Chapter XV

Effective Use of External Expertise in Enterprise Systems: A New Zealand Case Experience

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Enterprise systems (ES) are large, complex highly integrated information systems designed to meet the information needs of the organization. Limited research has been conducted on the use of external expertise in information systems and virtually none as it applies to enterprise systems. This paper addresses the issues associated with the use of external expertise in enterprise systems. It looks at the ES implementation life cycle and identifies where in the implementation process external experts are utilized and what roles they fulfill in the implementation project. The paper concludes with a New Zealand case experience illustrating the use of external experts in a major enterprise systems implementation.

INTRODUCTION

Enterprise systems (ES), a more general and comprehensive term than the more focused enterprise resource planning (ERP) term, are large, complex highly integrated information systems designed to meet the information needs of the organization. Davenport (2000) describes these systems as information systems that integrate information from all functional areas of an organization with the goal

of providing a more whole or complete information resource. An extension of prior large-scale integrated systems, i.e., manufacturing resource planning (MRP II), enterprise systems have become essential for large multinational corporations wishing to integrate and standardize their organization's business processes. Now, small to midsized organizations are adopting enterprise systems to remain competitive in the global marketplace. Most organizations wishing to fully implement an electronic commerce (e-commerce) strategy recognize the need to integrate the Web-based front-end of e-commerce with order fulfillment, logistics, and financial back-end systems supported by the enterprise system (Marchak, 2000). Thus enterprise systems have become the foundation that supports an organization's eCommerce strategy.

Enterprise systems (ES) are large, complex beasts. (See Table 1 for a summary of ES implementation characteristics.) Enterprise systems typically require millions of dollars in resources, years of focused commitment, and a large contingent of highly skilled professionals to ensure successful implementations. Most organizations struggle with ES implementation (Baldwin, 2001; Markus & Tanis, 2000; Wagle, 1998). Even with the financial resources and the long-term focused commitment, where do organizations find the required expertise to successfully implement these complex systems? The answer is often to engage external experts, i.e., consultants, to fill this resource void. The use of consultants (also referred to as integration partners) is common in ES implementations (Abramson, 1998; Davenport, 1998; Markus & Tanis, 2000; McCarty, 1999; Ross, 1999). The issue becomes not whether an organization should use external expertise, but rather how to effectively engage and utilize external expertise.

Limited research has been conducted on the use of external expertise in information systems and virtually none as it applies to enterprise systems (Brown & Vessey, 1999). Thong, Yap, and Raman (1994) published one of the few empirical studies on the use of external experts in information systems. They studied the level of IS effectiveness in small businesses using a consultant-vendor approach to information systems implementation versus a vendor-only approach.

Table 1: Summary of ES implementation characteristics

Enterprise Systems Characteristics
• Large • Complex • Integrated • Expensive • Long implementation cycle

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