



# A case study of strategic enterprise resource planning management in a global corporation

Strategic ERP  
management

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## Standardisation is the basis of competitive advantage

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### Abstract

**Purpose** – Today enterprise resource planning (ERP) applications are a substantial proportion of many corporations' capital expenditure and the effective management of this pliable asset has significant consequence for business performance. The purpose of this paper is to examine the corporate strategy of a global corporation that, in pursuit of competitive advantage, deployed ERP applications.

**Design/methodology/approach** – This inductive case study research examines the corporate processes utilised to strategically manage ERP in a global corporation. The approach is explorative and method qualitative. Semi-structured interviews were conducted over a period of a year with senior executives, IT directors, IT managers, financial controllers, country managers and end-users.

**Findings** – The study found that devolving responsibility of ERP applications to subsidiary organisations increased cost and hindered corporate parenting. The considerable cost of centralising IS management and standardising ERP processes was found to be greatly exceeded by the numerous benefits. The primary benefits being reduced cycle time, the ability to benchmark subsidiary performance, improved customer satisfaction and increased market share.

**Research limitations/implications** – The research is limited by the analysis being of a single corporation. The major implication for future research is the need to understand the manner of ongoing management and control of ERP applications in different types of organisations. Particularly, their relationship with strategic management, how ERP enable and inhibit strategy, and ongoing management of operational ERP systems.

**Practical implications** – The dissemination of the management practices that have been employed to achieve a very successful ERP application-based business strategy is helpful to the many organisations that have or intend to implement ERP applications. It is particularly noteworthy that centralised corporate objectives, when mandated and focused upon, provide benefits that could not be achieved in the ad hoc way that existed prior to the ERP implementation.

**Originality/value** – The dearth of theory about ongoing management of ERP and the plight of the many organisations that are having difficulty understanding how to strategically manage these ubiquitous systems in a rapidly changing business landscape makes the study significant to both theory and practice.

**Keywords** Enterprise resource planning, Resource management, Management strategy, Operations management, Global corporations, Business strategy, Information systems strategy, Strategy execution, Operations improvement

**Paper type** Case study



## 1. Introduction

Most of the many challenges faced by managers implementing and managing enterprise resource planning (ERP) applications are business rather than technology issues (Davenport *et al.*, 2004). The aim of this study is to identify how a major global corporation successfully manages ERP applications. Many senior business managers and IT managers have been interviewed. The processes of strategic alignment of IT with business management, the implementation criteria and ongoing management practices have been elucidated. The dearth of theory about ongoing management of ERP and the plight of many organisations that are having difficulty understanding how to strategically manage these ubiquitous systems in a rapidly changing business landscape makes the explanation of effective management significant to both theory and practice.

The following section summarises the extant literature. Subsequently the many calls for research into the phenomena are highlighted and the research method explained. Finally, the strategic objectives and management practices of the case organisation are delineated, findings identified and implications for future research established.

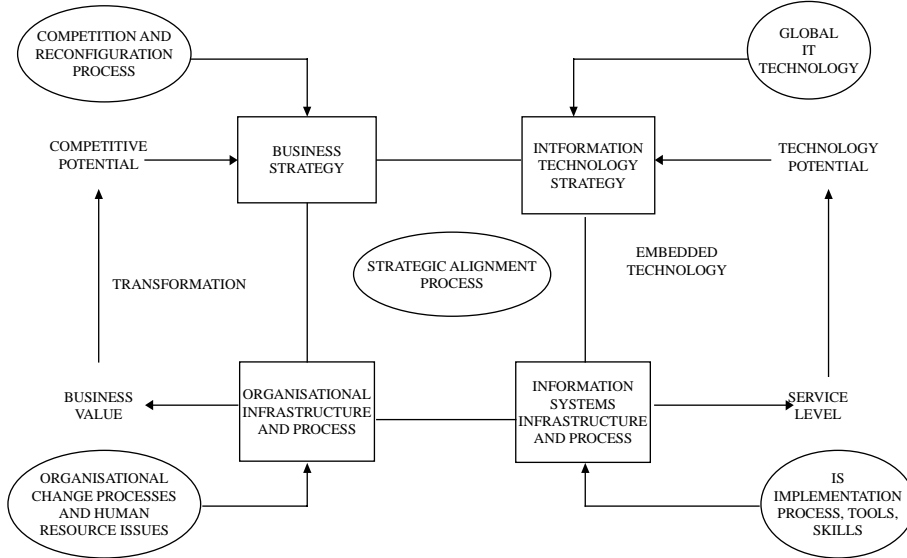
## 2. Literature review

The subject of ERP application management is related to many aspects of theory, these include strategic management, business and IT strategy alignment, evaluation of IS projects and organisational forms. There is considerable theory concerning these subjects and the following summarises the core components relevant to the study.

Due to the extent of resources required most ERP projects are strategic initiatives (Stewart, 2008). Strategic management literature has two primary perspectives, the “positioning view” (PV) proposed by Porter in the early 1980s (Porter, 1980, 1985) and the resource based view (RBV) that was developed in the 1970s and became prevalent in the 1990s (Hooley *et al.*, 1998). These fundamentally different approaches to strategic management are applicable to different types of organisations. The RBV being primarily relevant to innovative organisations that focus on knowledge renewal and has an entrepreneurial approach to markets, whilst the PV focuses upon an understanding of an organisation’s internal capabilities and the fit of these with the organisation’s industry and wider environment to achieve industry level competitive advantage. The case organisation in this study is aligned with the PV approach as it operates in one mature industry and therefore the strategy evaluation models developed mainly by Michael Porter’s such as value chain, five forces and SWOT analysis are the most relevant. This indicates that the organisation can then adopt a “design” (Johnson *et al.*, 2011) approach to strategy, whereby a formal strategic review can take place at regular intervals.

According to Madapusi and D’Souza (2005), misalignment of ERP systems and strategy is one of the primary reasons for delayed or failed ERP implementations. The alignment of IS and strategic management is a major component of IS literature, Figure 1 by Scott-Morton (1991) being typical of the many models.

Alignment theory was particularly prevalent in the late 1980s and 1990s. The premise of these models being that a formal strategic review takes place at regular intervals. The capabilities of IT and IS not currently utilised is then examined to identify opportunities from recent developments. An IT and IS strategy is then formulated in support of business strategy. The potential of alignment literature today



**Figure 1.**  
Strategic alignment process

Source: Scott-Morton (1991, p. 12)

is dependent on the nature of the organisation. The case organisation is “global” and “mechanistic” (Clemmons and Simon, 2001, p. 209), it is also, as mentioned above, able to follow the “design” approach to strategy formulation. Therefore, the models of business and IT strategy alignment are relevant to the study.

Tanaszi (2003) proposes that the IS evaluation and selection process has serious implications for an organisation’s ability to get the most value from systems. The evaluation being the identification in a rational way of the true business value of a potential IS investment (Keen and Digrius, 2003). Evaluation of IS projects is a dominant subject in IS literature. The subject of evaluation is split into two primary domains: *ex-ante* and *ex-post*, and the methods of evaluation being defined as either tangible or intangible. Table I presents an overview of the theory.

*Ex-ante* evaluation requires the identification of success criteria for projects. Cao and Hoffman (2011) see these as multi-dimensional, comprising cost, schedule, technical performance and client satisfaction. Tangible *ex-ante* evaluation usually takes the form of financial evaluation often utilising net present value or internal rate of return calculations. Regent authors in this area include Bannister and Remenyi (2000) and Bannister (2001, 2002a, b), Irani and Love (2002), Remenyi (2000, 2001) and

Tangible	Quantified measure of cost and benefit	Post project cost benefit appraisal, meets expectations of <i>ex-ante</i> costs and benefits
Intangible	Relate IT to business context. Try to identify total cost proposition <i>Ex-ante</i> domain	User acceptance, impact on individual performance, organisations ability to respond. Identification of indirect cost and disbenefits <i>Ex-post</i> domain

Source: Fulford (2007)

**Table I.**  
*Ex-ante* and *ex-post* tangible and intangible cost benefit analysis

Remenyi *et al.* (1997, 2007). There are also intangible values of IS, these being benefits that are difficult to quantify particularly in monetary terms, consolidated management information being a good example. The prevalent view of evaluating intangible benefits is that their potential is assessed against predetermined strategic objectives (Keen and Digrius, 2003). *Ex-post* evaluation is post project evaluation. The literature has two seminal models, one by Seddon *et al.* (1999) and the other by DeLone and McLean (2003, 1999). The broadly accepted premises being that benefits from operational systems are dependent on their acceptance and effective use. In turn user acceptance, directly relies upon, and is related to, quality of service, availability of information, ease of use and function. The specific returns from ERP systems investment are shown in Table II (Seddon *et al.*, 2003).

In most ERP application implementation early benefits are concentrated with high quality information within the organisation (Hasan *et al.*, 2011).

The matter of ERP application evaluation is complicated by the applications regularly being viewed as infrastructure, as an example Andresen and Gronau (2005) propose that ERP constitutes infrastructure, and IS infrastructure is evaluated differently to other forms of IS. The variance in evaluation methods is due to many IS projects being demand oriented, focusing on information requirements, whereas infrastructure is supply oriented being concerned with providing the basis for information (Hackney *et al.*, 2000). The most cited model of IS infrastructure investment analysis is by Broadbent and

Return	Percentage of survey respondents
<i>Hard returns – tangible benefits from ERP implementation</i>	
Inventory reduction	32
Personnel reduction	27
Productivity improvement	26
Order mgmt. improvement	20
Financial close cycle reduction	19
Technology cost reduction	14
Procurement cost reduction	12
Cash mgmt. improvement	11
Revenue/profit increases	11
Transportation/logistics cost reduction	9
Maintenance reduction	7
On-time delivery improvement	6
<i>Intangible returns – intangible benefits for ERP implementations</i>	
Information/visibility	55
New/improved processes	24
Customer responsiveness	22
Cost reduction	14
Integration	13
Standardisation	12
Flexibility	9
Globalisation	9
Year 2000	8
Business performance	7
Supp/demand chain	5

**Table II.**  
Returns from ERP

**Source:** Poston and Grabski (2000)

Weill (1997) it identifies that infrastructure is difficult to justify as executives have to make the decision about expenditure prior to deciding the strategies it will support. Broadbent and Weill recommend that business “maxims” are identified from corporate and organisational objectives and these guide IS and IT infrastructure investment.

Flexible infrastructure enables an organisation to respond quickly to changes in its environment and competitive situation, whilst inflexible infrastructure inhibits organisational change (Kayworth *et al.*, 2001). Newell *et al.* (2007, p. 164) see ERP as the “antithesis of agility because of the demands they make on organisations during adoption and implementation”. ERP can create what Johnson *et al.* (2011) see as strategic “path dependency” where strategy cannot be altered due to cost and time associated with amending systems. McNurlin and Sprague (2004) explain that flexibility can be built into ERP systems but that this adds cost and complexity.

The need for flexible infrastructure and whether ERP systems are defined as infrastructure is dependent on the nature and type of organisation. Figure 2 shows diagrammatically that international organisations can have a global, international, transnational or multinational focus. The case organisation is seen as a representative of the Global quadrant. This type of organisation is generally less flexibility than other organisational forms and is required to have standardised group wide information.

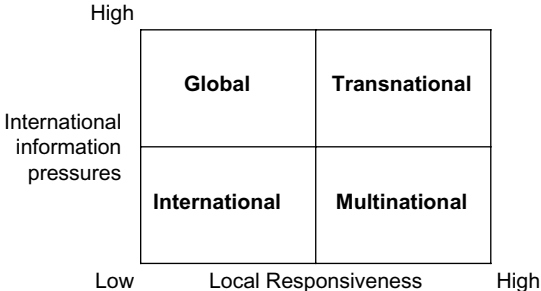
The nature of management of an organisation further complicates the discussion. The relation between the methods of evaluation and strategic management was covered by Fulford (2005) and is shown in Figure 3.

This is a complex area and one that is not only dependent upon the nature of an organisation but the social aspects of an organisation.

The “fit” between ERP and different organisational types was investigated by Morton and Hu (2004), using the organisational types identified by Mintzberg (1979). The outcome of their research is summarised in Table III.

The table shows that ERP systems are a good fit only with an organisation that has a machine bureaucracy. It was noted by Markus *et al.* (2000) that to be successful ERP projects require a high level of central authority and broad organisational participation.

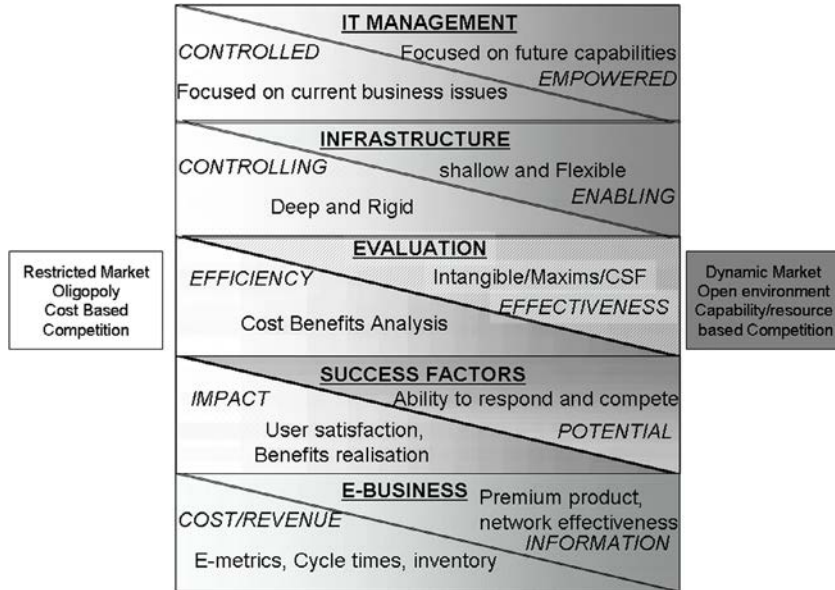
Rosemann *et al.* (2004) argue that the “fit” between an ERP application and an organisation is of paramount importance and the greater, of what they term, the “ontological distance” between the organisation and the ERP system, the more likely there will be fundamental problems with the success of the system. These concepts are related to efficiency and rationality, but organisations function in diverse ways related to social and political processes and these impact IS success (Doolin, 2004).



Source: Clemmons and Simon (2001, p. 209)

Figure 2. Classification of international business operations





**Figure 3.** IT evaluation in the context of organisational objectives

Organisational type	Structural dimensions			Degree of ERP fit	Likelihood of implementation success
	Formalization	Structural differentiation	Decentralization		
Machine bureaucracy	High	Medium	Low	High	High
Professional bureaucracy	Low	High	High	Low	Low
Divisionalized form	Medium	High	High	Low	Low
Ad hococracy	Low	High	High	Low	Low

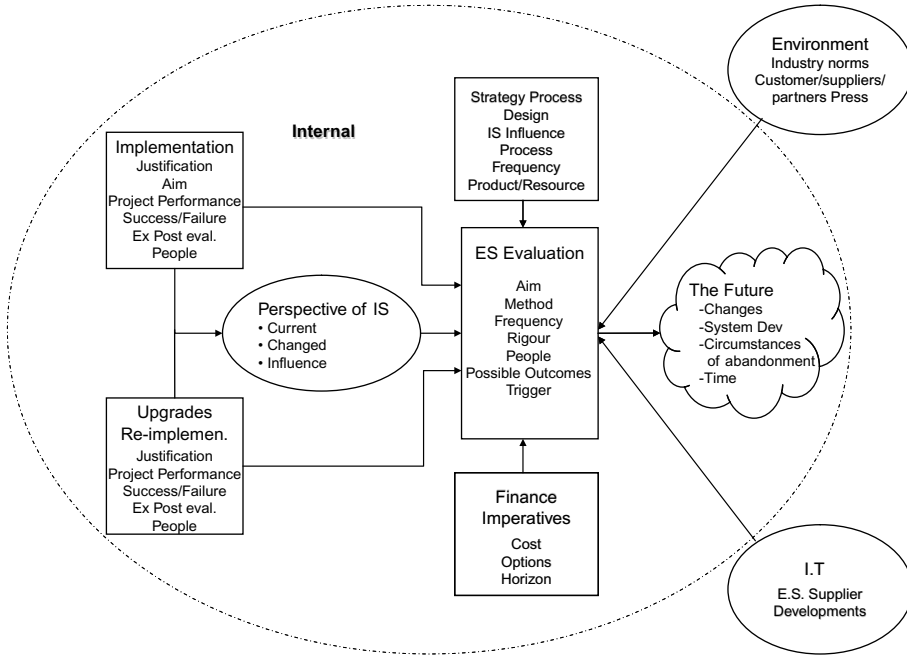
**Table III.** Fit between ERP systems and organisation types

Source: Morton and Hu (2004)

Weber (1997) describes the management information IS as a fusion of behaviour, technology and management. Figure 4 is a conceptual theoretical model of ERP applications management.

### 3. Research method

There has been a plethora of research concerning the implementation cycle of ERP but little concerning the ongoing management of the applications, particularly longitudinal studies about their strategic management. There has been many calls for research into this area over the last decade or so: Esteves and Pastor (1999) found only 12 of 189 articles were concerned with operational ERP, these articles being mainly technology-orientated, they called for research into their operational management; Dong *et al.* (2002) reviewed 44 ERP research articles and could not identify any that were longitudinal studies or focused upon ongoing benefit and cost management; Gable *et al.* (2003) identified that issues related to the ongoing support, modification, and enhancement of ERP after its implementation



**Figure 4.**  
Conceptual theoretical  
model

have received little attention; Bendoly and Jacobs (2005) report ERP “research still seems preoccupied with discussions of implementation and adoption”; El Amrani *et al.* (2006) argue that future ERP research should take both strategy and organisational context into account; Esteves and Bohorquez (2007) reviewed ERP research publications from 2001 to 2005 and found that “publications within the information systems community on ERP are scant compared to the business that they have generated” (p. 419) and that “ERP researchers still focus on the implementation phase of the ERP lifecycle” (p. 420). There has been a response to the call for research and ERP application research has reached a certain maturity, however, the field is very much an interdisciplinary (Schlichter and Kraemmergaard, 2010). The focus is shifting from international business as a general economic phenomenon to a set of managerial perspectives regarding how to exploit global opportunities, particularly via MIS:

Increasingly, particularly with the extension of MIS supported supply chains and integrated information through enterprise systems, information systems have become part of the backbone of multinational business structures that enable global commerce (Alhorr *et al.*, 2012, p. 18).

The research aim is to understand the process of ongoing strategic management of ERP applications in a global corporation. The specific research questions are:

RQ1. How is ERP strategy established?

RQ2. How are cost and benefits of ERP evaluated?

RQ3. How are cost controlled and benefits achieved in a changing business environment?

The method is an in-depth single case study. The case organisation was approached as it had undertaken a considered change of direction with respect to management of ERP applications. The approach is based on “relevatory case” as outlined by Yin (2003) and follows the case analysis procedures identified by Eisenhardt (1989). In-depth semi-structured interviews were conducted with senior IT and business managers in many countries around the world over a period of a year. Yin (2003) refers to this type of study as embedded single case, the method being to explore a single case through multiple units of analysis.

The most enlightening data was gathered from the vice-president who is the worldwide co-ordinator of the now centralised business process and technology centres. Other interviewees are the finance manager of group and two subsidiary organisations, three IT managers of subsidiary organisations, and senior operations managers of two subsidiary organisations. Interviews lasted between 45 minutes and two hours. The interviews were recorded, transcribed and analysed using the NViVO data indexing tool. The data was subjected to content analysis, initially through the concepts identified in the literature review and then by open coding. Documents were obtained for triangulation purposes.

The research is primarily bounded by the difficulty of generalising a single case study to a wider population. This is to some extent lessened by the depth of the case study and mitigated by the platform it creates for future research.

#### 4. Case description

The organisation will be referred to using the pseudonym Builder. The case examines three ERP implementations: briefly the initial world-wide implementation of J.D. Edwards, an implementation of SAP in Europe by a corporation acquired by Builder, and primarily, the global implementation of SAP to meet Builder’s worldwide standardised processes.

Builder is growing rapidly by acquisition, to the extent that over a ten year period it has created a presence in 20 countries. The worldwide revenue of the company is almost AuS\$20 billion, with more than AuS\$3 billion net profit. The corporation operates in a fragmented global market and has many domestic competitors. When the study commenced Builder was the second largest competitor in the industry with a market share of just 4 percent, it is now the largest in the sector following a major acquisition in Australia with an estimated 7 percent market share. The manufactured products are commodity building materials. One of Builder’s primary strategies is to reduce indirect cost, particularly in terms of finance and human resources (HR) by regionalising and centralisation these activities. Another primary objective being the introduction of common practiced in support of its global customers.

The organisation implemented the J.D. Edwards ERP system throughout its regional organisations in the 1990s. However, it found that the large number of customisations developed for individual organisations meant that it was unable to upgrade the application for Y2K purposes, due to cost and time constraints. The person responsible for worldwide co-ordination of IS (referred to in the following as Coordinator) explained:

[. . .] we implemented common technology, a common system, which was J.D. Edwards, but it was configured differently and interfaced with different local systems which meant that it became unmanageable as a corporate system.



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The Coordinator explained “In just one of the processes we had over 900 variances”.  
A vice president of Builder explained:

Along with external consultants, in 1999, we wrote a story to the CEO from what we called the executive committee, his response is very simple he said you contact the presidents and all the people in charge of operations in different parts of the world and we start analysing the finance, administration, and operations, etc. The CEO and his directors led the discussion. It was a very good discussion. The outcome was a decision about the main processes that we should standardise.

The Coordinator explained the rationale as:

We required a very important change in the way we manage the company and we manage profit, we need governance [..]. The first important change of the executive committee was that all IT personnel all over the world reported just to one head. So the person who design and build the applications in Venezuela, Mexico, Asia Pacific, Europe all report to one person and at a corporate level. This was very key. This meant that the IT personnel were not trying to serve the country president or their customer but the guy who leads the executive committee and the IT function at corporate.

The group identified nine core processes for product delivery and management. When a base understanding of the core processes had been identified two teams were formed; one technology orientated and the other process orientated. The separation of the IT and process team is an interesting concept and it was undertaken to ensure that the process team optimised the operations without being distracted IT considerations.

The decision to implement an ERP with standard processes was made on the basis of both business improvement and cost savings. The Coordinator explained that:

[...] the first business case stated how much it was costing to maintain and upgrade the numerous versions of the application; and how much it would cost if the application was standardised.

An attempt was made to implement the newly defined processes in the existing J.D. Edwards ERP system. However, the product did not have sufficient capabilities and there was concern over the long term viability of the application due to consolidation in the ERP industry. A task force was formed to identify a product that could implement the prescribed processes. A “great many” applications were reviewed and SAP was selected. It was explained that “It is a very expensive technology. But it would allow us to integrate business processes and the level of fit with Builder processes was the key factor”.

The worldwide budget for the total implementation has limited, but becomes finer grained for each region or country. When asked to identify benefits and their value the Co-ordinator explained that it was not possible to identify value of benefits “without inventing”, although he could identify the benefits:

I can give you one example, procurement, this is typical, having standardisation of the business that we use for managing plants and having software that is common we have information on consumption of material. Having the information of consumption of material worldwide enables us to make very good purchasing decisions.

Another benefit was seen to be global contracts with key customers. A regional Finance Manager explained that “we are able to use EDI for invoicing as we can do it across the customer organisation, and we can target our invoicing cycles to suit their administrative cycles”. Other benefits to the organisation were explained by a Vice President as:

[...] headcount reduction, mainly in back office processes. Once we had established the shared service centre we lost focus on that and the focus has shifted to information collection and the benefits of having standardised systems. Having one view of the customer, one view of suppliers, work in capital improvement [...] there is a work in capital benefit, in terms of better management of payment to suppliers, in terms of how we manage work in capital around reporting of quarters and year-end.

A senior IT Manager clarified that the implementation improves the organisation's competitive position, passing on:

[...] at the moment our systems and processes are seen by Builder as being an advantage over our competitors. To such an extent that in our joint venture organisations we are refusing to implement the systems as our partners will have access to them.

When questioned about tangible evaluation of the application the response was:

I suppose what I am finding it is difficult to evaluate the system [...] we are now using a shared service centre in Hungary to reduce costs. There must be a cash benefit but those decisions are taken globally rather than locally.

The UK Finance Manager thought that at the user level the system had not been well received, "the front-end users would say we have gone backward with the implementation of SAP". He went on to argue that, both from a back office perspective and his, the perception of the capability of IS had increased, as:

Now we can mine the information. One of the major benefits is balance sheet control, and we have a good picture of balance sheet risks, where in the past we relied on an audit or a bi-annual check.

Organisational performance is monitored at a country level and that the strategy process "is very much driven from the centre, globally". The organisation has three distinct product sets that have different markets or ways to market. As the UK IT Manager explained:

We have a department that is responsible for global strategy, we consolidate global needs, global requirements, evolution of process, evolution of countries and regions which creates the initial discussion for analysing the portfolio for the local strategy group.

When asked if there was tension between the global organisation and the local business the Finance Manager admitted there was, but he "wouldn't say it was that acute, global focuses on consistency, by benchmarking and that causes friction as locals always consider they know their business KPIs best". Interestingly he suggested that the global ERP system added to the tension as it is where the emphasis is most obvious.

The cost of ERP and its implementation is absorbed both centrally and locally. A Finance Manager explained "some costs that are directly attributed to the country are absorbed locally, but the SAP configuration and implementation costs are being met centrally". The centralised cost is allocated across the group. The IT Manager explained the local costs are for specific local customisations and are assigned to the business centre that "brought the business case".

The SAP roll-out included a re-implementation of a recently implemented SAP application in Europe. The replaced application had only been implemented for four years and had cost approximately US\$200m, the re-implementation cost US\$250m. The re-implementation in Europe has less local optimisation than the former application, and

is thought by most users to be more cumbersome than the previous implementation. However, users in finance and HR prefer the new system as they can more easily produce reports across the group of European companies. An interesting slant on the perception of the business was narrated by the European program manager when he contrasted the original implementation of SAP with the re-implementation:

You try to convince the business community that it is project for the business and on behalf of the business. But they still think of it as IT [. . .]. The Builder process is not seen as IT at all, it is just seen as a complete change. OK we are getting new systems but it is seen as a Builder company initiative and a continuation of the acquisition. But people understand that it is about countries wanting to work in the same way and not about IT.

Builder plans to upgrade SAP two and possibly three times a year to implement process improvement. The Coordinator explained:

If we have to respond to global market changes or requirements or one country comes up with a great idea, then we can take that advantage of the idea, we can implement it in one country but very quickly put it in the other countries because they are all working on the same systems and processes.

An IT Manager revealed, "Builder will continue to make acquisitions; and the standard ERP system makes the acquisition process much easier".

Customisations are very tightly controlled and unless they are very small they must be sanctioned by a global process owner. Only three types of customisations are permissible; country specific legal requirement, manufacturing requirements and those necessary for market conditions. The Coordinator explains his perspective on the reason for the strict controls around customisations in the following:

We go to a new country, such as Australia. We find different functionality in different parts of the business. We need to be very positive and very strong about how we manage the business processes. Otherwise we will become disparate as we were in the 90s. There are elements that are required and necessary to change functionality, they are where the process of manufacture is imperative, legal regulations, something that is required by the government, and thirdly what we call market critical elements. The group needs to be firm enough not to reproduce ten different procurement systems.

When an IT Manager was asked about the number of proposed changes that were approved he explained:

The legal ones obviously get through, other requests get through where we are allowed to add extra fields to the system; but we are not allowed to change how the basic front-end screens look and operate. The option is to put fields on other tabs. The percentage that get through? On volume it is probably 30%-40%, on value, given that we are not making the modifications for \$1m, it is a lot lower. It is very much about what is needed, things that are nice to have will not happen.

The IT Manager in the UK explained that the original implementation of SAP had more than twice as many customisations as the subsequent implementation. He observed that the new system was difficult for users; and, "In sales they have to use several screens which they don't like. It is a similar problem in other areas".

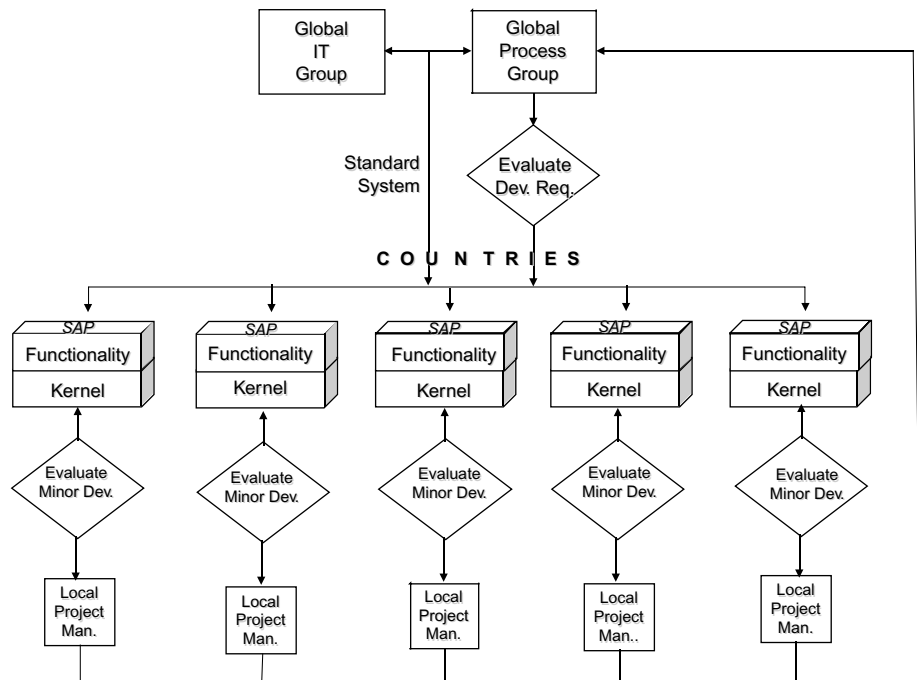
## 5. Conclusion and implications

The strategy of the organisation is fundamentally linked with ERP systems' management and information systems are central to businesses success. The global

process and IT groups' governance of the country ERP implementation is a corporate parenting act of subsidiary control, as it enables the centrally mandated processes to be put into operation through ERP applications. This reinforcement of strategy through corporate systems is symbolic of a strong corporate parent and a "global" corporation (Clemmons and Simon, 2001). Peslak (2012) identified that using technology to drive business change was one of the top three critical IT issues for organisations. It seems that the previous fragmented ERP implementation was not aligned with organisational strategy, or indeed the capabilities of IT have enabled a subsequent more successful strategy to be employed.

The cost of ownership of the ERP systems is significantly reduced through customisations being controlled globally and when sanctioned being added to all ERP implementations. The standard setup also reduces implementation time in acquired organisations as the lack configurability reduces implementation time (Lech, 2012). The fundamental objective of lifecycle costing is to identify the cost drivers that most significantly contribute to the total cost of the project; costs during the project, whilst the project is being utilised and cost of termination (Tysseland, 2008). Further application of lifecycle costing has been called for in the Project Management Body of Knowledge (V.4.0) and the practices by Builder are seen as innovative. Figure 4 shows the customisation approval process (Figure 5).

The standardisation of the process worldwide is being well received by businesses managers but less so by end-users. It was found by Ojiako *et al.* (2012) that user perception and use of mandated technology may deteriorate over time. However, even



Development Requests in 3 Controlled Categories

Figure 5.  
Builder management and evaluation process

though end-users now find ERP systems to be less efficient than previously they are currently content to use the applications as they recognise the benefits to the corporation. These being: timely financial information, benchmarking of organisations resulting in group wide best practice, economies of scale, global supplier partnerships and improved customer satisfaction. This demonstrates a number of mature organisational characteristics including robust corporate parenting, successful strategy communication and a focus upon corporate culture in support of business objectives. The development of social integration through ERP enables managers to guide and carefully shape behaviour (Capaldo and Rippha, 2009). Indeed, individuals do not perceive that their authority in decision making or control of resources is reduced by ERP applications (Wickramasinghe and Karunasekara, 2012).

The lack of focus on tangible local business benefits and cost of implementation identifies that the case organisation views in ERP applications as a component of corporate infrastructure. This demonstrates a move away from the traditional project by project capital expenditure request, to a corporate budget and allocation process that again underlines the strong centralised control now required of the corporation. The case presents a method of implementing strategy in line with the three key components of strategy; strategy, structure and systems. Whilst “systems” are broader than IS, it is noteworthy that the fabric of the organisation is provided by ERP applications. There has been much debate over the decades concerning whether strategy follows structure or structure follows strategy. The case organisation demonstrates that structure is now more malleable due to the capabilities of IS and perhaps now the focus should now be about how IS enables different organisational forms.

The major implication for future research is the need to understand the manner of ongoing management and control of ERP applications in different types of organisations. Particularly, their relationship with strategic management, how ERP enable and inhibit strategy, and ongoing management of operational ERP systems. The potential for ERP applications to support corporate parenting is also of interest. As is the advantages and disadvantages of ERP applications with regard to divesting and acquiring organisations.

The major recommendation for practice is to recognise that the decisions made in the very early stages of ERP acquisition and implementation are likely to have a major consequence upon the lifespan of the ERP applications and organisational benefits. The primary finding of this study is that organisations should take an holistic approach to the management of ERP applications at the beginning of the implementation lifecycle, for not to do so devolves much of the responsibility for strategy to subsidiary organisations.

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