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**Chapter VII** 

# Do ERP Implementations Have to be Lengthy? Lessons from Irish SMEs

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# ABSTRACT

The ERP software market has been growing at a very fast pace over recent years and has been predicted to keep growing rapidly in the long term. However, there is now clear evidence of a slow down in this market and some suppliers of ERP packages have reported poor results. Nevertheless, the abundance of media reports on the subject of ERP has led many managers to wonder whether their companies should implement ERP systems. In order to separate the reality of the ERP phenomenon from the hype that surrounds it, we studied 14 ERP implementation projects in Irish organizations and focused on the key relationships between organizations that attempt to implement ERP systems and their implementing partner. We found that the ERP implementations in Ireland at the moment are different to the projects that have been reported elsewhere in two key respects. Firstly, the organizations interested in ERP software are, on average, far smaller than the case studies reported in the

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literature and the majority of the cases we reviewed were small and medium enterprises (SMEs). Secondly, the durations of implementation were far shorter than reported elsewhere. These results are not surprising if one considers the smaller average size of Irish organizations, but they indicate that the ERP movement is truly ready for an extension towards the SME market. They also indicate that the duration of the implementation of ERP software may be related to the size and complexity of the client organization and that SMEs can expect to have an easier time implementing ERPs than the current literature suggests. We also found that software implementers play a key role not only in technical terms, but also in managerial and political terms because they can help their clients to correct their expectations and perceptions of ERP systems and ERP implementations.

### INTRODUCTION

The abundance of media reports on the subject of ERP led many managers to wonder whether their companies should implement ERP systems. In order to separate the reality of the ERP phenomenon from the hype that surrounds it, we studied 14 ERP implementation projects in Irish organizations and focused on the key relationships between organizations that attempt to implement ERP systems and their implementing partners.

We found that the ERP implementations in Ireland at the moment are different than the projects reported elsewhere in two key aspects. First, the organizations interested in ERP software are, on average, far smaller than the case studies reported in the literature, and the majority of the cases we reviewed were small and medium enterprises (SMEs). Second, the durations of implementation were far shorter than those reported elsewhere. These results are not surprising if one considers the smaller average size of Irish organizations, but they indicate that the ERP movement is ready for an extension toward the SME market. They also indicate that the duration of the implementation of ERP software may be related to the size and complexity of the client organization and that SMEs can expect to have an easier time implementing ERPs than the current literature suggests. We also found that software implementers play key roles, not only in technical terms, but also in managerial and political terms, because they can help their clients to correct their expectations and perceptions of ERP systems and ERP implementations.

The ERP software market has been growing at a very fast pace over recent years and was predicted to grow by 35% to 40% per year in the long term

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