IDEA GROUP PUBLISHING
701 E. Chocolate Avenue, Suite 200, Hershey PA 17033-1240, USA
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ITB10234

Chapter XIV

A Comparative Analysis of Major ERP Life Cycle Implementation, Management and Support Issues in Queensland Government

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Abstract

This chapter reports on a study of issues across the ERP life cycle from the perspectives of individuals with substantial and diverse involvement with SAP Financials in Queensland Government. A survey was conducted of 117 ERP system project participants in five closely related state government agencies. Through a modified Delphi technique, the study inventoried, synthesized, then weighted perceived major-issues in ongoing ERP life

cycle implementation, management, and support. The five agencies each implemented SAP Financials simultaneously using a common implementation partner. The three Delphi survey rounds, together with a series of interviews and domain experts' workshops, resulted in a set of 10 major-issue categories with 38 sub-issues. Sub-issue weights are compared between strategic and operational personnel within the agencies in order to understand where the organizations should focus their resources in order to avoid, minimise, or eliminate these issues. Study findings confirm the importance of this finer partitioning of the data, and distinctions identified reflect the unique circumstances across the stakeholder groups. The study findings should be of interest to stakeholders who seek to better understand the issues surrounding ERP systems and to better realize the benefits of ERP.

Introduction

Organizations worldwide, whether public or private, are moving away from developing Information Systems (IS) in-house and are instead implementing Enterprise Resource Planning (ERP) systems and other packaged software (AMR Research, 1998; IDC Software Research, 2000; Price Waterhouse, 1995). ERP has been referred to as a business operating system that enables better resource planning and improved delivery of value-added products and services to customers. ERP systems have, in recent years, begun to revolutionise best practice business processes and functions. They automate core corporate activities such as manufacturing and the management of financial and human resources and the supply chain, while eliminating complex, expensive links between systems and business functions that were performed across legacy systems (Bingi et al., 1999; Gable et al., 1998; Klaus et al., 2000; Rosemann and Wiese, 1999).

Despite warnings in the literature, many organizations apparently continue to underestimate the issues and problems often encountered throughout the ERP life cycle, as evidenced by suggestions that: (1) more than 40% of large software projects fail; (2) 90% of ERP implementations end up late or over budget; and (3) 67% of enterprise application initiatives could be considered negative or unsuccessful (e.g., Martin, 1998; Davenport, 1998; Boston Consulting Group, 2000).