СУЧАСНІ ІНФОРМАЦІЙНІ ТЕХНОЛОГІЇ У МЕНЕДЖМЕНТІ ТА МАРКЕТИНГУ

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AN INVESTIGATION OF THE PRACTICAL USEFULNESS OF STAKEHOLDER MANAGEMENT THEORY WHEN IMPLEMENTING ERP SYSTEMS IN LARGER ORGANIZATIONS

*Implementation of an ERP-system in Kemp & Lauritzen and
a case study of the necessity of stakeholder management*

Extended Abstract

Introduction

The aim of every theory is to be useable in practice. Especially within the science of business, it is crucial that the theories create value for organizations when used. During the last couple of decades there has been an increasing focus on stakeholders' influence on the management of an organization (Bryson 2004). However, both theory and practice imply that there exists a gap between the recommended and actually applied resources for stakeholder analysis. That is why the purpose of this article is to investigate if the theory-based tools for stakeholder analysis cover the needs of business managers.

In order to conduct this investigation, this article consists of both a literature study to define these theory-based tools, as well as a case study of the implementation of an ERP system. The case study was conducted of the Danish organization Kemp & Lauritzen, which is a Danish entrepreneur concern with 2,000 employees. At the time of the case study, Kemp & Lauritzen had the required support for the project and had reached the implementation phase.

Purpose

The purpose of this article is, as previously mentioned, to discover whether the current theoretical material concerning stakeholder analysis matches the actual needs that organizations face. This article aims to answer whether or not the stakeholder analysis is a crucial part of an ERP procurement project.

The article seeks to answer this question by investigating which tools for stakeholder analysis are proposed by the current theory in the area, and then comparing these tools with the actual use of stakeholder analysis in Kemp & Lauritzen. The investigation of these two extremities, theory and practice, will lead to a discussion of differences and similarities, and finally end up in a final conclusion.

The term *stakeholders* is used widely in many different theoretical areas. In this article the term *stakeholder* is defined as being persons, groups and organizations that must somehow be taken into account by leaders, managers and frontline staff (Bryson 2004).

The investigations made in this article concerns the work in ERP projects. The definition of the term *project* refers to a temporary endeavor undertaken to create a unique product, service or result. *Temporary* means that every project has a definite beginning and a definite end (PMI, 2004).

Methodology and theory

The methodology applied in order to investigate the research question in a suitable manner was founded in qualitative research design. The analysis of Kemp & Lauritzen was carried out as a single case study. The single case study was used in order to gain a deep insight into the case in order to answer the research question. It was supported by an expert interview with the executive manager Ole Jensen. Ole Jensen was chosen for the expert interview because he is a part of the steering committee for the ERP project and has great insight into the activities conducted by the project team. When making an expert interview, it is the expert knowledge of the interviewed person, and not the person himself, which is in focus. Furthermore, the interview was a semistructured interview. This type of interview was chosen in order to be able to differ from the interview guide and ask additional questions.

Besides the case study of Kemp & Lauritzen, a literature study was also carried out. The literature used in this study consists of acknowledged articles focusing on the stakeholder analysis from a strategy and leadership perspective. The articles were used with the purpose of analyzing which similarities could be deducted across the different perspectives on the theory. The aim of the analysis was to investigate whether or not these similarities could be used to create a common *toolbox* for a stakeholder analysis in major organizations. The literature used in this study was primarily Ackermann & Eden supported by Bordum, Bryman and Bryson.

Key findings

The literature study showed that there was a general approach to the stakeholder analysis, which consisted of four tools with a certain chronology: 1) define the term stakeholder, 2) identify stakeholders, 3) prioritize the stakeholders, and 4) manage stakeholders. These tools were clearly deemed to be necessary for a successful stakeholder management in all types of strategic projects. According to the literature, each tool is crucial because the action of one tool relies upon the result from the previous tool.

The single case study of Kemp & Lauritzen showed that no stakeholder analytical tools were used. The assessment of the sufficiency in proportion to the launch of the ERP-system depends on whether the success rate is just based on whether the project is completed or not, or whether the process leading up to the completion of the project also has to be taken into consideration.

This leads to the perceived difference in necessity of the stakeholder analysis between the theoretical and practical perspectives.

It was assessed that the theories' lack of concern for managers' general insight and lack of knowledge of their organization's stakeholders and the static

characteristic of especially the first three tools – definition, identification and prioritization – are the main reason for the difference in deemed necessity.

On the other hand, the management risks disregarding important stakeholders and creating frustration and dissatisfaction in the organization if they do not incorporate the proposed tools for stakeholder analysis concerning a strategy for handling these stakeholders. By actively incorporating the initial tools of the analysis, the managers ensure a process of explicit identification of all stakeholder groups, which can minimize the risk of disregarding any of them.

When working with the launch of an ERP system, it is of highest importance that the management understands that this is a big strategic decision, which demands that organizational consequences are taken into account and managed.

That is why the stakeholder analysis is a very relevant tool for the management when launching ERP systems, both when it comes to the process of implementation, as well as the final quality of the system. That being said, it is primarily the tools concerning the actual management of stakeholders – and, less importantly, the tools concerning definition, identification and prioritization – which are crucial to the success of the launch and following implementation.

Future studies and limitations

The findings of this article must be seen in the light of the fact that only one case study has been carried out. To ensure the generalizability of the key findings, it is necessary to carry out future studies of other cases. The literature used in this article concerns stakeholder analysis in connection with the implementation of strategic changes. This makes space for future studies which are not concerned with the specific launch of an ERP system. Such future studies will make it possible to make a more general conclusion on the practical usefulness of the stakeholder management theory.

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