



Chapter II

The Myth of Integration: A Case Study of an ERP Implementation

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This research examines the implementation process of an enterprise resource planning (ERP) system and shows that implementation cannot be viewed solely in instrumental terms—that is, organizations do not simply select systems based on information requirements so that proper “fit” can be achieved. Instead, this research suggests that the activities of selecting and implementing a new ERP become the medium for (re-)constructing or (re-)constituting the organization’s values. Theorists have described such activities as a “mythmaking” process. A case study of an implementation at a large nonprofit organization is presented to demonstrate how mythmaking served to construct an ERP system as an “integrated” system and at the same time served to elaborate existing organizational values. The myth functioned as a vehicle of consensual organizational reality, serving to align the acquisition of an ERP system with the organizational values, thereby garnering widespread support for a complex, expensive and relatively unknown technology.

INTRODUCTION

The purchase and strategic use of enterprise resource (ERP) systems by organizations has been offered as the solution to surviving in the emerging “e-

based” economy by both practitioners and researchers alike. ERP systems have been heralded as the integrating mechanism for organizations, promising enhanced efficiency and effectiveness. Yet, as the media has recently reported, many companies have not realized the promise of this new technology. There is no dearth of trade and popular accounts depicting troubled and oftentimes failed ERP implementations (Deutsch, 1998; Knorr, 1999; Stedman, 2000). Information systems (IS) implementations in general are notoriously difficult; however, ERP implementations pose more difficult technological and organizational challenges than traditional implementations. For instance, a typical ERP contains 8,000 to 10,000 configuration tables and 800 to 1,000 business processes. ERP systems require much tailoring or customization in order to configure the system to fit the organizations’ requirements (Scott & Kaindl, 2000). Yet, despite the mounting challenges of a successful ERP implementation, companies continue to purchase and install ERP systems to fit their organizations. By conservative estimates, sales for 2000 are projected between \$15.5 billion (Computerworld Briefs, 1997) to \$24 billion, with suggestions that this number could easily be inflated by a factor of five (Smith, 1999). Clearly, understanding how an ERP system is perceived as being a fit and thereby accepted by organizational members remains a critical challenge for both practitioners and researchers alike.

Given the relative newness of ERP systems, there is a dearth of literature comprehensively examining how these systems fit the organization in which they are implemented. However, we have recently begun to see the emergence of studies examining the implementation of ERP systems. For instance, Scott and Kaindl (2000) examine variables that lead to an improved functionality enhancement process. They found that “swift trust” from the occupational community, conflict resolution, reciprocity, and informal networks impact functionality enhancement of an ERP system. In another study, Holland and Light (1999) use critical success factors such as software configuration and project management to examine their influence on formulating implementation strategies. And finally, Hirt and Swanson (1999) conduct an exploratory case study to examine the factors which may influence actual decisions and outcomes during an ERP implementation. Factors of importance include the relationship between restructuring and software adoption and implementation, the choice of software package, the pros and cons of alternative implementation approaches, the selection of hardware and the use of consultants. While these factor studies examining ERP implementations have yielded interesting results, implementation problems and failures continue to be a growing concern. “There now seems to be an emerging consensus that companies have failed to reap the significant benefits that this massive

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