

# Case study on enterprise sap case study analysis guide

[Business](#), [Company](#)



Organizations integrate Enterprise Resource Planning (ERP) systems for the purpose of assisting organizations obtains competitive advantage. Several factors hinder ERP implementation in organizations making them fail in the process of preventing global business challenges. First, organizational culture has a lot of influence while implementing ERP in a company. Information Technology plays a significant role in streamlining the flow of processes in an organization, reduces cost of production, and creates a perfect business environment for both producers and suppliers. FurnitureCo suffered because of cultural differences especially when the western culture entered the Chinese market. The relationship between the Chinese and Western culture led to a lot of influences in relation to ERP implementation. The Chinese business culture is characterized by abundant patterns and high profile communication, while the Western culture is characterized by individualism and formal communication. The difference between the two cultures inhibited the implementation of information technology present in the Chinese organizations but developed by western developers. In addition, the fact that most employees at FurnitureCo acquired their skills from western countries led to a lot of differences in project implementation leading to failure of ERP processes in the company. Cultural failures prevent most organizational processes because of incompatibility with the present business environment characterized by the growing technology (Martinsons and Westwood, 1997).

FurnitureCo Faced the issue of running and maintaining software acquired from the western countries. The maintenance fee was too high for the company to afford because the software was not developed from their

country. They had to hire experts from the source country to run maintenance services. ERP implementation failed totally, and the FurnitureCo decided to switch into the local ERP system that was less costly. Testing of any ERP system should be done by experts from the developing country because they have the necessary skills and knowledge. An issue cropped in the company when they wanted Chinese engineers to maintain and run the system leading to significant failure. On the other hand, some systems were not designed to work on the Chinese environment which also contributed to failures in implementation. Moreover, there was language barrier between American people and Chinese leading to some ERP issues not resolved due to lack of understanding. Employees who had American background found it hard expressing themselves to Chinese people (IT Context, 2003).

## References

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