

## Chapter 4

# Enterprise Resource Planning (ERP) Systems and Multi-Organizational Enterprise (MOE) Strategy:

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### ABSTRACT

*This chapter critiques trends in enterprise resource planning (ERP) in respect to contemporary multi-organizational enterprise strategy in order to identify under-researched areas. It is based on the premise that multi-organization strategies and information systems span more than one legal company entity and are becoming increasingly important as digital Internet based systems become more prolific, and outsourcing and collaboration between companies becomes more widespread. This chapter presents a critique of literature covering theoretical, methodological and relational aspects of enterprise resource planning systems and multi-organizational enterprise strategy. The critique gives a unique perspective and highlights four major gaps in current research and points towards a trend which is referred to in this chapter as 'enterprization.' This research could help organizations make more effective use of their information and operations systems strategies when used across more than one company. It should interest researchers, teachers, IS developers and managers.*

## **INTRODUCTION: WHY MULTI-ORGANIZATION ENTERPRISES AND MULTI-ORGANIZATION ERP SYSTEMS MATTER**

This critique builds on two key definitions. First, Gable's (1998) comprehensive definition of "ERP" which is, "... a comprehensive package software solution [which] seeks to integrate the complete range of a businesses' processes and functions in order to present a holistic view of the business from a single information and IT architecture." Secondly and concomitantly this research builds on the European Commission's definition of an "enterprise"; where the term "enterprise" means, "... an entity including partnerships or associations that can be made up of parts of different companies" (European Commission, 2003). This research does not therefore consider manufacturing or service operations to be made up of a single legal company entity operating in isolation, but instead embodies multi-organizational enterprise management concepts, where parts of companies work with parts of other different companies to deliver complex product-service systems using a multi-organizational enterprise (MOE) (Binder and Clegg, 2007). An MOE will often result from a joint venture between companies as they focus on collaboratively delivering particular product-service systems (e.g. a family of cars, the construction of a building or bridge, the delivery of a complex integrated web-based shopping experience); critical interdependent and dynamic strategic relationships will develop between these company parts based on their relative core competencies.

Based on the above premises enterprise strategies and Enterprise Resource Planning (ERP) systems design and implementation, whether they are for single organizations or multi-organizational enterprises, need to go hand-in-hand. ERP systems per se have been extensively researched over recent decades and knowledge about how ERP systems work as single-company based systems are plentiful. For instance: single-company impact studies about manufacturing performance (Bose et al., 2008), single companies undertaking supply chain planning (Tarantilis et al., 2008), or single company implementation practice and business process re-engineering projects (Benlian and Hess, 2011) are easily found. These tend to be where ERP / ERPI systems are taken to be an integrated information management system supporting the operational transactions of a single company. In contrast there is a relative dearth of research into ERP systems development in a multi-organizational enterprises context, especially from dynamic and contingency perspectives, which leaves ERP systems and multi-organization enterprise strategy under-researched.

Firstly, in response to this dearth, this research critiques current literature and proposes that multi-organization ERP strategy should be better conceptualized and more clearly defined to help the evolution of ERP systems development and their deployment in multi-organization enterprises (MOEs). Secondly, this literature critique posits that multi-organization enterprise ERP systems are under-researched from a methodological perspective and as a result it is also unclear how some research methods could be effectively merged to investigate and shape ERP and multi-organizational enterprise management concepts. Thirdly, this critique posits that multi-organizational enterprise ERP systems are under-researched from a contingent perspective, as researchers need to better understand the synergies between ERP systems development and multi-organizational enterprise strategy over time (Clegg and Wan, 2013). For this purpose, this chapter determines the most frequently used keywords in relevant literature and classifies these publications according to their most commonly used (i) units of analysis (ii) theoretical perspectives, and (iii) research paradigms and techniques. The aim being to identify research gaps (Trauth et al., 1993) from literature pertaining to ERP and multi-organizational-enterprise strategy research to identify any prevailing trends.

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