

# Chapter 61

## The Role of Management Consultants in Long-Term ERP Customization Trajectories: A Case from the Italian Local Government

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### ABSTRACT

*This chapter proposes an understanding of the role of management consultants in the implementation of Enterprise Resource Planning Systems in the Public Sector. The analysis is grounded on the case of an Italian Local Government in the course of 10 years. Each period corresponds to a different key client-consultant relationship and Public Sector situation. By using situational maps, the authors have highlighted the deeply contextual reflexivity between consultants and client organizations in configuring consultants' advice over time. The purpose of the chapter is to replace "guru-istic" accounts with a more relational perspective that describes consultants as existing only in relation with their clients and the evolving Public Sector situation.*

### INTRODUCTION

New Public Management (NPM) (Hood, 1995) has become one of the most important reforms in government organizations. One of the key characteristics of New Public Management is the increased adoption of managerial and market-based principles and techniques by public-sector

organizations. The adoption of Information and Communication Technologies (ICTs) has been advocated as a central aspect of the innovations undergone under the umbrella of New Public Management reforms.

However, government organizations may miss some of the competences that allow technology choice: public organisations find it difficult to critically assess and evaluate large IT solutions in-house. Their substantial and often business criti-

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cal decisions about what may be major strategic investments (costing several millions of Euros) are carried out often for the first time and public-sector organizations often lack the expertise and experience needed for effective decision-making. For this reason, these organizations may look for expertise coming from external management consultants specializing in IT.

Trends like these have caused a significant growth of academic interest in the consultancy industry. In much of this work, consultants are seen as a distinctive group that has gained insidious power in stimulating the creation, diffusion and adoption of the latest ‘best practice’ fashions, and new organizational practices (Sturdy, 1997). Researchers here have examined consultants as having persuasive strategies that define clients’ problems and image consultants as the possessors of problem-solving skills. Various intermediaries in the IT market have been described as “holding the ropes and setting the rules of the game” for the emergence of technological fields (Pollock & Williams, 2009).

The perspective presented in this chapter is concerned less with the way consultants organize technological fields (e.g. the technological field of ERP systems and the accounting practices supported by them) and more with the way consultancy is shaped by key negotiations and the situation.

As stated by Hislop (2002), consultants only exist in relation to their clients and, I add, they exist in relation to an extended network of actors and discourses that evolve over time.

The evolution of client-consultant relationships over time and its embeddedness in the situation is typically illustrated by configurable packages like ERP.

With ERPs, customization choices, that is the possibility to configure the system to match user requirements, are never ending. Periodic vendor system updates and new module releases require organization from time to time to renew their strategy. As a consequence, in the context of ERP implementations, client relationship with

management consultants specializing in IT can be observed in its evolution over time.

By focusing on an Italian Local Government—here called ‘Dante County’—this chapter provides insights into the deeply contextual reflexivity between consultants and user organizations in configuring public sector transformations over time. The case illustrates the distributed and socio-political nature of the consultancy process. First of all, during the same technological project clients replace consultants multiple times according to the evolving situation in the Local Government arena. Second, consultants expertise is defined in relation with clients: consultant advice is highly dependent upon the relevant social group they interact with within the client organization. Finally, there is not a clear boundary between ‘clients’ and ‘consultants.’ Consultants can become part of the client organization and the client organization can perform as a consultant with respect to other parties.

The chapter is structured as follows. The literature review will review the perspectives concerning the role of consultants specializing in IT in the public sector. Then the chapter will present the theoretical and methodological framework. The case study will be then presented. Discussion and conclusions will follow.

## **LITERATURE REVIEW**

Having somehow integrated operations within the enterprise, the suppliers of ERP software have sought to generalize it to other areas such as the public sector, which in principle are different from those for which the systems were originally conceived.

By transforming it from an application for individual productive functions (like expert systems or business process re-engineering systems) into a system to control organizational action in its entirety (Davenport, 1998), the ERP system has been considered one control system that

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