Chapter 7

The Myth of Enterprise Database Redesign

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ABSTRACT

This chapter illustrates how IT-enabled business process reengineering can fail if top management fails to understand the underlying process problems and limitations of data-centric enterprise software. Vicro Communications (we use a pseudonym to mask the organization’s name) attempted to reengineer its basic business processes with the aid of data-centric enterprise software. Vicro management however made the mistake of relying completely on enterprise software to improve the performance of its business processes. It was hoped that the software would increase information sharing, process efficiency, standardization of IT platforms, and data mining/warehousing capabilities. Management however made no attempt to rethink existing processes before embarking on a very expensive implementation of the software. Unfortunately for Vicro, the reengineering effort failed miserably even after investing hundreds of millions of dollars in software implementation. As a result, performance was not improved and the software is being phased out. By using a phenomenological approach, we were able to socially construct the events surrounding the case to gain a rich understanding of what really happened. From deep analysis, we were able to develop emergent theory about a set of factors influencing enterprise database integration success.
INTRODUCTION

In the early 1990s, business process reengineering (BPR) came blazing onto the business stage as a savior of underperforming organizations. Early advocates of BPR (Davenport, 1993; Hammer & Champy, 1993; Harrington, 1991) touted it as the next revolution in obtaining breakthrough performance via process improvement and process change. However, BPR has failed to live up to expectations in many organizations (Bergey, Smith, Tiley, Weiderman, & Woods, 1999; Davenport, 1993; Hammer & Champy, 1993; Kotter, 1995). Some of the reasons include adoption of a flawed BPR strategy, inappropriate use of consultants, a workforce tied to old technologies, failure to invest in training, a legacy system out of control, IT architecture misaligned with BPR objectives, an inflexible management team, and a lack of long-term commitment (Bergey et al., 1999). As one can see from this list, it seems obvious that many organizations failed to realize the scope and resource requirements of BPR.

Patience is another important aspect of BPR success. BPR initiatives can lose momentum as managers face limited resources, slow payoff, diminished employee enthusiasm, and increased resistance to change (Harkness, Kettinger, & Segars, 1996). When short-term BPR results are not obtained, management tends to lose interest and top management is less willing to allocate new resources to the project (Paper, 1998a). One solution to this problem is targeting a BPR initiative that is “manageable” and that will garner quick results (Paper, 1998b). Another solution is for top management to be actively involved in the effort (Kettinger, Teng, & Guha, 1997).

Assuming that the organization understands the scope of BPR and is patient, the project still may not succeed without careful consideration of the type of process initiative. Paper (1998a) argues that the BPR initiative should be driven by a focus on the customer, strategic business issues or senior management directives. Failure to do so greatly reduces the chances for success.

IT has been touted as one of the key enablers of BPR (Davenport, 1993). However, IT can be one of the biggest obstacles if not properly aligned with business objectives (Broadbent, Weill, & St. Claire, 1999). The heritage of a legacy system can contribute greatly to BPR failure (Bergey et al., 1999). Many legacy systems are not under control because they lack proper documentation, historical measurements, and change control processes (Bergey et al., 1999; Paper, 1998b). Due to the scope and complexities inherent to a typical legacy system infrastructure, it should be treated with the same priority as the cultural and organizational structures when undergoing process change (Broadbent et al., 1999; Clark, Cavanaugh, Brown, & Sambamurthy, 1997; Cross, Earl, & Sampler, 1997).
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