Chapter XI
The Implementation of ERP Packages as a Mediation Process:
The Case of Five Brazilian Projects

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ABSTRACT

This research has investigated the implementation of ERP as mediation process—that is, as an interactive process developed between the organization’s members and external consultants. The adoption of a mediation lens helps identify how global and local skills have been combined in ERP projects, and how these different arrangements have affected the project results. Underlying our analysis were two main questions: (1) How do patterns of mediation emerge, and what kinds of elements influence their emergence? and (2) What kind of association can be established between patterns of mediation and project results? Our conclusions point towards certain drivers. The local firm’s position regarding the head office and the meaning attached to each project have directly influenced the way external consultants are perceived by the local firm’s members, and these perceptions influence team members’ and consultants’ roles. Team members’ and consultants’ roles, in turn, contribute to reinforcement or transformation of established mediation patterns.
INTRODUCTION

The globalization movement has pushed firms to seek increased competitiveness. Waves of managerial and technological imperatives strongly pressure organizations not only to survive, but to become more and more competitive. Therein lies one of the major challenges in information technology (IT) management: pointing to strategies and technologies that help drive this competitiveness. An increasing number of organizations are trying to achieve advantage from new “tools” available in the global market. Among technological “imperatives,” enterprise resources planning (ERP) packages were widely adopted by firms during the 1990s. In addition to promoting internal process integration, one of the most promising and significant accomplishments of ERP projects has been to support exchange of information across organizational boundaries, a powerful instrument for global organizations.

Beyond the Y2K flap and other issues, the pervasiveness of ERP solutions can be explained through the myth, or belief, that an integrated and ready-to-use IT solution for replacing legacy systems and integrating all business processes was available (Alvarez, 2000). However, the countless ERP projects that experienced failure or severe difficulties in achieving full “integration” have shown that such a “tool” is neither a readily/easily implemented solution nor a complete answer for integration (Markus & Tanis, 2000). On the contrary, ERP was revealed to be a complex phenomenon requiring wider organizational perspectives rather than merely technical ones (Pozzebon & Pinsonneault, 2005).

There have been several initiatives in investigating implementation ERP systems from organizational perspectives. For example, Caldas and Wood (2000) criticize the “techno-reductionist” vision that has characterized most approaches to the subject, suggesting an alternative perspective that leads to the understanding of institutional and political elements involved in ERP projects. Researchers identified with the social shaping perspective go further in approaching technology implementation as a social and political process, like Clausen and Koch’s (1999) view of identification of occasions for negotiation, Koch’s (2000) examination of internal political processes, and Swan et al.’s (2000) discussion of rhetorical mechanisms.

In this vein, a recent investigation, carried out in Canadian, Brazilian, and Portuguese firms, has proposed understanding ERP implementation projects as a complex “mediation” process (Pozzebon, 2003). In effect, the use of mediation as a theoretical lens has allowed the ERP phenomenon to be viewed in a new manner, outlining aspects not emphasized by existing literature, particularly the influence of the type of interaction developed by organizational members (the ERP clients) and external consultants (ERP vendors or third-party consulting firms) on the configuration process and the project results.

ERP packages can be seen as configurable technologies, meaning technologies that are highly parameterizable and that are built from a range of components to meet the very specific requirements of a particular organization. From a mediation lens, we can talk about local-global negotiations—that is, negotiations involving “local” knowledge (knowledge about the firm’s local business practices and its contextual particularities) and “global” knowledge (knowledge about package functionalities and best practices that can be “designed” from these functionalities). The adoption of a mediation lens helps identify how global and local knowledge and skills have been combined in different ERP projects, and how these different arrangements have affected the project results.

The qualitative inquiry was guided by the present analyses of the process of ERP implementation and its interdependence with organizational context, the dynamics of interaction between three groups (global firm stakeholders, local subsidiary members, and third-party consultants) during the
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