Understanding Participant Roles in Enterprise System Implementation

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Agenda

- Research goal & motivation
- Enterprise systems characteristics
- Participant roles
  - The Steering Committee
  - The Project Team
  - System End Users
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  - Project Manager
  - The Provider’s Representatives
- Concluding remarks
Research goal and motivation

- Research goal
  - investigate and better understand participant roles during the enterprise system (ES) adoptions

- Research motivation
  - ES complex software package
  - ES adoption – large scale IS project extending over long time
  - ES adoption is about transformation
    - clarifying business strategy and objectives, designing integrated processes, technologies, information systems and delivering skills
  - ES adoptions costly, complex and diverse in nature
  - traditional project team management approaches not sufficient
  - project team composition and high performance required
Enterprise systems characteristics & evolution

- *Enterprise Systems (ES)* - sample definitions:
  - identified with *Enterprise Resource Planning (ERP)* systems
  - an ERP system is a packaged business software system that allows a company to
    - (1) automate and integrate the majority of its business processes,
    - (2) share common data and practices across the entire enterprise,
    - (3) produce and access information in a real-time environment
  - commercial software packages that enable the integration of transactions-oriented data and business processes throughout an organization
  - packaged software solutions [that] seek to integrate the complete range of a business’s processes and functions in order to present a holistic view of the business from a single information and IT architecture, ... [with] a development objective of mapping all processes and data of an enterprise into a comprehensive integrative structure
  - common focus on integration of both data and processes
Enterprise systems characteristics & evolution

Enterprise Systems (ES)

- evolution of ERP systems towards supporting various activities within the enterprise and **between organizations**
- supporting **inter-organizational collaboration** over company functions; trend towards integration with customers and suppliers
- CRM (Customer Relationship Management) – integration with customers
- SCM (Supply Chain management) – integration with suppliers
- solutions in an attempt to seamlessly link front office (e.g. sales, marketing, customer services) and back office (e.g. operations, logistics, financials, human resources) applications to enhance competitive advantages
- business intelligence, data warehouse, etc.
- sometimes called ERP II
The Steering Committee

- members
  - senior management from different corporate functions
  - senior project management representatives
  - provider’s representatives
  - (system end users)

- top management support actions
  - resource provision
  - change management
  - vision sharing

- responsibilities
  - allocates resources, makes strategic decisions, approves and evaluates project phases

- Project sponsor / The Chief of the Steering Committee
  - president / general manager
The Steering Committee

- relationships with the project team
  - support the project team
  - validate the emerging solution
  - ensure financial and human resources
  - convey the project team’s final recommendation for final approval

- charismatic behaviors needed
  - to establish the project team members’ cohesiveness

- informal controls as an important managerial intervention
The Project Team

- people responsible for the implementation project at the operational level
- multiskilled
  - both organizational and technical aspects, hybrid team culture
- diversity
  - => greater creativity, wider range of thinking
- appropriate knowledge, skills, expertise
- multidisciplinary and interdisciplinary
  - users and management staff from key areas
  - skills needed to assume roles and take responsibilities
- multifunctional
  - users, IT specialists, managers, external IT staff
  - interpersonal skills, passion and commitment needed
The Project Team: Tasks and responsibilities

- lead the decision making about how the company’s processes will be mapped and reconfigured
- configure and implement the enterprise system
- integrate distributed knowledge
- interdependence between the project team members
  - collective knowledge within the project team generated
  - interaction and communication
- four-part information sharing problem (presence of both functional experts from within the organization and external implementation consultants)
  - (1) functional experts share information about organizational processes and norms with each other and with the implementation consultants
  - (2) functional experts learn about the enterprise system software from the consultants
  - (3) Two first inputs combine in a learning process and in consequence decisions about how the system will be adopted are made
  - (4) Information about the decisions made and the enterprise system functionality are shared with other members of the adopter organization
- effective use of social capital
  - develop strong bonds within the team
  - use social capital bridges to access dispersed organizational knowledge
System End Users

- larger role than in traditional IT projects
  - extended project duration time
  - required commitment
- end user-related considerations
  - user participation, buy-in
  - involvement in the planning and implementation stage
  - have little formal control over the implementation team
  - misalignment between users’ expectations and managerial actions could lead to user resistance against system usage
    - lack of improvement in company’s operational performance as a result of ES utilization
    - lack of rewards for voluntary ES users
    - fear of dismissal as a consequence of ES adoption
- the project team’s managerial actions
  - on-site presence
  - quick turnaround of problems
System End Users

- user resistance determinants
  - switching costs
    - lack of perceived utility in switching from the status quo to the new IS
    - increase in inputs
    - decrease in outcomes
    - direct and indirect impact
  - factors reducing user resistance
    - colleague opinion
    - self-efficacy for change
    - perceived value of IS-related change
    - organizational support
IT Department

- ES adoption both an organizational and IT project
- IT capabilities
  - **IT leadership** – to develop the strategy, structures, processes, and staffing
  - **Business systems thinking** – to ensure that IT capabilities are incorporated in every business process
  - **Relationship building** – to establish understanding, trust, and cooperation among the business users and IT
  - **Architecture planning** – to create the technical platform to satisfy current and future business needs
  - **Technology fixing** – to quickly troubleshoot problems and to create effective IT solutions to business needs
  - **Informed buying** – to evaluate and negotiate contracts with suppliers
  - **Contract facilitation** – to ensure success of existing contracts by means of user-supplier management and multi-supplier coordination
  - **Contract monitoring** – to hold suppliers responsible for existing service contracts
  - **Supplier development** – to add value from supplier relationships and explore long-term mutual benefits
IT Department

- roles and responsibilities of IT/IS department during ES acquisition
  - be an internal consultant to the internal clients (i.e. people, areas, departments),
  - evaluate from the technical perspective the proposed technological solution,
  - provide an overall view and description of the company’s architecture (both existing and desired),
  - match the needs of the users with the most appropriate technological solution and integrate them into their systems,
  - train and support, together with the provider, of internal clients in the proper use of the new technology.
Project Manager

- leads an implementation at the operational level
- needed background
  - adequate knowledge, skills, abilities, and experience
  - capable of balancing the technical, business, and change management requirements
- characteristics
  - credibility with the project stakeholders
  - a track record of success with adequate size and type of project
  - skills in controlling the detailed actions needed to keep a project on its critical path
- roles
  - communicating the vision
  - maintaining motivation in the project team and the business
  - fighting political battles
  - remaining influential with all stakeholders, including senior management
Project Manager

- leadership skills needed (soft skills)
  - interpersonal relationships
  - communications
  - collaboration
  - cooperation

- leadership practices
  - credibility of the leader
  - inspiring a shared vision
  - searching for innovative opportunities
  - fostering collaboration by promoting cooperative goals and building trust
  - recognizing individual contributions
The Provider’s Representatives

- consultants
  - part of the Project Team
  - can help to reduce knowledge barriers

- provider’s representatives roles
  - support internal stakeholders
  - help adopter companies to configure and derive value from an ES package, providing both product knowledge and process guidance
  - “fill-in” role
    - routine, easily defined tasks within the project can be outsourced
    - work under in-company direction and control

- relationships with internal stakeholders
  - project manager
    - the ES provider’s customer manager should liaise with the project manager from the adopter’s side.
  - system key users
    - constant and intense communication between the key users and the ES provider specialists
Concluding remarks

- Stakeholders require constant attention over the whole ES adoption lifecycle
  - Imposed by the project complexity
  - The project’s deep impact on the adopting organization
  - Many stakeholders (internal, external) involved during the project run

- Future research on ES adoption participants
  - Project manager
    - Influence of his/her organizational position and area on ES success
  - Optimal composition of the project team and the steering committee
Thank you!

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