

Chapter 16

An Exploratory Analysis for ERPS Value Creation

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ABSTRACT

A great number of firms worldwide have invested a lot in the application of ERP systems to modify their business model and be able to offer better processes. When firms implement ERP systems they try to integrate and optimize their processes in what they consider their key areas. The present chapter tries to offer a view centered on the main reasons why Spanish firms have implemented ERP systems in the last ten years and what have been their main critical success factors and their main failure factors too. For that, the authors apply a model that they have previously developed based in 5 main groups of variables. The authors ask firms about their perceptions and final results provided by the variables affecting their change processes in the ERP implementation. The authors try to offer a realistic view of what has been taking place in the Spanish market.

INTRODUCTION

Firms have great invested in ERP systems in the last fifteen years (Wang et al., 2008).

Summer (1999) admits that ERP systems can provide lots of benefits in firms. They allow, for example to compete in a global context, to reduce the warehousing material and the costs of production and the increase in the level of service offered to the customer (Ang et al., 2002).

Akkermans and Van Helden (2002:35) recognise that the ERP implementation demands a great effort and compromise from all the organisational levels. The problems that the firms face when trying a successful implementation have long been explained in the literature review (Holland and Light, 1999, Rosario, 2000, Esteves and Pastor, 2001, Wang et al., 2008).

Trying to find solutions to the problems that due to the implementation of ERP systems can appear, different academics and consultants have done research on the process of implementation

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and more specifically, about the determination of the factors that contribute to the success in the implementation, best known as critical success factors (Summer, 1999, Umble et al, 2003, Fui-Hoon et al., 2003, Finney and Corbett, 2007).

In this chapter we ask firms about their perceptions and the final results they achieve as a consequence of the ERP implementation processes occurred in the last 10 years. For that we apply the model of critical success factors we have designed (De Pablos and De Pablos, 2008) based in the analysis of five main groups of variables affecting to the final results in ERP implementations.

1. The decision-making policy of the firm in the ERP selection, implementation and use
2. The training characteristics of the people involved in the ERP implementation and final use
3. The organisational inertia in the firm
4. The final internal user satisfaction
5. The final external user satisfaction

CRITICAL SUCCESS FACTORS AFFECTING TO THE FINAL RESULTS IN ERP IMPLEMENTATIONS

The Decision-Making Policy of the Firm in the ERP Selection, Implementation and Use

We include as the main variables explaining this factor the decision-making policy of the firm in the ERP selection, implementation and use, the existence of managerial support, the existence of clear procedures established for the required reengineering of business processes in the firm, the effectiveness of the project management and the existence of a wide commitment in the different stakeholders taking part in the implementation process (vendor support, external services, etc.)

The Existence of Managerial Support

Finney and Corbett (2007) stresses in their study how this aspect is one of the most cited in the literature review. Besides in our recent interview with consultants specialised in ERP implementation in the Spanish market this aspect is highly stressed as one of the most important CSFs.

Top management support in ERP implementations offer two main aspects,

- It provides leadership
- It provides de necessary resources to successfully implementing an ERP system, firms need spend time with people and provide them with the needed resources. The implementation could fail in case that the critical resources are not available when needed.

For achieving success in a project of ERP implementation it is important to involve the managers in the organisation. Managers must involve to the rest of the people in the organisation in the collaboration and support with the project.

For that reason, periodical committees headed by the main managers in the firm must be held. The organisation must be kept informed about the evolution of the project and about the problems arisen.

The Existence of Clear Procedures Established For the Required Re-Engineering Of Business Processes in the Firm

It has mainly to do with managing the cultural change, identified by Al-Mashari et al. (2003), Fui-Hoon et al (2003) and Finney and Corbett (2007).

Implementing ERP systems requires the re-design of the existent business processes. Many times the ERP implementations fail because some firms underestimate the extent to which they have

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