Chapter VI

What Went Wrong?
Lessons Learned from Studying ERP Implementation Across Cultures

Celia Romm Livermore, Wayne State University, USA

Abstract

Following a literature review that sets this research in context, case study data from two companies, one in the United States and one in Israel, are presented. Data are used to compare the implementation process of SAP Enterprise Planning Systems (ERPs) in the two cultures. The unique patterns of the implementation process that emerge from the two case studies are discussed as examples of the decision-making patterns typical of the two cultures. When relevant, areas where the findings did not agree with the theory are highlighted. The conclusions section explores the implications from this research to broader issues of ERP implementation across cultures, including the implementation of ERP systems within the higher education sector, and possible directions for future research emanating from this study.
Introduction

An ERP system is a generic term for an integrated enterprise computing system. Typically, ERP systems consist of a number of integrated applications, such as manufacturing, logistics, distribution, accounting, marketing, finance, and human resources. Given that an ERP system is a packaged system, its introduction involves two interlinked phases: the selection of the system and the actual implementation of the system within the organization. Even though the two phases are conceptually distinct and different, in reality, they are often difficult to separate, as they are intricately interwoven. For this reason, in the context of this chapter, we think of the selection phase as part of the overall implementation process.

There are a number of reasons that make implementing ERP systems a particularly demanding decision-making process for top management. First, ERP systems are expensive. Consequently, the decision to purchase and implement an ERP system is likely to involve a careful consideration of alternative options, because making the wrong choice can have dire consequences for the organization and for its top management. Second, ERP systems involve the whole organization. As a result, they require an intricate coordination of technical and human expertise. Finally, the implementation of ERP systems often involves modifications of existing business processes and changes to the organizational culture. Such radical changes and the risk of failure that could be associated with them entail complex decision making on the part of top management.

Despite the above, of the many issues that have attracted research on ERP to date, one of the least researched is the dynamics of top management decision making leading to and accompanying the implementation of ERP systems. One particularly promising direction for research on this issue is the cross-cultural comparison. Obviously, when one compares a number of variants of the same process, such as the implementation of ERP systems in different cultures, one is likely to uncover a range of patterns that are impossible to discern within the same culture.

The major objective of this chapter is to explore the degree to which national culture can impact the decision-making process that underlies the implementation of ERP systems. It is our assumption that the manner in which ERP implementation projects are managed in the United States reflects the American culture, just as the manner in which ERP systems are implemented in other cultures reflects those cultures. Because this study is case-based and interpretive in nature, the above assumption is not considered a hypothesis to be tested. Instead, it is taken as a given and used to explain the data and help generate new hypotheses.
[www.igi-global.com/article/critical-success-factors-implementation-enterprise/76902?camid=4v1a](www.igi-global.com/article/critical-success-factors-implementation-enterprise/76902?camid=4v1a)