

Chapter 10

Enterprise Resource Planning System Implementation in Higher Education Institutions: A Theoretical Review

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ABSTRACT

The world over, higher education institutions have resorted to the use of ERP system to automate operations on a standardized platform in line with their strategic plans. This is because ERP system supports a “do-it-all” approach to organizational management in addition to education managers’ quest to improve quality of service to their students and the need to meet regional as well as global standards. In most institutions, operational areas such as student admission, finance, procurement, examination management, staffing, and alumni management can now be done through the ERP system. This chapter examines the issues associated with implementation of ERP system in higher education institutions. After studying this chapter, you should be able to: appreciate the various strategies for ERP system implementation, identify the factors leading to successful implementation of ERP system in higher education institutions, distinguish between the different models for successful ERP system implementation, and understand the metrics for measuring success rate of ERP system implementation.

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CHOICE OF AN ERP SYSTEM FOR HIGHER EDUCATION INSTITUTIONS

The selection of an ERP system might be complicated as it is affected by various factors. These factors influence an ERP implementation success both technical and non-technical. Alanbay (2005) posited that long-term business strategy of the organization will form the basis of the selection criteria of an ERP system. He identified fifteen factors and prioritized them as follows: Customization, Real Time Changes, Implementability, Maintenance, Flexibility, User Friendliness, Cost, Systems, Requirements, After Sales Support & Training, Internet Integration, Reporting & Analysis Features, Vendor Credentials, Integration with Other Software, Back-up System and Financing Options.

Hasibua and Dantes (2012) explained twenty key success factors. These are Team Work, User Involvement, Use of Consultant, Clear Goal and Objective, Top Management Support, Project Budget, Project Time, Organization Maturity Level, Culture Readiness, ERP Implementation Strategy, ERP Implementation Methodology, Project Management, Change Management, Risk Management, Business Process Reengineering, Data analysis and migration, Communication, Training, Technology Infrastructure and Strong ERP product. These factors also have a bearing on the choice of the implementation strategy to be used. The following section discusses the choice of the implementation strategy to be used.

CHOICE OF ERP SYSTEM IMPLEMENTATION STRATEGY

The rising stakeholders' expectations (particularly from students and governments), quality and performance requirements, and competitive education environments, along with decreasing governmental support, have pressured universities to adopt new strategies in order to improve their performance. Consequently, the higher education sector has turned to Enterprise Resource Planning (ERP) systems in the hope of helping them to cope with the changing environment. For these institutions, ERP system implementation can be a daunting task, often taking a number of months to complete and costing more than the price of the hardware and system involved. However, if you are prepared, and the proper resources are applied, ERP system implementation can be completed on time, within budget, and delivering excellent return on investment (ROI). In most cases, the choice of the strategy for the implementation is important. The prospect can be set for the successful implementation of an ERP system by controlling and minimizing the major risks at the initial stage by selecting the appropriate strategy that determines how the ERP system should be deployed. The feasibility of strategy is based on a number of factors, among

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