Chapter VI

An Examination of an ERP Software Selection Process: An Irish Case Study

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ABSTRACT

In this chapter a case study of a world-class manufacturing organisation implementing SAP is purposefully used to demonstrate the influence of bias over requirements in the decision making process. Furthermore, this research highlights the difficulties in determining if the ERP package selected by an organisation is in fact the right software package, to fulfil the functional requirements of the organisation.

INTRODUCTION

One of the key reasons why managers have sought to proceed with difficult ERP projects is to end the fragmentation of current systems, to allow a process of standardization, to give more visibility on data across the entire corporation, and, in some cases, to obtain competitive advantage (Sammon & Adam,
Thus, ERP projects have been described as strategic projects with success or failure that will greatly impact the organization (Rowe, 1999; Shakir, 2000; Wood & Caldas, 2000). One key aspect of ERP projects that was reported by many authors is that failed implementations can be costly for the implementing organization (Kalakota & Robinson, 1999). Few ERP implementations are entirely successful, with approximately half failing to meet the implementing organization’s expectations. As highlighted by Sammon and Adam (2000), it seems that the attention of managers and researchers focused nearly exclusively on certain stages of ERP projects, while other key points were neglected, notably, why organizations go down the ERP route or on the process whereby managers select one particular ERP package instead of another (as illustrated in Chapter 4). In addition, it seems that little attention has been paid to what happens after systems are implemented, in an attempt to determine to what extent the benefits that were sought by managers were achieved.

Shang and Seddon (2000) posed the question “what sort of benefits did they [the organization], or can they, achieve?” In answering this question, they presented a comprehensive framework of benefits that organizations might be able to achieve from their use of ERP systems, as illustrated in Chapter 1. The SERPS model proposed in this chapter uses the same definition of benefits as Shang and Seddon (2000). However, the preliminary list of benefits illustrated in this model is structured and presented differently. In order to broaden the research focus in the area of ERP decision making and software selection, we have undertaken to formulate the model by expanding on previous research (Sammon & Adam, 2000), and focusing on modeling the “Intended Benefits” associated with ERP offerings. The proposed research model attempts to identify the criticality of an Intended Benefit to the selection of a particular ERP and further examines if the selected offering was, in fact, the most appropriate in relation to the actual benefits being realized. The evolution of the model documented in this chapter and its application to the case study provides an early indication of its usefulness for managers and researchers in the area of ERP software selection and implementation.

**ERP SOFTWARE SELECTION AND FOUNDATIONS OF THE RESEARCH MODEL**

To be able to define, assess, and classify requirements requires knowledge. One critical success factor in the procurement process of IS is to have
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