expected. Furthermore, often stakeholders influence on ERP implementation through their networks, in that way the action and interaction between stakeholders and their relationships with other external people and organizations make the ERP implementation environment much complex. A majority of ERP implementation methodologies (like ASAP: Accelerated SAP) designs different processes for identifying stakeholders and controlling their influences on the ERP implementation (McLaughlin, 1999). The aim of this research is to underline the importance of stakeholder identification techniques in ERP project success. Along with this, the role of stakeholders during each part of ERP life cycle was also studied.

**ENTERPRISE RESOURCE PLANNING IMPLEMENTATION**

ERP systems are business software tools that allow companies to automate business processes, share data and solutions across the enterprise, and produce and access real time information. That is, the main objective is to integrate all departments and functional information flows across an enterprise onto a single computer system that serves all of the company’s needs (Mouakket, 2010). Frequently, ERP implementation projects tend to put technical issues at the centre of attention overlooking other non-technical issues. Davenport and Brooks (2004) when referring to enterprise systems installation, made it clear that the technical issues, although complex, are only a small part of the complexity concerned with behavioural change. The redistribution of roles and responsibilities among members can obliterate an organisation if reprehensibly managed. Notwithstanding the extensive implementation experience acquired, ERP implementations continue to be laden with complications. Estimates produced by (Boon et al, 2004) indicated that many such projects are delivered substantially late and over budget, fail...
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