Exploring the Business Case Development Process in Inter-Organizational Enterprise System Implementations

Silja Eckartz, University of Twente, The Netherlands
Christiaan Katsma, University of Twente, The Netherlands
Maya Daneva, University of Twente, The Netherlands

ABSTRACT
Creating and negotiating an inter-organizational business case (BC) for multiple-stakeholder enterprise systems is a major challenge. This paper looks closer into the factors that influence the stakeholders’ willingness to share information necessary for the BC development. The authors develop an explanatory framework showing the effect that project constellation has on the development of a shared BC. They identify several factors, such as goal consensus, cultural and semantic similarities and willingness to share information, that mitigate this effect. Subsequently, the authors apply the framework in an inter-organizational case study in which a BC is developed. The findings show that current BC development methods need to be re-stated and complemented by new tools and interventions to support stakeholders in the inter-organizational specific setting. The authors elaborate on the possibilities that group decision support systems might offer to overcome challenges that might be experienced in the BC development process.

Keywords: Business Case, Decision Making, Enterprise Systems, Information Sharing, Inter-Organizational Coordination

INTRODUCTION
A business case (BC) describes and specifies the costs, benefits and risks for a project. This paper focuses on the process of deploying a BC for IT projects, such as information system (IS) implementations. Most literature on BC’s, cost-benefit analysis and information technology (IT) evaluation discusses projects that are implemented by a single organization. In today’s business practice, however, it is often important to address the situation in which multiple actors are involved in a joint project. In the actual deployment of such a project one speaks of the implementation of an inter-organizational system (IOS). A multi organizational business case development (BCD) process is deployed prior to the implementation decision, during
which the actors evaluate together if it is valuable to invest into the project.

In this paper we analyze the BCD process for the evaluation of an inter-organizational Enterprise System (ES). We investigate how different project constellations influence the BCD process especially when multiple actors are involved in the ES implementation project.

Enterprise systems are commercial software packages that enable the seamless integration of information and business processes within and across functional areas in an organization (Kumar & van Hillegersberg, 2000). Today ES do not only enable the integration and coordination within one organization, but also go one step further and support the connection and management of information and business processes across several organizations. Cash and Konsynski (1985) define an IOS as "an automated information system shared by two or more companies." It enables inter-organizational coordination between profit-and-loss responsible business units, or between independent companies (Bakos, 1991).

In the case of ES this crossing of organizational boundaries not only increases the complexity but also implies substantial differences in semantics, processes, information and goals between the different actors (Daneva & Wieringa, 2006). The multiple actors engaged in inter-organizational coordination often encounter problems when they need to share information in order to make important joint decisions. In our research, we focus specifically on the process of how multiple actors arrive at a joint decision about whether or not to invest in an inter-organizational ES. More specifically, we will analyze the process of shared business case development (BCD). We do so by first investigating the constellation structure of the project participants and secondly by specifying the properties that affect the BCD process.

Our main research question is: What are the effects of project constellations on the process of developing an inter-organizational business case for IS implementations?

The main contribution of this paper is to extend the body of knowledge on BCD during IS implementations. Our paper especially addresses the context of IOS, which has been a rather underexposed research area. We contribute to the body of exploratory research on the factors that play a role during the BCD process. Moreover, we explore coordination properties, such as competition, semantics, culture and willingness to share information, which improves our understanding of how BCD takes place in large shared enterprise systems projects.

THEORETICAL BACKGROUND

This section summarizes the findings of the current state of the literature as well as of the available empirical studies. For clarification purposes and to position our line of reasoning we start defining what we mean by the concept of "Business Case."

We use the definition of a Business Case as an artifact (possibly a document accompanied by designs or models, etc.) that specifies the main rationale and expected value for the ES-adopting organization. The BC evaluates the different implementation options, based on the expected costs, benefits and risks of each option during the entire implementation process (Schubert & William, 2009; Shang & Seddon, 2002; Ward & Daniel, 2006). Ideally it contains more than just a financial analysis. The (non-)financial benefits, business alignment, costs and risks, should be complemented with information on the methods and rationale that were used to quantify the benefits and costs (Schmidt, 2003b). The BC is the result of a BCD process that is deployed between consultants and stakeholders from the ES-adopting organization. The BCD is an iterative, tool-supported process that relies on stakeholders from different parts of the organization with different business knowledge.

In the field of IS research, scholars take different perspectives upon this relatively young research domain (Klein, Kupsch, & Scheer, 2004; Schulz & Orlowska, 2004). Our research builds upon the work of Kishore et al. (2004) that includes coordination theory to exemplify the extra complexity due to the involved actors. We
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