Chapter XIV

Implementation

Factors that Affect ERP System Success

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Abstract

This chapter identifies valuable lessons about implementing enterprise resource planning (ERP) systems into universities and contains a warning about cutting implementation costs and the impact on the system’s success. In the case study described, many incorrect assumptions were made regarding the organization and users. These led to ineffective change management and support strategies, and ultimately reduced both the system’s quality and its benefit to the organization. This study found that an ERP system’s quality can be improved by effectively tailoring the user training, change management, and support strategies to the organization’s culture and users.

Introduction

This chapter examines the implementation of a PeopleSoft® finance module into an Australian university. The implementation studied used a number of strategies not called for by the provided implementation methodology, and this greatly affected the ERP system’s quality. The management of this implementation attempted to reduce the cost of the implementation by using a predominately in-
house team drawn from existing university personnel. This research examines the data collected during a 1-year research project (Chatfield, 2000) and seeks to examine the influence of the implementation process on the ERP system’s quality and success. These effects are discussed and recommendations are made to improve the success of future ERP system implementations.

The act of implementing an ERP system’s business processes and removing existing workplace tools can have huge effects upon user morale and organizational politics (Markus & Tanis, 2000; Martin, 1998). The management of these influences on users is essential to the ERP implementation’s effectiveness (Nah, Lau, & Kuang, 2001). The failure to commit sufficient resources to the development of this organizational change will hinder the project by consuming resources designed for other purposes, and effectively delaying further implementation steps (Aladwani, 2001; Al-Mashari & Al-Mudimigh, 2003; Nah et al., 2001).

The implementation must acknowledge the current work practices of the organization, and instill effective work practices suited to the current environment. Users must accept and effectively use the system before any benefits can be realized. Above all, the benefits the ERP system provides must outweigh its cost, in terms of money and its effect on the organization’s personnel. This chapter examines a case that attempted to minimize costs by involving organizational staff in the implementation process. Examined are the implementation strategies utilized and the effects they had upon the implementation’s success.

### Information System Quality

An ERP implementation involves the alignment of the business with the ERP system’s processes. Business process reengineering and changes to organizational culture (usually associated with an ERP system implementation) can have a negative impact on the system’s users and their satisfaction with the new system (Markus & Tanis, 2000; Martin, 1998). System quality is dependent on the system’s integration within the organization, the use and perceived value of the system and its outputs, and its ability to effectively work within the context of the organization’s environment (von Hellens, 1997). This research sought to assess the effectiveness of this implementation, and its affect on the success of the university’s ERP system, using DeLone and McLean’s IS success model (2003) (see Figure 1).

The model describes the seven interdependent measures of IS success. Information quality, system quality, and service quality all influence the user’s satisfaction with the system, their intention to use the system, and, hence, the net
Business Process Management (2013). Business-Oriented Enterprise Integration for Organizational Agility (pp. 245-301).

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