

**THE IMPLEMENTATION OF AN ENTERPRISE RESOURCE
PLANNING (ERP) SYSTEM AT THE EUROP ASSISTANCE
COMPANY USA**

BY

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DECLARATION

This project is my original work and has not been presented for a degree in any other university.

Signature.....Date:8th,November,2016

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This research project has been submitted for presentation with my approval as the University supervisor.

Signature Date.....

DEDICATION

I dedicate this work to God who has kept me in good health throughout the whole process, including the completion of this research thesis. Secondly I dedicate this research thesis to the Chief HR Europ assistance who tirelessly supported me throughout and above all allowed me to use the company as a case study. Lastly to my mum and husband who endlessly encouraged me throughout my entire study time.

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ABSTRACT

Enterprise resource planning (ERP) system has been one of the most popular business management systems, providing benefits of real-time capabilities and seamless communication for business in large organizations. However, not all ERP implementations have been successful. Since ERP implementation affects entire organizations such as process, people, and culture, there are a number of challenges that companies may encounter in implementing ERP systems. This study was conducted using Survey Research Design. The target population was Europ assistance, USA that adopted ERP systems in the delivery of services. The accessible population of this study was 30 participants who consisted of administrators and heads of ICT from the different EA locations in the USA. Data was collected through the use of questionnaires administered in the field to the sampled respondents. Before processing the responses, the completed questionnaires were sorted, checked and edited for completeness and consistency. The data was then coded to enable the responses to be grouped into various categories. Descriptive statistics technique was used to analyze the quantitative data. The findings were presented using tables, graphs and pie charts and reported on three main classifications which included; summary of main findings, conclusions and recommendations. The study concluded that the decision to implement ERP system was taken by various reasons including: Improvements in processes and better control over them, enhanced quality of processes, predictability of business and business processes become standardized across the whole enterprise, better transparency and improved integration of activities across departments. The study concluded that ERP allows different departments with diverse needs to communicate with each other by sharing the same information in a single system. ERP thus increases cooperation and interaction between all business units in an organization on this basis. Also, ERP standardizes processes and data within an organization with best practices. The company also streamlines data flow between different parts of a business by creating a one-transaction system. The study concluded that Europ Assistance Company did indeed face challenges during the implementation of the ERP System. ERP creates many interconnections among various business processes and data flows to ensure that any other unit of the organisation can obtain information in one part of the business. Information that was previously maintained by different departments must be integrated and made available to the company as a whole. Business processes must be tightly integrated, jobs redefined and new procedures created throughout the company. The whole process of change is challenging and employees are often unprepared for new procedures and roles. For practice, the results demonstrate how ERP implementation projects in Europ Assistance Company USA should consider the unique contextual features of these type organizations. A proper understanding of these contextual issues may lead to a better comprehension of ERP system implementation and thereby contribute to successful ERP implementation.

CHAPTER ONE: INTRODUCTION

1.1 Background of the Study

The amount of information in organizations is heavily increasing and it has become vitally important to efficiently manage and share information inside the organization. Companies have to be swift in adopting new technology in order to remain competitive in a continuously developing business environment. This is where information systems (IS) come into play. Companies and other organizations are investing great sums in introducing information systems in the organization hoping to be able to make business more efficient and information sharing smooth. Information systems (IS) are sets of components that are organized in a way that supports the execution of some function(s) (The Institute of Electrical and Electronics Engineering IEEE 1990). Nickerson (2000) does not limit the components to being only technical, such as computers and code, but sees that the people, the processes, and the information are also parts of an information system.

An information system is also defined to be a set of information resources used to collect, store, process, maintain, use, share, disseminate, dispose, display, or transmit information (Committee on National Security Systems, 2006). And similarly Wognum et al., (2004) note that information systems purpose is to support companies in their information needs. Examples of such information systems investigated in this thesis are Enterprise Resource Planning (ERP) systems, Product Data Management (PDM) systems, Customer Relationship Management (CRM) systems, Supply Chain Management (SCM) systems, other document handling systems, project follow-up systems, and other tools that impact the way of working in some part of an organization. The quest for improving business

processes and decision-making, integrating business units and their information flows has a long history. Information technology advancements enabled recent development in these spheres. The progress led to emergence of Enterprise resource planning (ERP). Enterprise resource planning (ERP) systems are nowadays forefront in company-wide IT solutions

1.1.1 Enterprise Resource Planning

According to Nieuwenhuys, Boeck et al., (2011) Enterprise Resource Planning (ERP) is a software solution that integrates business functions and data into a single system to be shared within a company. Anderson et al., (2011) defined an ERP as software and database that automates and integrates information processing in real time over a large number of business processes and functions in an organization. Moreover, in recent years ERP has incorporated other business extensions such as supply chain management and customer relationship management to become more competitive. On the other hand Dezdar & Ainin, (2011) define an ERP system as an integrated software package used to manage an organization's resources. ERP systems integrate all departments and functions of a company into a single computer system that can serve all the different departmental needs. An ERP is purchased as packaged (off-the-shelf) software rather than developed in house.” Significant built-in functions of an ERP include human resources, finance, logistics, manufacturing, order fulfillment, and supply chain management (Mehrjerdi, 2010). While ERP originated from manufacturing and production planning systems used in the manufacturing industry, ERP expanded its scope in the 1990’s to other "back-office" functions such as human resources, finance and production planning (Swartz & Orgill, 2001).

The major goal of ERP is to increase operating efficiency by improving business processes and decreasing costs (Beheshti 2006). ERP allows different departments with

diverse needs to communicate with each other by sharing the same information in a single system. ERP thus increases cooperation and interaction between all business units in an organization on this basis (Harrison, 2004). Also, ERP standardizes processes and data within an organization with best practices. The company also streamlines data flow between different parts of a business by creating a one-transaction system (Lieber, 1995). As Hitt et al., (2002) stated, the standardized and integrated ERP software environment provides a degree of interoperability that was difficult and expensive to achieve with stand-alone, custom built systems.” Standardization and integration of processes and data allows a company to centralize administrative activities, improves ability to deploy new information system functionality, and reduces information system maintenance costs (Siau, 2004). As a result of its benefits, ERP has become the backbone of business intelligence for organizations by giving managers an integrated view of business processes (Parr & Shanks, 2000; Nash, 2000). ERP is designed to adapt to new business demands easily.

Despite ERP’s promises to benefit companies and a substantial capital investment, not all ERP implementations have successful outcomes. ERP implementations commonly have delayed an estimated schedule and overrun an initial budget (Helo, Anussornnitisarn & Phusavat, 2008). Furthermore, the literature indicates that ERP implementations have sometimes failed to achieve the organization’s targets and desired outcomes. Much of the research reported that the failure of ERP implementations was not caused by the ERP software itself, but rather by a high degree of complexity from the massive changes ERP causes in organizations (Scott & Vessey, 2000; Helo et al., 2008; Maditinos, Chatzoudes & Tsairidis, 2012). According to Helo et al., (2008), “Unlike other information systems, the major problems of ERP implementation are not technologically related issues such as

technological complexity, compatibility, standardization, etc. but mostly [about] organization and human related issues like resistance to change, organizational culture, incompatible business processes, project mismanagement, top management commitment, etc.”.

1.1.2 Europ Assistance

The story of Europ Assistance begins back in 1963, at the initiative of Pierre Desnos: he was the first to identify the emerging needs of holidaymakers back then, fully appreciating the scale of the changes underway and the unprecedented growth in tourism and motoring. He invented the assistance concept, which in turn gave rise to the Group. Profoundly moved after hearing of the problems encountered by a couple of friends who suffered an accident in Spain and their difficulty in obtaining immediate help, Pierre Desnos became aware of the lack of protection available to travellers. With the help of Generali’s French subsidiary, the insurance company Concorde, he founded Europ Assistance and invented a completely new concept of assistance.

With communication revolutionized by the development of the mobile telephone and the Internet, Europ Assistance launched an initial teleassistance solution enabling elderly and dependent persons to inform their friends and family or the emergency services if they encountered difficulties. Thanks to these new technologies combined with human input, the Group was able to constantly innovate from there on to develop high added value personal services. This marked the start of a new era. The foundations have been laid for a genuine revolution.

Needs were changing. Everyone was keen to make the most of their private and family life, and to focus on the things that matter: their health, their home, their free time, their travel and their holidays. With the Care Services, Europ Assistance reinvented the

traditional range of assistance products by offering millions of clients a new generation of assistance services. This concept was designed to satisfy a new and growing need expressed by consumers: to receive personalised, continuous assistance meeting their requirement for well-being, health and help with all of life's little day-to-day problems. Europ assistance was using the Dayforce system for the Human Resource department functionalities but did not have any other ERP system integrating all the other departments which are sales and marketing, planning, messaging, and product development. They were completely manual on all the other departments until April this year (2016) when they started implementing a system called work front. The work front was going to integrate all the departments making the communication cycle between different departments shorter and more secure since all that is centralized in the system. And later on the Dayforce functionalities will also be implemented in the new system to be implemented.

1.2 Statement of the Problem

An effective business strategy centers on an aggressive, efficient use of information technology; for this reason the ERP systems have emerged as the core of successful information management, and the enterprise backbone of the organization (Nash, 2000a, b). A successful ERP system will streamline processes within a company and improve its overall effectiveness, while providing a means to externally enhance competitive performance, increase responsiveness to customers, and support strategic initiatives (Sandoe et al., 2001). Despite such advantages, ERP implementation is a socio-technical challenge that requires a fundamentally different outlook from technologically-driven innovation, and will depend on a balanced perspective where the organization as a total system is considered (Al-Mudimigh et al., 2001). This study was motivated by the increasing adoption rate of ERP systems in organizations despite continued occurrence of

ERP implementation failures. The study therefore sought to compare the case of Europ Assistance Company USA to other cases from the corporate sector to figure out and describe similarities and differences in operations for a successful ERP implementation at EA USA.

A number of studies have been undertaken in relation to implementation of a Enterprise Resource Planning System. For instance, Lacy (2014) looked at implementation of a New Enterprise Resource Planning System. The study established that when processes were originally mapped for the flow of the implementation, the chart was five pages. After implementation, the same processes streamlined using the new Enterprise resource planning system is now only two pages. After all implementations were complete, more than \$150,000 in salaries was saved, as well as many unnecessary and tedious job functions. Goeun (2013) looked at Challenges in Implementing Enterprise Resource Planning (ERP) system in Large Organizations: Similarities and Differences between Corporate and University Environment. He found out that both corporate sector organizations and universities are seeking the operations benefits of ERP systems as identified in the literature, including much easier access to reliable information by integrating disparate legacy systems and reengineered business processes. Daryna (2013) looked into Implementation of Enterprise Resource Planning Systems: Point of View of Consultants. The study revealed that consultants have similar views on some issues: all of the respondents are keen to have competent and devoted people to the project team with enough authority for decision making. Education is often based on “train the trainers” concept. Consultants think system customizations should be avoided and packaged solution is able to fulfil most of requirements.

Empirical studies on the need for implementation of the ERP system at the Europ Assistance Company USA are not systematically documented. Guided by this knowledge gap, the proposed study sought to fill this void by seeking to assess the implementation of the ERP system at the Europ Assistance Company USA and its challenges too.

1.3 Objectives of the Study

The general objective of this study was to evaluate the implementation of the ERP system at the Europ Assistance Company USA. Specifically to:

- a) Establish the extent to which Europ assistance, USA is using the ERP system.
- b) Establish the operational benefits Europ assistance, USA will get for using the ERP system.
- c) Establish the challenges faced by Europ assistance, USA for using the ERP system.

1.4 Value of the Study

This study may contribute to the adoption of ERP information systems in the assistance facilities through gathering information on the important factors that drives the adoption of information systems. This study may also provide information to the managers of assistance institutions that may help them to avoid problems that would arise if they fail to adopt ERP information systems.

The information generated in this study may enable various stakeholders to come up with good plans and formulate policies that may favor adoption of ERP information systems in various fields. It is expected that the vendors may use the information from this study to develop information systems with desirable characteristics that may increase their adoption in the assistance industry.

The findings of this study may help all the assistance institutions similar to Europ assistance in the USA by providing the Staff information and communication technology literacy, information systems characteristics, Top management characteristics and how to improve the relationship between these factors on the adoption of ERP information systems.

It is also expected that the findings of this study may be used to improve the management process and that the findings can also be applied in areas that are yet to be computerized.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

This chapter focused on the related literature on the implementation of the ERP system. It also presented the theoretical foundation of this study and a summary of the chapter.

2.2 Theoretical Foundation

The theories that have been used in the study of ICT in includes; the Diffusion of Innovation (DOI). This model suggests that there are three main sources influencing the adoption and diffusion of an innovation, namely perceptions of innovation characteristics, characteristics of the adopter, and contextual factors.

DOI theory sees innovations as being communicated through certain channels over time and within a particular social system (Rogers, 1983). Individuals are seen as possessing different degrees of willingness to adopt innovations, and thus it is generally observed that the portion of the population adopting an innovation is approximately normally distributed over time (Rogers 1995). Breaking this normal distribution into segments leads to the segregation of individuals into the following five categories of individual innovativeness (from earliest to latest adopters): innovators, early adopters, early majority, late majority, laggards (Rogers, 1983). The innovation process in organizations is much more complex. It generally involves a number of individuals, perhaps including both supporters and opponents of the new idea, each of whom plays a role in the innovation-decision. This model has been applied to study the adoption of ERP systems in Europ assistance, USA. However, the DOI does not provide information on how to assess innovation characteristics. Furthermore, this model has been criticized for its lack of specificity, Gagnon (2010).

The Technology Acceptance Model (TAM) has also been used by researchers to explain why a particular system may or may not be acceptable to users (Davis, 1989). It hypothesizes that there are two beliefs, perceiving usefulness and perceiving ease of use, which are variables that primarily affect the user acceptance. The TAM suggests that these external variables indirectly affect individuals' attitude toward technology acceptance by influencing perceived usefulness and perceived ease of use. External variables might include individual user attributes, social factors or those related to their job tasks. A series of studies found that TAM is the best model in examining Physicians 'acceptance of telemedicine technology because it is specialized in information technology, it is well-researched, it uses psychometric measurements, and it is a dominant model for investigating user technology acceptance (Mary, 2008, Chau & Hu, 2001, 2002; Hung et al., 2010).

Tornatzky and Fleischer (1990) developed a framework for organizational adoption based on Contingency Theory of Organizations. This theory postulates that an effective organization should have a structure which is consistent with its environmental needs. The effectiveness of an organization is based upon its fitness towards both internal and external factors such as environment, organization size, and organization strategy and technological factors to make a decision. In this framework, three key determinants were identified (Donaldson, 2001). Therefore, decision makers should take in to account technology, organization, and environment factors that affect technology adoption. Hence, this framework was named as "TOE" framework and used successfully in the study of adoption within organizations.

The TOE framework has been adapted in IT adoption studies in the past and it provides a useful analytical framework that can be used for studying the adoption and assimilation of different types of IT innovation, Oliveira and Martins (2011).

Institutional theory has also been used in the past studies which emphasizes that institutional environments are crucial in shaping organizational structure and actions (Scott, 2001). According to the institutional theory, organizational decisions are not driven purely by rational goals of efficiency, but also by social and cultural factors and concerns for legitimacy. Institutions are transported by cultures, structures, and routines and operate at multiple levels. The theory claims that firms become more similar due to isomorphic pressures and pressures for legitimacy. This means that firms in the same field tend to become homologous over time, as competitive and customer pressures motivate them to copy industry leaders. For example, rather than making a purely internally driven decision to adopt information system, firms are likely to be induced to adopt and use information systems by external isomorphic pressures from competitors, trading partners, customers, and government. Institutional theories tend to be variance theories and are therefore better in explaining among types of institutions than the development of one or another individual institution.

2.3 Implementation of ERP

In order to better understand the process of ERP adoptions, a number of researchers have developed conceptual ERP life cycle frameworks or process models. Ehie and Madsen (2005) suggested a five-stage ERP implementation process using various reviews of the previous literature: project preparation, business blueprint, realization, final preparation, “Go-Live” and support. Project preparation refers to a comprehensive planning phase that forms a project team with leadership roles, sets budget targets, and defines the project

objectives and plan. In the business blueprint phase, the current business process is analyzed in detail in order to select an appropriate ERP system. A project team then is trained on functionality and configuration of the selected ERP system. An understanding of the selected ERP system allows a project team to gain insight to reengineering its business processes. In the realization phase, a project team concentrates on implementing an ERP system including modification, development of interfaces, and data conversion. At the same time, each process design is tested on a conference room pilot. In the final preparation phase, the entire process is fully integrated and tested throughout the organization with full data and various scenarios. End users are trained in this phase as well. Finally, in the “go-live” and support phase, the ERP system is constantly stabilized and may have extensions for competitive advantage (Oliveira and Martins, 2011).

Rabaa'i (2009) researched previous studies identifying critical success factors (CSFs) for ERP implementation. This research presents the top 12 most frequently cited CSFs from previous studies: Top management commitment and support, change management, project management, business process reengineering and system customization, training, ERP team composition, visioning and planning, consultant selection and relationship, communication plan, ERP system selection, ERP systems integration, and post-implementation evaluation measures.

Successful ERP implementation depends on management to prepare for challenges that might be faced (Motwani, Mirchandani, Madan & Gunasekaran, 2002), as well as senior management who are involved in overall strategy of the company and are not familiar with technical aspects (Yusuf, Gunasekaran & Abthorpe, 2004). Also, top management commitment and support leads to overall organizational commitment across an organization. It results in the successful ERP implementation (Umble & Umble, 2002).

Ehie and Madsen (2005) stated that ERP implementation involves more than changing software or hardware systems. Ideally, by reengineering business processes, ERP implementation can help an organization to benefit from higher levels of efficiency and improved performance. Therefore, ERP implementation may cause changes that lead to resistance among employees (Glover, Prawitt & Romney, 2009). Consequently, balancing conflicts between staff and technology and effectively managing employees in the change process are key elements for the successful ERP implementation (Ash & Burn, 2003).

Additionally, effective project management is critical for the successful ERP implementation (Umble, Haft & Umble, 2003; Nah & Delgado, 2006). Bingi, Sharma, and Godla (2009) found that “a lack of proper understanding of the project needs and the inability to provide leadership and guidance to the project” are the main factors when ERP implementation fails. Thus, effective project management should define clear project objectives, develop a work and resource plan, and carefully track the project’s progress. There are two approaches to implementing ERP systems in an organization: reengineering business processes and ERP customization (Shehab, Sharp, Supramaniam & Spedding, 2004). Business process reengineering creates deep changes in organizational processes in order to fit them to ERP functions. On the other hand, when an organization wishes to maintain its existing processes using an ERP system, it can customize ERP functions. However, many researches indicate that ERP customization should be avoided or minimized in order to achieve the full of benefits offered by ERP systems (Shanks, Parr, Hu, Corbitt, Thanasankit & Seddon, 2000).

End user training has been recognized a critical factor for ERP implementation (Bajwa et al., 2014). Due to the complexity of the integrated ERP system, end user training is essential for a robust understanding of how the system works and how to use it.

Consequently, appropriate end user education and training will maximize ERP benefits and increase user satisfaction. ERP team composition Since ERP covers diverse functional areas across an organization, ERP team composition is also important for the successful ERP implementation; an ERP project team should consist of representatives from all functional units related to ERP. Furthermore, ERP consultants play a critical role in ERP implementation. Consultants can be essential knowledge resources for ERP's hardware, software, and personnel. They also can help staff, have responsibility for project management, and audit the project. On the other hand, in order to be successful system maintenance after post-implementation, knowledge transfer from consultants is crucial for the organization. According to Al-Mashari, Al-Mudimigh, and Zairi (2003) strong communication within the entire organization during the implementation process increases success for ERP implementation. It allows the organization's stakeholders to understand the goal and the expected benefits of the project as well as to share the progress of the project. An "open information policy" protects the various communication failures for the project.

While the critical success factors can lead to success of ERP implementation, they do not guarantee it. AlMashari, Al-Mudimigh, and Zairi (2003) state that the delivery of the critical success factors is one major condition to lead to benefits from ERP implementation, and they suggests that IT projects can be considered successful as according to the following terms: Correspondence success, which occurs when there is a match between IT systems and the specific planned objectives. Process success, which occurs when IT project is completed within time and budget. Interaction success, which occurs when users' attitudes towards IT are positive. Expectation success, which occurs when IT systems match user's expectations.

2.3.1 Operation Benefits of ERP Systems to Organisations

ERP systems have portrayed major operational benefits through rationalization, improving and controlling business processes such as procurement, customer offer and complaints, equipment maintenance and marketing campaigns. There has been a significant reduction in costs and time saving in the business processes. Previously with the company only being able to allocate only the productive resource cost to each activity. The resource management module of the system will be able to manage the cost of the service personnel. In terms of paperwork there will be a significant reduction in turn reducing the user occupation times and also providing report insight to the supervisors. Communication and data transfer will be well taken care of as there will be instant access to real-time data of all the documents and reports pertaining their work. The consideration of the user access control will be put in place. With the company having a lot of sales and promotion activities, every quantitative data on each promotion will be used to increase the efficiency of the sales department. Chen, (2001).

ERP Systems are already developed to suit the general businesses. But as every company has a slightly different way of operating, only minor changes may be needed to customize the system to suit the company's particular business requirements. Once the information is entered into the single database, everyone in the organization has access to the information and sees the same computer screen. In the paper-based system, the order moved from basket to basket around the organization, and often caused delays, errors in processing due to repeated entries by the different department or got lost. With the ERP system, the order process moves quickly through the organization. This helps to get the orders to the customers faster and there is no in-basket time waiting time involved (Bingi, Sharma, and Godla, 2009).

They can also assist in achieving the strategic competitive advantages. With a centralized database and built in data analysis capabilities, ERP systems provide informational benefits to management decision making. As ERP systems automate business processes and enable process changes, an organization may expect ERP systems to offer strategic advantage through Cost leadership by Cycle time reduction, Productivity improvement, Quality improvement, Customer services improvement. As the different parts of the organization are connected with each other, people have faster access to information and require less time to do their tasks. This helps to improve the time and resources for decision-making. As all the departments and the functions in the organization are integrated and linked to one single database, data needs to be entered only once into the system. It can then, be accessed by different departments according to their needs. For example, before taking an order from a customer, the sales representative can have access to information regarding availability of inventory, credit rating of the customer, etc (Hung et al., 2010).

Additionally, developing software in-house requires a great amount of investment, experienced professionals and tremendous amount of time. The payback from the in-house system takes an equally longer time. As ERP software packages are developed by vendors who have the required expertise, they are basically off the shelf packages that companies pick up that require minor customizations as per company requirements, and so they don't involve an in-depth development like the in-house software. Hence the ROI is received faster from the ERP system. The system of ERP is very user friendly. With the correct amount of training, it becomes easy for the employees to use the system. The ERP system also helps companies to do away with the erroneous ways of carrying out the different business functions and introduces business best practices. This further helps to provide

better control and introduces standardized ways to execute business processes. Most of the problems get resolved as the vendors who develop ERP software packages, take the best ideas from all their customers and incorporate them into their products (Nah & Delgado, 2006).

2.3.2 Challenges of implementing These Systems

Many of the problems that companies face with ERP system are due to inadequate investment in training of all relevant personnel, including those implementing and testing changes, and setting corporate policies. There are limitations and pitfalls to ERP, for instance: Success depends on the skill and experience of the work force, including education in how to make the system work correctly. Many companies attempt to cut implementation costs by cutting user training.

Privately owned small enterprises are often sufferer, their ERP system is often operated by personnel with inadequate education in ERP in general. Secondly, companies can employ new managers lacking education in the company's ERP system. Third, proposing changes in business practices that are out of synchronization with the best utilization of the company's selected ERP. Fourth, total cost of ownership of ERP systems is very high. Fifth, ERP vendors can charge sums of money for annual license renewal that is unrelated to the size of the company using the ERP or its profitability. Sixth, technical support personnel often give replies to callers that are inappropriate for the caller's corporate structure. Computer security concerns arise, for example when telling a non-programmer how to change a database on the fly, at a company that requires an audit trail of changes so as to meet some regulatory standards (Bajwa et al., 2014).

ERPs are often seen as too rigid, and difficult to adapt to the specific workflow and business process of some companies - this is cited as one of the main causes of their

failure. The system can suffer from the "weakest link" problem, and inefficiency in one department or at one of the partners may affect other participants. Many of the integrated links need high accuracy in other applications to work effectively. A company can achieve minimum standards, and then over time "dirty data" will reduce the reliability of some applications. Once a system is established, switching costs are very high for any one of the partners (reducing flexibility and strategic control at the corporate level). The blurring of company boundaries can cause problems in accountability, lines of responsibility, and employee morale. Resistance in sharing sensitive internal information between departments can reduce the effectiveness of the software (Maditinos, Chatzoudes & Tsairidis, 2012).

There are frequent compatibility problems with the various legacy systems of the partners. The implementation of an ERP system involves a complex set of tasks, from selection and system design, to installation, tuning, maintenance and upgrade. The core set of technologies and capabilities needed to accomplish these tasks is often not obtainable in-house, due to high costs and lack of resources. This means that ERP customers must find ways to engage top-notch ERP experts while controlling costs and still be able to implement and maintain a strategic ERP system. Handing off all or part of the responsibility for implementation and maintenance, also known as ERP outsourcing - is an increasingly viable and important option for ERP customers (Mehrjerdi, 2010).

2.4 Summary of Literature Review

The literature review looked at the literature on the challenges of implementation of the ERP system which included; benefits and challenges of ERP implementation. The theories that have been used in the past studies of information systems adoption were also

reviewed. They included the TOE framework, Diffusion of innovation (DOI) and the institutional theory.

Previous studies have identified critical success factors for successful implementation of an Enterprise Resource Planning system which entail the following; top management support, business plans and vision, change management and culture, business process re-engineering, education and training, selection and support among others (Umble, 2003; Akkermans, & Helden, 2002). The studies have also highlighted the benefits derived from Enterprise Resource Planning implementation which entail ability to integrate various functions, cost and value advantages, ability to manage data real time, internal improvement or infrastructure investment, improved customer service, user satisfaction, spotting market trends, ability to adapt to change, increased output, lower production costs among other many (Twite, Money & Remenyi, 1993; Hares & Royle, 1994). Further, the studies also pointed out a number of obstacles which include high cost of implementation, technical complexity, information technology infrastructure, employee education and training, corporate culture among other many (Lim, Pan & Tan, 2005).

Research need to find out what type of systems such enterprises use and how they remain competitive in the market. The research was carried out in a developed country and this was provide basis of ERP implementation, the benefits as well as the challenges.

CHAPTER THREE: METHODOLOGY

3.1 Introduction

This chapter presents the research design to be used, target population for the study and the sample size that was used. It also explains the data collection procedure, analysis and research instruments the study adopted. It also focused on data analysis and ethical issues.

3.2 Research Design

This study was conducted using Survey Research Design. Sapsford (2007) defined survey research method as a technique in which detailed information concerning a social phenomenon is gathered by posing questions to respondents. The survey has proven to be a powerful tool in gathering information about the opinions, attitudes and intentions of people concerning different social, cultural, economic and political issues (Michell and Jolley, 1988). The study used both quantitative and qualitative approaches. Quantitative approach was used for data collected using questionnaires from the participants. The quantitative approach was justified because it allowed studying issues in-depth.

3.3 Target Population

The target population was Europ assistance, USA that adopted ERP systems in the delivery of services. The accessible population of this study was 30 participants who consisted of administrators and heads of ICT from the different EA locations in the USA. The target population was 30 participants who were chosen because they were privy to the information that influence the decision to adopt ERP system in their work place.

3.4 Data Collection Instruments

Data was collected through the use of questionnaires administered in the field to the sampled respondents. The questionnaire was divided into six parts. The first part of the questionnaire was an introduction and explained the purpose of the questionnaire stating clearly that data obtained was for pure academic purpose. It also explained the instructions on how to answer the questions and also contained the questions eliciting the basic information of the participants and the hospital. The other parts contained the questions used for examining the factors which the organization considered concerning the adoption and challenges of ERP system.

The researcher applied for a permit from the council of national science and technology to conduct the research. The questionnaire was then distributed through drop and pick method and post office mail. The respondents were given a period of one week to answer the questions after which the questionnaires were picked from the respondents.

3.5 Data Analysis Techniques

Before processing the responses, the completed questionnaires were sorted, checked and edited for completeness and consistency. The data was then coded to enable the responses to be grouped into various categories. Descriptive statistics technique were used to analyze the quantitative data. Coding was done in SPSS, analyzed and the output interpreted in frequencies, percentages, mean scores and standard deviation. The findings were presented using tables, graphs and pie charts. The analyzed data was reported on three main classifications which included; summary of main findings, conclusions and recommendations.

3.6 Ethical Considerations

The researcher ensured that the research ethics were observed. The respondents were informed that participation in this study was voluntary and they were requested to sign a voluntary consent before being presented the questionnaire. Confidentiality and privacy was also observed. This was done by not revealing the identities of the respondents. The researcher also respected the respondents' decisions on what information to give. In this case, the researcher did not coerce the respondents to give any information or doctor their feedback. The objective of the study was explained that it is for academic use only. Finally, the researcher explained to the participants that he was more than willing to share or give feed back of the research findings to the respondents.

CHAPTER FOUR: DATA PRESENTATION, ANALYSIS AND INTERPRETATION

4.1 Introduction

This chapter entails the findings of the study based on the data collected from the field. The study sought to evaluate the implementation of the ERP system at the Europ Assistance Company USA. From a target sample size of 30 respondents, a total of 25 responses were successfully received from the respondents who included administrators and heads of ICT from the different EA locations in the USA. The data was analyzed and the information presented in form of pie charts, bar graphs and tables. The study response rate was 85%; according to Mugenda and Mugenda (2003) a 50% response rate is adequate, 60% good and above 70% rated very well.

4.2 Demographic Information

The researcher found it important to establish the general information of the respondents since it forms the basis under which the study can rightfully access the relevant information. The investigation centered on this in information of the respondents so as to classify the different outcome according to their knowledge and responses. In order to capture the general information of the respondents issues such gender, age bracket, level of education, location and department in the organization were captured in the first section.

4.2.1 Respondents Gender

The study asked the respondents to indicate their gender, accordingly the gender distribution of the respondents is as portrayed in Figure 4.1.

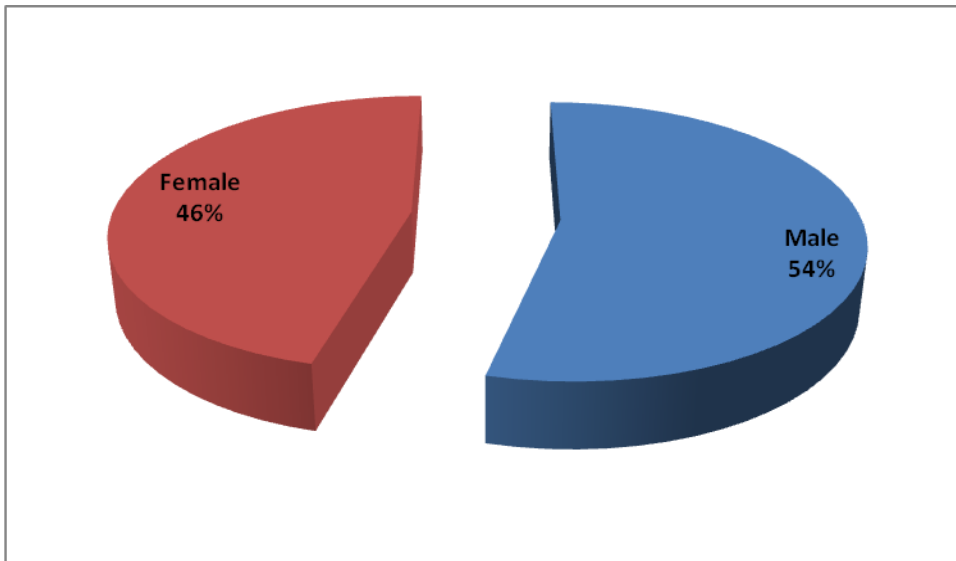


Figure 4.1: Respondents Gender

From the findings, 54% of the respondents were male while 46% were female as shown in Figure 4.2. This implies that both genders were fairly engaged in this research and therefore the findings of this research did not suffer from gender bias.

4.2.2 Respondents Age Bracket

The study sought to establish the age bracket of the respondents. From the findings, there were 2 respondents between 18-25 years, 7 respondents were between 26-31 years, 12 of the respondents were between 32-39 years, 4 of the respondents were 40 years and above.

Table 4.1: Respondents Age Group

	Frequency	Percent (%)
18-25 years	2	11
26-31 years	7	27
32-39 years	12	47
40 years and above	4	15
Total	25	100

4.2.3 Respondents Highest Level of Education

The respondents were asked to indicate the highest level of education they have ever attained. From the findings received 44% of the respondents had attained postgraduate level, 38% had attained the undergraduate degree level, 18% had attained the associate degree level and 3% had attained high school diploma level as shown in Figure 4.2 below. This implies that major respondents are educated past diploma level and therefore they were able to be interrogated.

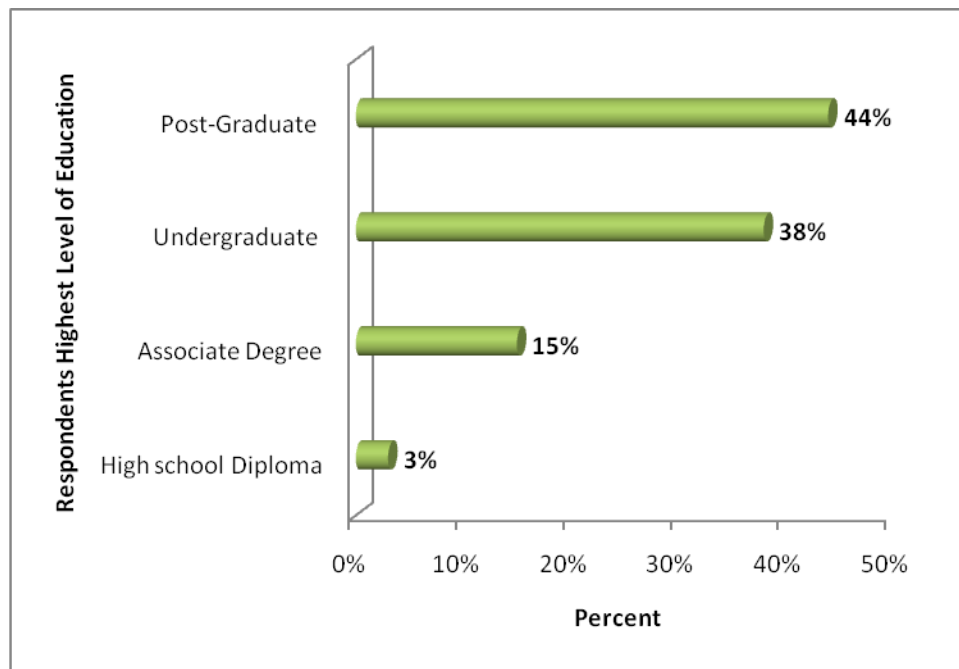


Figure 4.2: Respondents Highest Level of Education

4.2.4 Respondents Primary Work Location

The study investigated the respondents primary work location and presented the findings below.

Table 4.2: Respondents Primary Work Location

	Frequency	Percent (%)
Bethesda	14	56%
San Diego	6	24%
Sunrise	3	12%
New York City	2	8%
Total	25	100%

According to the findings, majority (14) of the respondents indicated their primary work place as Bethesda, Maryland, (6) of the respondents indicated their primary work place as San Diego, California, (3) of the respondents indicated their primary work place as Sunrise, Florida ,while (2) of the respondents indicated their primary work place as New York City. This implies the targeted respondents were reached and therefore the results could be generalized to the different EA locations in the USA.

4.2.5 Period of Time Respondents have Worked in their Current Position

The study also requested the respondents to indicate how long have they had worked in their current position within this organization. The findings were presented below.

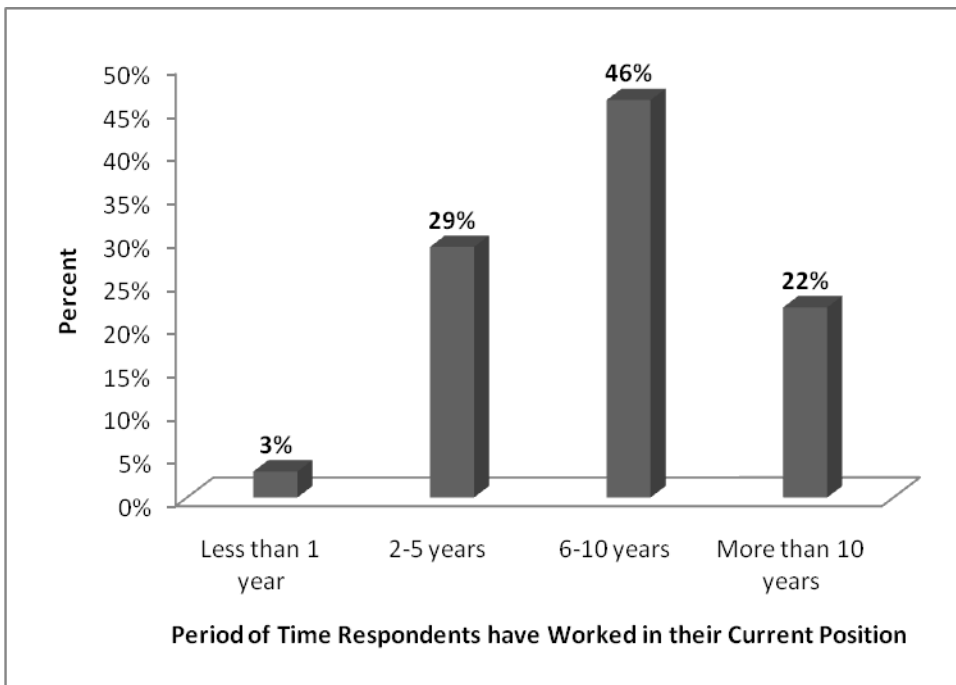


Figure 4.3: Period of Time Respondents have Worked in their Current Position

As per the findings the respondents who had worked for EA company for 6-10 years were the most at 46%, they were followed by those who had worked for EA company for 2-5 years at 29%, those who had worked for EA company for more than 10 years were 22% and those who had worked for EA company for less than 1 year were 3%. This depicts that the respondents had worked for the organization for considerable periods of time and had accumulated knowledge on the operations of the organization. They were therefore best placed to participate as study respondents.

4.3 Establish the extent to which Europ assistance, USA is using the ERP system.

The first objective of this study was to establish the extent to which Europ assistance; USA is using the ERP system. The respondents were therefore asked a series of questions in this regard as presented in the subsequent section.

4.3.1 ERP system(s) Currently in use by Respondents Company

The respondents were requested to indicate which ERP system(s) is their company was currently using and the findings are as tabulated.

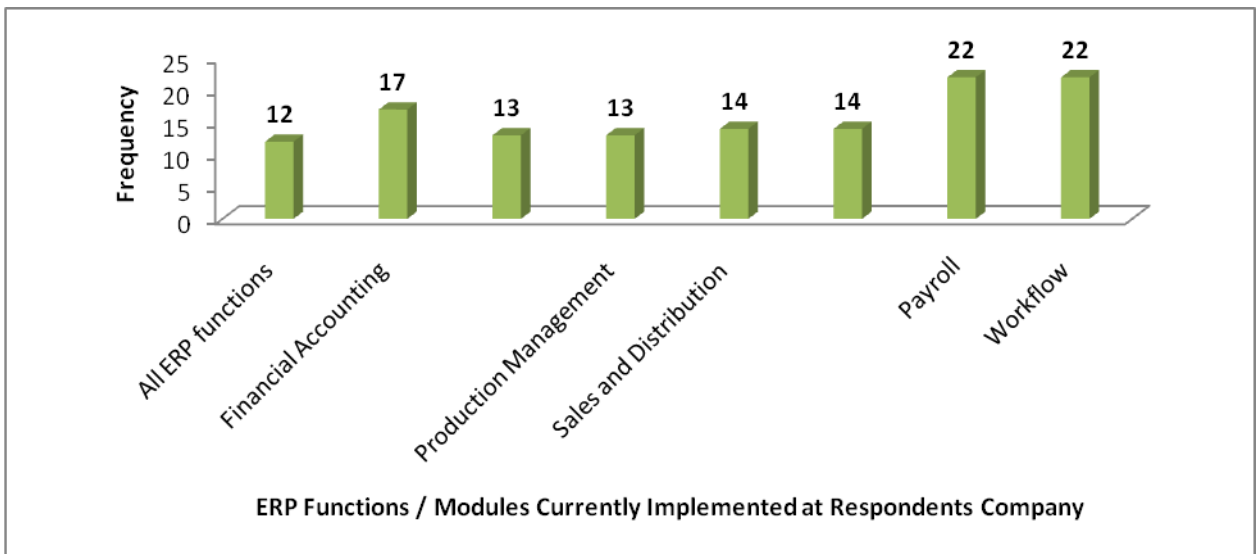
Table 4.3: ERP system(s) currently in use by Respondents Company

	Frequency	Percent (%)
SAP	10	45%
Oracle	1	2%
Dayforce	12	49%
Workfront	1	2%
Dynamics	1	2%
Total	25	100%

The findings reveal that the most commonly used ERP systems by EA company was Dayforce (49%) and SAP (45%), on the other hand oracle, Dynamics and Workfront were minimally used as they were agreed to by only 2% of the respondents.

4.3.2 ERP Functions / Modules Currently Implemented at Respondents Company

The respondents were probed on the ERP functions / modules currently implemented at Respondents Company that they were aware of.



Majority (22) of the respondents stated that payroll and workflow were the ERP functions modules currently implemented at their company, 17 of the respondents stated that financial accounting was the ERP functions / modules currently implemented at their company, 14 of the respondents stated that sales and distribution and human resource management were the ERP functions / modules currently implemented at their company, 13 of the respondents stated that management accounting (controlling) and production management were the ERP functions / modules currently implemented at their company while 12 of the respondents stated that all ERP functions were the ERP functions / modules currently implemented at their company. This implies that Enterprise resource planning (ERP) is business management software, typically a suite of integrated applications that collect, store, manage, and interpret data from product planning, manufacturing, service delivery, marketing and sales, inventory management, and many other business activities.

4.3.3 Justification of the Implementation of the ERP System

The study investigated the reasons that justified the implementation of the ERP system at EA Company USA. The findings were then tabulated below.

Table 4.4: Justification of the Implementation of the ERP System

Statements	Frequency
Adaptation of processes to international best practice	12
Standardization of processes	16
Creation of new types of customer-facing services	17
Improvement of existing customer-facing services	18
Enabling of future growth	18
Improved internal logistical processes	20
Increasing the firm's flexibility to respond to new market opportunities	21
Improved management controls	22

The findings presented in Table 4.4 depict that the reasons that justified the implementation of the ERP system at EA company USA were; Improved management controls (frequency level of 22), Increasing the firm's flexibility to respond to new market opportunities (frequency level of 21), Improved internal logistical processes (frequency level of 20), Enabling of future growth and Improvement of existing customer-facing services (frequency level of 18 each), Creation of new types of customer-facing services (frequency level of 17), Standardization of processes (frequency level of 16), Adaptation of processes to international best practice (frequency level of 12).

The findings imply that decision to implement ERP system was taken by various reasons including: Improvements in processes and better control over them, enhanced quality of processes, predictability of business and business processes become standardized across the whole enterprise, better transparency and improved integration of activities across departments. O'Leary (2004) grouped the ERP drivers into four categories: technology, business practices, strategy, and competitiveness. Holland *et al.* (1999) recognised three main dimensions: technical, operational and strategic. Some studies such as Markus & Tanis (1999) narrow down the reasons even to broader groups: technological and business performance.

4.4 Determine the Operation Benefit Europ Assistance, USA for using ERP System

The study sought to determine the benefits have been achieved by the organisation from the ERP system. It was tested on a five point Likert scale where respondents were required to rate the extent of achievements in their businesses. On the Likert scale, 1= Strongly Agree, 2 = Agree, 3 = Neutral, 4 = Disagree, 5 = Strongly Disagree). A standard deviation of greater than 1 represents a significant difference in the responses given. The findings of the study were as presented in Table 4.5.

Table 4.5: Determine the Operation Benefit Europ Assistance, USA for using ERP System

Statements	Mean	Std. Dev.
Personnel management	3.78	.691
Decrease information technology costs	3.86	.556
Improved on-time delivery	3.89	.022
Improved cash management	3.94	.259

Financial management	3.99	.222
Quality of information	4.09	.116
The company is able to save costs in its regular activities and it reflects in subsequent Quarter results after ERP implementation.	4.14	.879
Reduced direct operating costs	4.17	.747
Quickened information response time	4.17	.707
Better information flow	4.17	.891
Customer responsiveness/flexibility	4.19	.668
Communication and data Transfer speed	4.19	.467
Improved interaction with customers	4.22	.168
Integration of business operations/processes	4.29	.177
Availability of information	4.31	.229
The transparency of information between the departments is improved, so that effective communication between various departments is possible than before ERP implementation.	4.37	.808
Supplier management/procurement	4.38	.171
Decreased financial close cycle	4.40	.497
There is reduction in time while performing day to day operations comparing to working with legacy systems.	4.43	.608
The quality of work is greatly enhanced when doing with ERP	4.43	.778
Increase interaction across enterprise	4.43	.917
Improved interaction with suppliers	4.51	.853
Improved order management/order cycle	4.57	.698

Table 4.5 shows that the use of ERP systems has helped in achieving the following: Improved order management/order cycle (mean= 4.57), Improved interaction with suppliers (mean= 4.51), Increase interaction across enterprise, There is reduction in time while performing day to day operations comparing to working with legacy systems and The quality of work is greatly enhanced when doing with ERP (mean= 4.43 each), Decreased financial close cycle (mean= 4.40), Supplier management/procurement (mean= 4.38), The transparency of information between the departments is improved, so that effective communication between various departments is possible than before ERP implementation (mean= 4.37), Availability of information (mean= 4.31), Integration of business operations/processes (mean= 4.29), Improved interaction with customers (mean= 4.22), Communication and data Transfer speed and Customer responsiveness/flexibility (mean= 4.19 each), Better information flow, Quickened information response time and Reduced direct operating costs (mean= 4.17), The company is able to save costs in its regular activities and it reflects in subsequent Quarter results after ERP implementation (mean= 4.14), Quality of information (mean= 4.09), Financial management (mean= 3.99), Improved cash management (mean= 3.94), Improved on-time delivery (mean= 3.89), Decrease information technology costs (mean= 3.86) and Personnel management (mean= 3.78).

This implies that ERP allows different departments with diverse needs to communicate with each other by sharing the same information in a single system. ERP thus increases cooperation and interaction between all business units in an organization on this basis. Also, ERP standardizes processes and data within an organization with best practices. The company also streamlines data flow between different parts of a business by creating a one-transaction system. As Hitt, Wu, and Zhou (2002) stated, “the standardized and

integrated ERP software environment provides a degree of interoperability that was difficult and expensive to achieve with stand-alone, custom-built systems.” Standardization and integration of processes and data allows a company to centralize administrative activities, improves ability to deploy new information system functionality, and reduces information system maintenance costs (Siau, 2004).

4.5 Establish the Challenges Faced by Europ Assistance, USA for using the ERP system

The study sought to establish the challenges faced by Europ Assistance, USA for using the ERP system. It was tested on a five point Likert scale where respondents were required to rate the extent of achievements in their businesses. On the Likert scale, 1= Strongly Agree, 2 = Agree, 3 = Neutral, 4 = Disagree, 5 = Strongly Disagree). A standard deviation of greater than 1 represents a significant difference in the responses given. The findings of the study were as presented in Table 4.6.

Table 4.6: Establish the Challenges Faced by Europ Assistance, USA for using the ERP System

Statements	Mean	Std. Dev.
Quality of ERP not to standard	3.31	.229
Benefits of system not recognizable	3.38	.227
Security of the system easily compromised	3.45	.766
Vendors are very unreliable	3.48	.763
Staff turnover after implementation was high	3.56	.119
System led to many staff layoff	3.69	.117

Users not well trained to use the system	3.71	.091
Resistance to the system was high	3.89	.229
ERP incompatible with functional systems	3.99	.612
Not enough time to implement the system	4.01	.808
Integration of different types of data was a big problem	4.04	.238
Employees inadequately prepared for new system	4.08	.551
There were many problems during file conversion	4.18	.291
ERP system too complex	4.19	.221
There was lack of skills for implementing and using ERP	4.19	.467
The system led to major organizational changes	4.31	.562
Customisation of ERP to organizational needs took too long	4.37	.464

Table 4.6 reveals that challenges faced by Europ Assistance, USA for using the ERP system were: Customisation of ERP to organizational needs took too long (mean= 4.37), The system led to major organizational changes (mean= 4.31), There was lack of skills for implementing and using ERP and ERP system too complex (mean= 4.19 each), There were many problems during file conversion (mean= 4.18), Employees inadequately prepared for new system (mean= 4.08), Integration of different types of data was a big problem (mean= 4.04), Not enough time to implement the system (mean= 4.01), ERP incompatible with functional systems (mean= 3.99), Resistance to the system was high (mean= 3.89), Users not well trained to use the system (mean= 3.71), System led to many staff layoff (mean= 3.69), Staff turnover after implementation was high (mean= 3.56),

Vendors are very unreliable (mean= 3.48), Security of the system easily compromised (mean= 3.45), Benefits of system not recognizable (mean= 3.38), and Quality of ERP not to standard (mean= 3.31).

These show that Europe Assistance Company did indeed face challenges during the implementation of the ERP System. ERP creates many interconnections among various business processes and data flows to ensure that any other unit of the organisation can obtain information in one part of the business. Information that was previously maintained by different departments must be integrated and made available to the company as a whole. Business processes must be tightly integrated, jobs redefined and new procedures created throughout the company. The whole process of change is challenging and employees are often unprepared for new procedures and roles. Berente *et al.* (2009) argues that integration of existing stand-alone information systems with ERP systems is a major problem for many organisations. This is further complicated by the fact that ERP systems also seek to integrate business processes in organisations which were previously function-based. Thus, the process-orientation resulting from process integration is against the functional differentiation which is common in traditional organisations. While client/server and open systems solve some technical difficulties, there are still problems of integrating different types of data and procedures used by functional areas. Also, there is an issue of information sharing, which may contradict existing practices and culture (O'Brien, 1997). Coleman (2012) captures the key problems in his article "ERP integration options": The problem of integrating ERP applications is as old as ERP itself. Not long after ERP suites first debuted in the early 1990s {touted panaceas for corporate integration woes {companies have struggled to improve the level of integration between their ERP packages and other applications such as legacy systems and e-commerce sites.

CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter presents a summary of areas of the study, a summary of research findings, conclusions, recommendations and recommendations for further study.

5.2 Summary

The purpose of this study was to evaluate the implementation of the ERP system at the Europ Assistance Company USA. Survey design was used in the study. The study targeted administrators and heads of ICT from the different EA locations in the USA. Questionnaires were used as instruments for data collection.

The study revealed that the most commonly used ERP systems by EA company was Dayforce (49%) and SAP (45%) , others were oracle, Dynamic and Workfront. Payroll and workflow were the main ERP functions / modules currently implemented at their company. Others were, financial accounting, sales and distribution and human resource mnagement, 13 management accounting (controlling) and production management.

The findings showed that the reasons that justified the implementation of the ERP system at EA company USA were; Improved management controls (frequency level of 22), Increasing the firm's flexibility to respond to new market opportunities (frequency level of 21), Improved internal logistical processes (frequency level of 20), Enabling of future growth and Improvement of existing customer-facing services (frequency level of 18

each), Creation of new types of customer-facing services (frequency level of 17), Standardization of processes (frequency level of 16), Adaptation of processes to international best practice (frequency level of 12).

The use of ERP systems was found to have helped in achieving the following at Europ Assistance Company USA: Improved order management/order cycle (mean= 4.57), Improved interaction with suppliers (mean= 4.51), Increase interaction across enterprise, There is reduction in time while performing day to day operations comparing to working with legacy systems and The quality of work is greatly enhanced when doing with ERP (mean= 4.43 each), Decreased financial close cycle (mean= 4.40), Supplier management/procurement (mean= 4.38), The transparency of information between the departments is improved, so that effective communication between various departments is possible than before ERP implementation (mean= 4.37), Availability of information (mean= 4.31), Integration of business operations/processes (mean= 4.29), Improved interaction with customers (mean= 4.22), Communication and data Transfer speed and Customer responsiveness/flexibility (mean= 4.19 each), Better information flow, Quickened information response time and Reduced direct operating costs (mean= 4.17), The company is able to save costs in its regular activities and it reflects in subsequent Quarter results after ERP implementation (mean= 4.14), Quality of information (mean= 4.09), Financial management (mean= 3.99), Improved cash management (mean= 3.94), Improved on-time delivery (mean= 3.89), Decrease information technology costs (mean= 3.86) and Personnel management (mean= 3.78).

The study also revealed that challenges faced by Europ Assistance, USA for using the ERP system were: Customisation of ERP to organizational needs took too long (mean= 4.37), The system led to major organizational changes (mean= 4.31), There was lack of

skills for implementing and using ERP and ERP system too complex (mean= 4.19 each), There were many problems during file conversion (mean= 4.18), Employees inadequately prepared for new system (mean= 4.08), Integration of different types of data was a big problem (mean= 4.04), Not enough time to implement the system (mean= 4.01), ERP incompatible with functional systems (mean= 3.99), Resistance to the system was high (mean= 3.89), Users not well trained to use the system (mean= 3.71), System led to many staff layoff (mean= 3.69), Staff turnover after implementation was high (mean= 3.56), Vendors are very unreliable (mean= 3.48), Security of the system easily compromised (mean= 3.45), Benefits of system not recognizable (mean= 3.38), and Quality of ERP not to standard (mean= 3.31).

5.4 Conclusions

The study concluded that the decision to implement ERP system was taken by various reasons including: Improvements in processes and better control over them, enhanced quality of processes, predictability of business and business processes become standardized across the whole enterprise, better transparency and improved integration of activities across departments.

The study concluded that ERP allows different departments with diverse needs to communicate with each other by sharing the same information in a single system. ERP thus increases cooperation and interaction between all business units in an organization on this basis. Also, ERP standardizes processes and data within an organization with best practices. The company also streamlines data flow between different parts of a business by creating a one-transaction system.

The study concluded that Europ Assistance Company did indeed face challenges during the implementation of the ERP System. ERP creates many interconnections among various business processes and data flows to ensure that any other unit of the organisation can obtain information in one part of the business. Information that was previously maintained by different departments must be integrated and made available to the company as a whole. Business processes must be tightly integrated, jobs redefined and new procedures created throughout the company. The whole process of change is challenging and employees are often unprepared for new procedures and roles.

5.5 Recommendations

For practice, the results demonstrate how ERP implementation projects in Europ Assistance Company USA should consider the unique contextual features of these type organizations. A proper understanding of these contextual issues may lead to a better comprehension of ERP system implementation and thereby contribute to successful ERP implementation.

Since ERP system implementation is a complex and resource demanding task, Europ Assistance Company USA need to be aware of all costs involved. They should consider not only the acquisition costs, but also costs related to system maintenance and further development. For example, if the organization decides to maintain and further develop the system internally, its cost should be considered. As demonstrated in the study, the internal development may require hiring additional human resources. One may question whether this approach really reduces costs. It could be argued that it would be better to purchase a more complete system without the need for such extensive further development.

The study documents that ERP system customization may be favoured by Europ Assistance Company USA. This is a relevant finding for organizations about to implement an ERP system and for ERP vendors in particular, showing a need to better understand the reasons for ERP system customization. In particular, the vendors need to consider the SME context while implementing an ERP system in such organizations. Besides the Europ Assistance Company USA' unique business processes, the vendors and/or consultants should consider the stage of organizational growth as an important factor that in particular may influence on further system development after "going-live". Furthermore, since the role of the owner manager is essential in Europ Assistance Company USA, vendors and/or consultants need to assure that the owner-manager(s) takes a strong role in the implementation.

Moreover, Europ Assistance Company USA should put an emphasis on a thorough business process analysis. However, the business process analysis can be constrained by insufficiently mapped business processes in Europ Assistance Company USA, as a number of the activities are governed by informal rules and procedures. Therefore, Europ Assistance Company USA need to pay particular attention to this important activity in the ERP system implementation. The analysis might eliminate needs for heavy system customization, as the companies may acknowledge the potential of the business processes embedded in the ERP systems.

Furthermore, Europ Assistance Company USA should also assure that the implementation team members do have sufficient time allocated for the ERP implementation project. For SME managers, the study findings can be useful for increasing their understanding of the concerns related to ERP system implementation. They need to improve their strategic planning of IS utilization, instead of the motivation for the ERP implementation being

mainly technology-driven. Better strategic planning of IS in Europ Assistance Company USA may increase utilization of ERP system functionality in its standard version, and thus reduce the level of ERP system customization required. Therefore, selection of an ERP system should not be based only on the conceptualization of the legacy systems.

The level of ERP system maturity should be also considered while selecting an ERP system. Selection of ERP systems from local vendors offering less functionality compared to more expensive solutions may result in a need for further customization after “going-live” that incurs increased costs for system maintenance and further development.

Finally, Europ Assistance Company USA may increase their attention to outcome evaluation of the ERP system, as recognition of the ERP outcomes could improve further the use of the system. Therefore, Europ Assistance Company USA should be aware of existing frameworks which can assist them in evaluating an ERP system implementation. The identified list of ERP outcomes may serve as a guideline for Europ Assistance Company USA in a quest of ERP system implementation evaluation.

5.6 Recommendations for Future Research

The study findings form the basis for further studies of the influences of the multinational organizations context. By demonstrating the potential effect of the multinational organizations context, the thesis serves as a good foundation for further research on ERP system implementation in multinational organizations. The analysis of the case company in this study illustrates the need for a more nuanced view on what is presented as ‘general’ multinational organizations characteristics in former literature, e.g. regarding IS knowledge, business processes and market characteristics. This should be taken into account in future research on contextual influences on ERP implementation in

multinational organizations. The research presented here demonstrates how in-depth qualitative case studies are suitable for investigating contextual influences on ERP system implementation. Further research is needed to investigate the applicability of the findings for other types of multinational organizations.

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APPENDICES

Appendix I: Introduction Letter

Date:

Dear Respondent,

RE: ACADEMIC RESEARCH PROJECT

I am an MBA student at University of Nairobi. As part of the requirement for the award of the degree I am required to undertake a research. To fulfill this requirement I am carrying out a study on the implementation of an enterprise resource planning (ERP) system at the Europ Assistance Company USA. Your input is not only critical to the study but also highly appreciated. Kindly take a few minutes to answer some questions as guided. Your answers will be handled with highest anonymity and confidentiality. The results of the study will only be used for academic purposes.

Thank you for agreeing to participate in this academic study.

Regards,

MERCY MUTHOKI MUSILI

Appendix II: Questionnaire

This questionnaire seeks to collect data on the implementation of the Enterprise Resource Planning (ERP) system at the Europ Assistance Company USA. Your cooperation in responding to the questions feedback is valued and highly appreciated.

Section A: Demographic Data

1. What is your gender?

Male

Female

2. What is your age bracket?

18-25 years

26-31 ears

32-39 years

40 years and above

3. What is your highest level of education?

High school Diploma

Associate Degree

Undergraduate

Post-Graduate

Other, Please specify.....

4. Primary Work Location

Bethesda

San Diego

Sunrise

New York City

5. How long have you worked in your current position within this organization?

Less than 1 year

2-5 years

6-10 years

More than 10 years

Section B: Establish the extent to which Europ assistance, USA is using the ERP system.

6. Which ERP system(s) is your company currently using? (Check all that apply)

SAP

J.D. Edwards

Oracle []

Baan []

Dayforce []

Other, please specify:

7. What ERP functions / modules are currently implemented at your company that you are aware of? (Check all that apply)

All ERP functions []

Financial Accounting []

Management Accounting (controlling) []

Production Management []

Sales and Distribution []

Human Resource Management []

Payroll []

Industry Solutions []

Workflow []

None []

Other, please specify:

8. What reasons could justify the implementation of the ERP system? (Check all that apply)

Statements	
standardization of processes	
Adaptation of processes to international best practice	
Improvement of existing customer-facing services	
Creation of new types of customer-facing services	
Improved internal logistical processes	
Improved management controls	
Enabling of future growth	
Increasing the firm's flexibility to respond to new market opportunities	
Other, Please specify:.....	

Section C: Determine the operation benefit Europ assistance, USA for using ERP system.

9. Indicate whether you agree or disagree as to whether the following benefits have been achieved by your organisation. Please indicate with a (X) to the statement with a rating on the scale of 1 to 5. (1= Strongly Agree, 2 = Agree, 3 = Neutral, 4 = Disagree, 5 = Strongly Disagree)

Statements	1	2	3	4	5
The transparency of information between the departments is improved,					

so that effective communication between various departments is possible than before ERP implementation.					
The company is able to save costs in its regular activities and it reflects in subsequent Quarter results after ERP implementation.					
There is reduction in time while performing day to day operations comparing to working with legacy systems.					
The quality of work is greatly enhanced when doing with ERP					
Reduced direct operating costs					
Quickened information response time					
Improved order management/order cycle					
Better information flow					
Increase interaction across enterprise					
Decreased financial close cycle					
Improved on-time delivery					
Improved cash management					
Improved interaction with suppliers					
Improved interaction with customers					
Integration of business operations/processes					
Availability of information					
Quality of information					
Customer responsiveness/flexibility					
Financial management					
Personnel management					

Decrease information technology costs					
Communication and data Transfer speed					
Supplier management/procurement					

Section D: Establish the challenges faced by Europ assistance, USA for using the ERP system

10. How much do you agree or disagree with the following statements about the challenges faced by your organisation during ERP implementation? Please indicate with a (X) to the statement with a rating on the scale of 1 to 5. (1= Strongly Agree, 2 = Agree, 3 = Neutral, 4 = Disagree, 5 = Strongly Disagree)

Statements	1	2	3	4	5
Integration of different types of data was a big problem					
Staff turnover after implementation was high					
ERP system too complex					
Users not well trained to use the system					
The system led to major organizational changes					
System led to many staff layoff					
Security of the system easily compromised					
Vendors are very unreliable					
There was lack of skills for implementing and using ERP					
Benefits of system not recognizable					

There were many problems during file conversion					
Resistance to the system was high					
Not enough time to implement the system					
Employees inadequately prepared for new system					
ERP incompatible with functional systems					
Customisation of ERP to organizational needs took too long					
Quality of ERP not to standard					

THANK YOU FOR YOUR INPUT AND COOPERATION!!