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Learning from a Strategic Failure

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Abstract

Some years ago Lyytinen and Hirschheim (1987) explored information systems (IS) failure, characterising four different types or modes of failure. This paper re-examines these types of failures in the context of an enterprise system (ES) implementation in an Asia Pacific business that was newly acquired by a global manufacturing company. Following many successful ES implementations in other newly acquired businesses, this implementation encountered many difficulties. Some months after a difficult cut over, the acquiring company commissioned an independent review of the system and subsequently accepted a recommendation to withdraw the ES and allow the business to return to its legacy system. The acquiring company then embarked on a broad based strategy to address the concerns and perceptions upon which the opposition to the system had been based. Subsequently a second implementation was initiated, led by staff of the acquired business themselves. The analysis of this case leads to a new type of failure, namely strategic failure, being added to the set of failure types. The theoretical orientation of the study was social constructionism. To capture, analyse and understand the multiple perspectives explored as a result of using this orientation, a narrative approach was utilised.

Keywords

Enterprise systems implementation, IS failure, narrative, social constructionism

INTRODUCTION

Is a failure always a failure? The Information Systems (IS) literature, including the Enterprise Systems (ES) literature contains many accounts of implementation failure, and many prescriptions to remedy such situations. If viewed from different perspectives, particularly with all the wisdom of hindsight, how many might be seen not as a failure, but more as a setback, an opportunity to learn perhaps, but certainly not a totally lost cause? To invoke a military metaphor, could some of these failures be rightfully viewed as small battles 'lost', each part of a much larger campaign which was ultimately 'won'. These losses along the way possibly provided the valuable learning and backdrop which ultimately may have contributed to eventual success.

In the following paper the story of one such apparently lost battle is told, but not for the sake of yet another analysis to determine the contributing factors, what decisions and actions involving stakeholders could have or should have been taken, although many of these will be obvious from the story. Rather our aim is to show the battle in the context of a much greater campaign, to show how different the perspectives of the protagonists were and how the learning from this lost battle contributed to a longer term strategy that has been successful. In so doing the notion of 'failure' is challenged, and we will add a new dimension to theories of failure: that of strategic withdrawal failure.

Just as in a military campaign, the victors in a corporate takeover decided to implement their corporate ES into a newly acquired business. Members of the acquired business, wedded to their legacy system, fought every inch of the way to resist the new system. The implementers in this battle realised they were out-gunned and outmanoeuvred, and rather than press on, forcing the system in and then face the possibility of a long term guerrilla war, beat a strategic retreat and withdrew the implementation. However, they immediately rethought their strategy. Taking a more subtle approach they befriended their previous foe, listened to their stories, took time to help the other party gain a better understanding of the benefits of an integrated system, invited them to contribute to the greater plan and made the previously rather shaky infrastructure work seamlessly. Not so much encircled as brought into the fold, the foe melted away, and installed the new system themselves. Is this an implementation failure or a strategic withdrawal? A battle lost or a campaign won?

The notions of success and failure, winning and losing, will be explored further in this paper, with a particular emphasis on the differences in perspective of the main protagonists in this story and how these impacted the final outcome. The paper will commence with a review of the concept of failure in the IS literature in which some of the issues regarding the defining of failure and success will be discussed. Issues associated with the research project, including choice of research paradigm, method and design will all then be discussed. This will be followed by the story of an ES implementation in Company Y, which all seemed to go horribly wrong, and this story is then analysed in terms of the failure theories taking into account the dramatically different narrative accounts told by some of the key players in this project. It is easy to conclude at that point that the implementation was indeed a failure. However, we then go on to narrate the 'what happened next' chapter, which portrays the situation in a completely different light. From this, we posit a new category of failure, that of strategic withdrawal failure, arguing that this is a new category of failure form those defined by Lyytinen and Hirschheim (1987). The paper concludes with a reflection on the importance of timing and perspective in any consideration of failure, and suggests that narrative is a powerful mechanism by which understanding can be revealed and shared amongst interested parties in such a situation.

THEORETICAL DEVELOPMENT: THE CONCEPT OF FAILURE

The concept of failure has been evident in the literature for almost as long as we have been implementing Information Systems (IS) in organisations. Theories surrounding the challenges and issues of IS failures emerged during the 1960s and 1970s (see Ackoff 1967, Brooks 1974, and Bostrom and Heinen 1977 for example), and it has remained a topic of interest to IS academics and practitioners almost unabated since that time. With the advent of Enterprise Systems (ES) in the 1990s, a new wave of failure literature emerged, focussing on the specific issue of implementation difficulties specific to these large, complex systems (Parr and Shanks 2000, Barker and Frolick 2003, Molla and Loukis 2005). Despite this interest, and research activity, and a steady stream of publications over the years identifying types of failure (Lyytinen and Hirschheim 1987, Ewusi-Mensah and Przasnyski 1994, 1995), reasons and causes of failure (Flowers 1996), and factors associated with success, a number of points need to be noted. Firstly, what constitutes success and failure, despite regular discussions and definitions in the literature remain somewhat ill-defined concepts (Krigsman 2008) with disagreements evident. Beynon-Davies et al. (2004) argue that success and failure exist at opposite ends of the same continuum, whereas Hart and Warne (2007) argue that they are in fact independent concepts, so that success is not the same as avoidance of failure, and failure is seen as more complex than not achieving success. While the 'on time, on budget, to specification' notion of success remains prevalent and popular particularly in the practitioner literature as this is perceived to be relatively easy to measure and communicate (Krigsman 2008), other more complex definitions and theories have been expounded. For example, failure is sometimes viewed as the total or partial abandonment of a project prior to the completion of the implementation (Ewusi-Mensah and Przasnyski 1994, 1995), where elsewhere, failure is seen as either failure to meet objectives and specifications (correspondence failure), and/or failure to be implemented in a timely cost efficient way (process failure), and/or failure to be used as anticipated or engendering negative user attitudes (interaction failure), and/or failure to meet stakeholders' expectations (expectation failure) (Lyytinen and Hirschheim 1987, Wilson and Howcroft 2002). Other researchers have commented on a range of social, organisational, cultural and political factors influencing the perceived success or failure of a systems implementation (Hillam and Edwards 2003, Mitev 2003). While criticisms that some stakeholder expectations are more reasonable and informed than others seem well-founded (Sauer 1993), the position adopted in this paper is that categorical and immutable definitions of success and failure are impossible given the varying needs and interests of stakeholders (Seddon 1997) and hence in the context of any particular project, there are likely to be disparate views of the success or failure of the initiative (Pan 2005), with these perceptions shaped by history, culture and politics of a particular organisational context. Thus, details of the organisational context, and the extant individual perspectives and interests within that context must be acknowledged and understood if we are to gain more insights into the causes of failure. Failure in this sense then is based around subjective, individual perceptions and interpretations bounded by a particular context, and understanding failure (and success) needs to be based around discerning and appreciating the differing stakeholders perspectives present in a given context.

Secondly, despite our apparent increasing wealth of knowledge about failures, and the avoidance of failure, critical success factors and the like, there are still disturbing reports of the number of failed systems implementations, and disappointment expressed with the outcomes achieved, especially in terms of failed ES implementations (Parr and Shanks 2000). A number of writers note that despite our increasing knowledge, many organisations apparently fail to take the time and effort to understand why a particular failure might have occurred, and nor do IS practitioners and system stakeholders seem to learn from previous successes and failures (Owens and Davies 1999, Flowers 1996, Hillam and Edwards 2003). While 'lists' of success factors and failure factors abound in the literature (see Nash 2000, Krigsman 2006, for example), along with associated lists of management actions required to avoid failure (see Bhattacharya and Wasson 1997), it is argued that the root

causes of IS failure have not changed for decades, and that scope creep, inadequate communication, inept leadership, poor project management, increasing complexity and the like have long been associated with failure. Nash (2000) suggests that the causes are well-documented, and most could be avoided if organisations put into practice sound IS development and acquisition practices, and also if organisations could learn from their experiences. Too often an individual may learn, but the organisation as a whole does not seem to do so. These arguments and lists, based around rationalistic notions of failure and human action in organisations, are the result of a managerialist perspective or an unstated perspective on the problem (Lyytinen 1988) and generally do not acknowledge whose perceptions and values are being promoted or advantaged through a particular IT project. It could be argued that more careful understanding of the context, and of differing stakeholder perspectives within that context may shed more light on the vexing problem of better understanding IS failures. Pan (2005) attempted a study along these lines, identifying key stakeholders in a failed implementation project, but then melded the stories of the respective groups, and imposed his own 'truth' on the data.

Thirdly, it is of particular interest that the literature around IS and ES failures is largely silent on the issue of time on two fronts. The first of these is at what point in time is an implementation judged to be a success or failure? This was alluded to by Lyytinen (1988) but there have been few studies where the notion of success or failure were linked to the time of the 'measurement' or assessment of the success or failure of the system. The second is if a particular implementation is viewed as being a failure at a particular point in time, what happened subsequently: did the organisation abandon all interest in ever implementing such a system, did the organisation subsequently try again to implement a similar system (and with what degree of success), and did the organisation learn so much from the failure experience that subsequent efforts were much more successful? While overall, the literature presents a gloomy picture of organisations learning from their experiences, little is known about the impacts of and recovery from failure in specific organisations where involved stakeholders may have learned substantially and have approached subsequent implementations in a very different way. While there are published case studies on IS and ES failure in large organisations, we have found no accounts of 'what happened next?'

RESEARCH METHODOLOGY AND DESIGN

The research reported in this paper is different in a couple of respects from previous literature on failure. One of our objectives in undertaking this research was to genuinely identify some of the key stakeholders and allow their voices to be heard over the events that unfolded over a period of time, starting from the last few days of a troubled project, but addressing the important issue of what happened next. We wanted to establish the impact that different perspectives of stakeholders might have had in determining the sorts of outcomes achieved in an ES implementation. We also wanted to consider the element of time, and to study what happened after a failure had occurred within an organisation, and to see if perceptions changed as time went on. In this sense, it is motivated by the suggestion of Lyytinen and Hirschheim (1987) who argued that IS failure should be regarded and studied as a dynamic process, in which stakeholders' perceptions over time shape their actions and thus the outcomes achieved.

The research also differs from much other literature on IS failures in the selection of research method: an opportunity arose for one of the authors to undertake an action research study while acting as an academic consultant to the organisation in question. The academic comes from an industry background, and has had extensive industry experience in successfully implementing ES globally. He was approached by representatives of the organisation in question for help and advice when the project was judged by some stakeholders to be severely troubled and problematic. In his academic career, he has a keen interest in why IS and ES failures occur and how organisations recover form such failures, and thus negotiated with the organisation to engage them in an action research project. Negotiations took place to discuss roles of both participants and the researcher, resource requirements (specifically staff needed as participants), the boundaries of the intervention, and goals and objectives for the research project. The approach to action research adopted was that proposed by McKay and Marshall (2001) where the problem solving interest (providing external advice and help in the problematic implementation of an ES) and the research interest outlined in the previous paragraph were conceptually separated. The theoretical framework adopted in this research was the theory of failure outlined by Lyytinen and Hirschheim (1987) where the four types of failure (correspondence, process, interaction and expectation) would inform the collection and analysis of data from different perspectives and at somewhat different times in the process to other reported case studies. The research was deliberately positioned in the social constructionist paradigm (Burr 2003, Marshall et al 2005, Berger and Luckmann 1966), acknowledging that participants in this study (participants also in the problem context of interest) create their own interpretations of reality based on their experiences and knowledge of it which inform their actions in an on-going dynamic process (Burr 2003). This enabled the researchers to acknowledge the existence of multiple perspectives and hence multiple 'truths' as to what transpired, and underscores the importance of context in locating these perceptions and interpretations (Burr 2003). Data was collected via relatively unstructured digitally recorded interviews, in which the

participants were invited to 'tell their version of events' and to freely express their perceptions with regard to the ES implementation project. Such an approach provides a reliable and valid method for extracting the interviewees' perceptions of reality (Elliot 2005, Czarniawska 1997, Silverman 1993). The researchers then posed specific questions in an attempt to identify views on issues of particular importance to this research. The interviews were later transcribed, providing approximately 60 pages of data for analysis.

Details of the main participants are outlined in Table 1 below. The voice of these four participants (note P4 was also the action researcher) is what is subsequently presented in this paper. However, in addition to the many informal meetings and more formal unstructured interviews conducted with these four participants, many other informal meetings and email exchanges informed us on the course of this ES implementation. Pivotal amongst those who were willing to chat informally or to exchange some emails with us were: the original Head Office project sponsor in the implementations made between 1998 and 2000, and a member of Company Y review team; Analysts 1 and 2, from Corp eX Australia, part of the initial implementation team working on the Company Y project; the IT Manager (Infrastructure) from Corp eX, Australia; and a Supply Chain Officer from Corp eX Australia who visited Company Y to provide guidance and training during the implementation. It should also be noted that some key participants declined the opportunity to participate in this study.

Table 1: Major Participants in the Study (P denotes Participant)

	Role in Company	*Contact with Researchers*
P1	Had been the IT Manager in another company recently acquired by Corp eX, and was invited to attend the Company Y ES implementation review before he was actually appointed into the role of IT Manager Corp eX Australia.	Many informal meetings 2007-9. Formal interview conducted May 2009.
P2	Project Manager appointed by Corp eX. P2 had been with Corp eX Australia for more than ten years in various business roles. He had contributed to a number of the ERP implementations in Asia. P2 continued to carry his normal business management responsibilities in addition to the project leader role.	Many informal meetings 2007-8. Formal interview conducted April 2009.
P3	IT Manager in Company Y. P3 had been with Company Y for more than 25 years. He was the architect and primary support provider for the Company Y legacy systems	Formal Interview conducted April 2009.
P4	External consultant, previously the Corp eX Project Manager who had led previous implementations, now one of the researchers. Considerable experience in corporate business management, supply chain improvement and project management.	Formal Interview conducted by co-researchers May 2009.

Narrative was selected as an appropriate way of capturing, sharing, and analysing the data to reveal if in fact there were differences in the perspectives of the various stakeholder groups, and to show the importance of time in attributing success or failure to a particular implementation project (Czarniawska 1997). Narrative is helpful in building an integrated, holistic and evaluative picture of complex events like IS failures as they unfold through time. As Elliot (2005:3) puts it "narrative can be understood to organize a set of events into a whole so that the significance of each event can be understood through its relation to that whole". Further, narrative replaces the simple, linear unidimensional causality of rationalistic models with multiple, simultaneous and interlinked streams of influence and interaction, unfolding in subtle ways through time (Polkinghorne 1988, Bruner 1991).

The four formal interviews have been written up as narratives, and have been verified by each of the participants individually as being an accurate 'version' of their story of the events. The narratives were analysed by all authors independently for themes and comments of interest, and then cross checked to ensure that similar interpretations and understandings had occurred. For the purposes of this paper, these comments and themes were then sorted as being indicative of the four failure types. The full narratives cannot be included in full in this paper due to constraints of space[4].

[4] Please contact the authors if you would like to receive a summarised version of the narratives.

THE CASE STUDY: PART 1 - THE SITUATION AT CORP EX

Corp eX is a large (US$16 billion annual sales in 2008), US-based specialist chemical manufacturer and distributor. Up until the late '90s its business was predominantly in North America (74% in 1998). At this time it proceeded with an expansion strategy based on the acquisition of manufacturing and distribution businesses in the same industry in Europe, Asia and Oceania. In 1998 a newly acquired business in Australia was used as the pilot for a major ES package implementation. Much was learned in doing this and subsequently the same system (albeit separate instances) was successfully implemented using broadly the same implementation process in newly acquired businesses in Europe, northern China, and Malaysia between 1999 and 2002. Between 2004 and 2006 a new version of the ES application, able to accommodate multiple businesses in a single instance, was implemented across the Asia Pacific region again using the same broad implementation process. This brought Corp eX businesses already on the previous version into the single instance. The system was also implemented in other newly acquired businesses, bringing them into the single instance as well. In all fourteen separate implementations were conducted between 2004 and mid-2006. In all cases the management of Corp eX regarded these implementations as successful, in that the target business moved smoothly to using the new system, on time and within budget. There were a number of other benefits identified from the process (see Grainger & McKay 2007). During this entire period from 1998 to 2006 these implementation projects were staffed by a mixture of Head Office (HO) and local analysts, HO and local technical support staff, and local users co-opted for individual projects. Whilst there were some changes in local and HO project members over this time, there was sufficient stability to provide good continuity between projects. The majority of the projects in Asia and Oceania were led by a single coordinating project leader, now one of the researchers for this paper, working with a local project leader in each business. In 2006 the initial umbrella project encompassing the move to a single instance in the Asia pacific region came to an end. Acquisitions were continuing in the region however, and after such a long history of successful ES implementations, management appeared to feel that there was now sufficient knowledge within the organisation to allow continuation of the implementations as and when required using project team members from the previous projects. However, the person who had co-ordinated and largely led the Asia Pacific implementations since 1998 completed his contract and left the organisation.

The acquisition of Company Y in mid-2006 created the need for the Australian arm of Corp eX to integrate the local Company Y business into the Corp eX international manufacturing and supply chain. This was to be achieved by bringing them into the existing single instance of the ES. Believing they were following a familiar approach, a small Corp eX team embarked on the implementation process they knew. This was perhaps the largest new implementation they had taken on since the formal project had been wound up. Unexpectedly to them, many difficulties arose. They seemed unable to engage the local staff. Progress was slow. Eventually, with little mutual cooperation, they went live with the new system in early 2007. It quickly became apparent there were many unresolved issues. Problems rapidly compounded. Temporary staff were taken on to help cope with the problems, and the new ES was blamed for rapidly rising costs and falling productivity.

Three months later, in apparent desperation the General Manager of Company Y spoke with the Asia Pacific Regional Manager of Corp eX, who then sought the support of the CIO in the US Head Office to remove the system and return to the legacy system. Unwilling to set such a precedent, and run the risk of arming the management teams of other newly acquired businesses also embarking on implementations, the CIO commissioned a review of the newly implemented system in Corp Y. A senior IT Manager, previously the project sponsor of the Asia Pacific single instance project, and the ex-contract Project leader of the same project were dispatched to investigate the situation. The question that faced the CIO of Corp eX was whether they should press on with the implementation and continue to resolve issues as they arose until the system was functioning effectively, or whether they should withdraw it and re-install the legacy system.

The first three days of the review comprised a carefully scripted demolition of the suitability of the corporate ES for Company Y. After a direct comparison of transaction entry times of the old and new systems, the review team were confronted by each department presenting their complaints about the new system. Their intense animosity to the new system was evident. But when questioned about specific examples of their many complaints Company Y staff found it embarrassingly hard to produce specific evidence. The rhetoric was strong, but it seemed that little tangible evidence was offered to support their claims. Nevertheless with such strong feeling against the corporate ES, the alternatives seemed to be to either plan and proceed with a revitalisation of the whole current project, to simply abandon the idea of implementation altogether, or to pull out the new system, and allow a temporary return to the legacy system whilst a new implementation strategy was developed and implemented at some future time in the foreseeable future.

Completely abandoning the potential benefits of Company Y being an integrated part of the Corp eX via the ES was not seen as an option. The feasibility of revitalisation was considered and a high level plan quickly prepared and costed. It looked possible on paper, though very expensive, but there was doubt if the negative feelings towards the system could really be turned around even if substantial additional resources were allocated to the

project. Thus the review team moved to the third alternative, to withdraw the system and plan an entirely new strategy that would involve the engagement of the Company Y staff in the Corp eX regional business and ultimately a re-implementation driven by Company Y, because they now wanted to be on the corporate ES as they had a clear understanding of the benefits it would bring both to Company Y and to Corp eX. This was a difficult and potentially risky decision, and at a superficial level this strategic withdrawal seemed like ignominious defeat. However the review team were determined to take a longer term perspective and therefore put the proposal to the CIO in the USA, cognizant of the significant decision he was being asked to take, and with no precedent of such an action ever having been done before in recent company history. After some discussion he accepted the recommendation.

INITIAL REFLECTIONS

One of the objectives of this research was to use some of the more common theories surrounding failure in IS, especially the Lyytinen and Hirschheim (1987) four categories of failure, to try to understand and interpret what occurred in this situation. The use of narrative allowed us to learn of some fundamental differences in perspective of what happened, what contributed to the problems experienced at Corp eX, and also how the failure of the implementation could be interpreted in different ways. Because of space constraints, we use text fragments to illustrate the different perspectives on the failure, and the different ways in which this situation was viewed as a failure.

P3, as a voice from company Y, is interesting in that he clearly saw part of the problems stemming from correspondence failure: he did not feel that the business objectives of the new system had ever been effectively communicated, and believed that the functionality of the new system was in many ways a degradation in the functionality of the legacy system it was replacing. P1, 2 and 4, removed from the day-to-day use of the system, saw the complaints form Company Y staff as *"a staged presentation, well rehearsed, strong in rhetoric"* (P1) and a *"charade"* (P4). They seem somewhat dismissive of the complaints from Company Y staff. In contrast, P1 and P2 representative of the Corp eX view, were all clear on the objectives of the implementation, which included the desire *"to integrate it into the broader Asia-Pacific business as quickly as possible"* (P2), gaining benefits from a much improved regional supply chain, noting that *"the real benefits were for the regional business, with greater benefits from regional purchasing, regional customers and markets"* (P2). *"Standardised reporting"* was also seen as a benefit of the implementation, as was the reduction in risk associated with replacing the "*existing legacy system in Company Y seemed to have been running for approximately 25 years, and to be still supported by one of its originators"* (P2). P3 however seemed surprised by these objectives and claimed that *"many people didn't know much about what was happening at that time"*.

P1, 2 and 4 all expressed confidence in the project management and implementation process that had been evolved at Corp eX as they had *"a template for the process which we'd tried and tested across many sites*" (P2) over many years of successful ES implementations across Australia and the Asian region. Corp eX staff were confident of this process, but interestingly P4 commented that *"they* [Corp eX] *thought they had followed the same process, but they hadn't"* on this occasion. From P3's perspective however, he bemoaned that he *"was never aware of any top person who was organizing it as a project"*, and thought that the two people initially involved were *"quite junior*" and *"weren't quite the right types or at quite the right level to be running the project"*. P4 noted that *"the implementation process of the Corp eX team had been unable to win the support and commitment of the Company Y team",* commenting that *"they appeared to have no common vision"*. We would argue that these differences in perspectives are all symptomatic of process failure.

Interaction failure is very apparent in this case. The negativity and disengagement, bordering on hostility is evident in many of the narratives. P1 expressed shock at the *"obviously irreconcilable differences"*, and commented that *"never had I seen such a lack of management buy in*". P4 was likewise surprised by why Company Y *"was so loudly expressing its dissatisfaction with the new system"*, and reported others in Corp eX wondering it was *"convenient to blame the new system"* for other difficulties being experienced in the business, or whether it was *"a subterfuge to maintain independence"*. Not surprisingly perhaps, P3 was the most vociferous in his complaints, stating that *"No-one at Corp eX had wanted to listen"* to their concerns, that training was too early and inadequate and that there were unrealistic cutover dates which he surmised were *"supposed to motivate us…but there was no way we could be ready"*.

All the above discussion suggests that from all perspectives, this implementation also provides an example of expectation failure. P1, 2 and 4 from their previous experiences with ERP implementation in newly acquired business of Corp eX were all expecting that the implementation would be relatively straightforward and unproblematic, with P2 noting that *"with all our experience…I thought this one would be relatively easy"*. It is fair to say that Corp eX staff were surprised and frustrated at the resistance and lack of engagement encountered, although both P1 and P2 expressed confidence that they could have pushed through with a successful implementation. P4 observed that staff at Company Y *"seemed elated"* by the decision to pull back the new

system, saying that he *"sensed a 'Round 1 to us' mood amongst Company Y"*. By contrast, staff from Company Y are also reported to have confided in P4 that the when the previous owners (the owners prior to Corp eX) had acquired Company Y, they too had attempted to implement a new corporate IS, *"but we saw them off one of the local staff proudly claimed"*. What were the expectations of Company Y staff? P3 claims that *"overall we did sort of try to make the best of it"*, so did they start with positive expectations and themselves experience great disappointment and frustration? Or do we get insights into a more subversive culture in which resistance and success in reverting back to the legacy system was indicative of their negativity and resistance to the corporate takeover by Corp eX?

By commonly accepted criteria (correspondence, process, interaction and expectation failure), this ES implementation was a failure, but only if this judgment is made at point C in the timeline contained in Figure 1 below. The recommendation of the Review Team at point B was to roll back the implementation, and revert back to using the legacy system in Company Y. This recommendation was accepted by Head Office in the USA and at point C, the implementation of the ES was rolled back. At this point in time, it could be regarded as a failure along all four categories of Lyytinen and Hirschheim (1987).

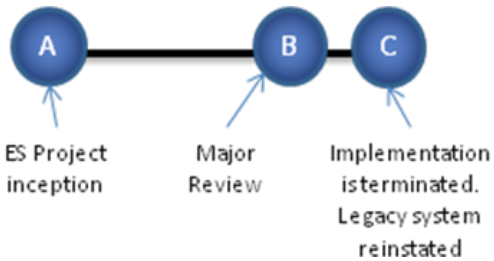

Figure 1: Timeline of the Failed Implementation

THE CASE STUDY: PART 2 - THE STORY UNFOLDS

Company Y happily and quickly returned to their legacy system, seemingly with few if any difficulties. Plans for such an event apparently well prepared and waiting. But the bigger challenge then fell to P1, now appointed into the regional IT Manager role. P1 developed a multi-faceted strategy in consultation with a number of people. For him the successful re-implementation of the ES in Company Y was just part of a bigger strategy to strongly align the IT resources across the local Corp eX businesses and focus them on directly supporting business activities. To achieve this he undertook a number of critical activities. Firstly, he brought together the local IT staff from Corp eX and the recently acquired businesses and created a team that provided support to the whole business, each specialising in a particular area, rather than each just supporting each their own business as before. Regular meetings and communication built a sense of team. IT staff from Company Y were soon travelling widely across the Corp eX world, bringing their own expertise, and also learning about the regional ES. Following this, P1 developed a simple business focused IS/IT strategy and communicated this at every opportunity within his team and within each business area. He focused particularly on Company Y, to ensure they developed understanding of the big picture and their own role in it. In order to build the credibility of the IT Organisation, he then deliberately spent time with the management team of each business learning about their operation, their customers, their supply chains, their costs, their future plans, and their frustrations. At all times he helped them to learn about how the regionally integrated system could help them and the broader company achieve their objectives. Cognisant of the sensitivities involved, P1 then personally chaired a two week long Gap Analysis meeting intended to identify all the shortfalls in the corporate ES from Company Y's perspective. Through persistent questioning, analysis and his thorough knowledge of the business, the 100+ 'gaps' in the new ES reduced to just 6, which he later said *"were significant and fair, and in fact their resolution would provide benefits for other businesses on the system too"*. He acknowledged that *"these were business critical…and would have hurt the business the first time round. They should have been addressed the first time round"*.

It was also acknowledged that infrastructure issues had been a problem the first time round, and P1 put a major effort into resolving all these. P1 had a strong view that if the basics of the system, like response time, email, Internet access and reports were not faultless, it was hard to build credibility with managers. A thorough review and rationalisation of all IT activities and costs also enabled him to deliver significant IT cost savings to the businesses.

The result of these initiatives was growth in respect for IT and its relevance by Company Y business leaders, and in particular of the value of the integrated ES. Planning his timing carefully P1 launched the Company Y ES re-implementation plan at a regional meeting to the acclaim of regional business leaders, including the GM of

Company Y. A new project team was formed based in Company Y, and led by a new Company Y staff member with previous experience elsewhere of a successful ES implementation.

FURTHER REFLECTIONS AND DISCUSSION ON THE STUDY

Whilst helpful in the analysis of a case like this, we argue that these four failure categories discussed above do not cover perhaps the most critical aspect of this case. Executive management in Head Office ultimately supported the recommendation of the review team to terminate the implementation and reinstall the legacy system. The unusualness of such a proposal is shown by P1 who commented that *"I never imagined we might make such a recommendation"*. The gravity of such a decision should not be underestimated, and it was made in spite of the viewpoint expressed in three of the four narratives that the functionality problems could have been remedied, and indeed a costing to support this had been done. But this 'failure' was not the end of the project. The decision to terminate was a strategic one: the project had not ended at all in the mind of Corp eX management. They had taken the decision with the clear strategy of pulling back, reconsidering how they might better approach implementation once again, and then they intended to re-implement the so-called failed system once again. This has already occurred (see point D in Figure 2 below), and at the time of writing, Corp eX is about to go live with Company Y staff now well and truly integrated into the Corp eX fold and all parties confident of a successful outcome (see point E).

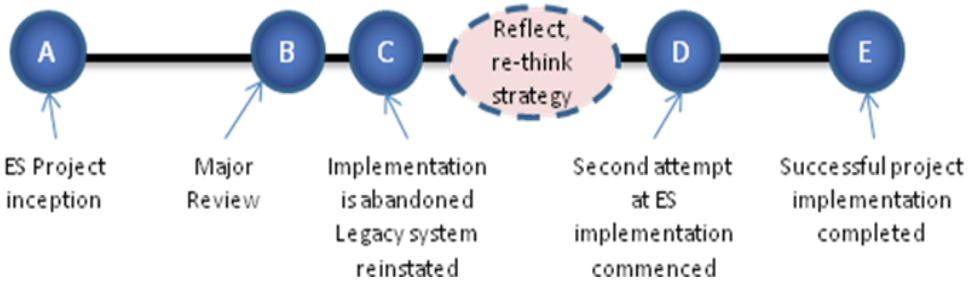

Figure 2: Timing of the Judgment Regarding Failure

We argue therefore, that there is another category of failure, a strategic withdrawal failure, which is characterized by a deliberate, engineered management decision to withdraw from a project not just because there may be elements of correspondence, process, interaction and/or expectation failure, but because it is deemed a better strategy to allow a system to fail. Management may decide to regroup and do it again, as this is considered a better option than trying to press ahead and deal with the raft of technical, data, user and organizational issues that have stymied the first implementation. A strategic withdrawal failure is qualitatively different to abandonment due to runaway costs, scope creep, business change, blow outs in completion dates, and the like. A strategic withdrawal failure is also indicative of a state of events at **a particular point in time**, and although the decision to terminate the implementation may cause perturbations in an already troubled organizational context (note P1's comments that *"withdrawal was quite risky"* and *"I returned to Corp eX to find myself heavily criticized by ex-project members 'why did you recommend that? they asked, 'you made us look like fools'"*. There was a strong sense of betrayal amongst the Corp eX project team.) It is made with the express intention of learning, regrouping, and trying the implementation once more. A strategic withdrawal failure may or may not be successful the second time, but it occurs when a calculated decision is made that there could be a more efficacious way to approach a required systems implementation. It is not the result of managerial impatience with budget overruns, scope creep and cost blowouts. Rather it is motivated by recognition that it may be easier and more effective to do this all over again a second time.

We believe that the concept of strategic withdrawal failure has implications beyond this case study. There is considerable literature on ES implementation failures, generally amongst large enterprises, but we have found no examples where the 'what happened next' side of the story is told. Failures make for good reading, but it seems inconceivable in large modern organisations that 1-2 years beyond the failure, an efficient ES would not be running substantive parts if not all of the organisation's core business functionality. We argue that many interesting case studies are reported at point C in Figure 2. They document behaviours that illustrate all four categories of failure at that point in the project life. But they offer few insights into whether or not the failure was a temporary glitch while people regrouped, or whether it was a permanent end to the project.

A limitation of this research is that it has been conducted using a single longitudinal case study. Anecdotal evidence suggests the phenomenon that we observed is not uncommon in large organisations. However we think further research is needed to clarify and deepen our understanding and to confirm whether it is indeed reasonable to label this as a new category of failure albeit in the short term rather than the long term.

CONCLUSION

The research reported in this paper explored the concept of IS failure through an action research study of an ES implementation as it unfolded through time. The guiding theoretical orientation or philosophical perspective of the research was social constructionism. This perspective motivated the authors to creatively explore the various realities of the research setting as they were seen and portrayed by the research participants. While the authors were aware that the stories told by the participants were in part co-constructions of the researchers and participants, the researchers tried to build authentic participant narratives. The building and use of narratives enabled the researchers to explore the set of events in the study as a series of unfolding events imbued with meaning by the narrators. The authors feel that the narrative analysis permitted a greater richness and subtlety to emerge than would have been the case with the usual analytic focus on critical success factors or lessons learned.

We return to the question posed at the start of this paper. Is a failure always a failure? Is this ES implementation in Company Y a failure or not? This action research study enabled the researchers to gain considerable insight into the perceptions and perspectives of key players involved in this project, and their assessments of success or failure differ quite substantially. Some undoubtedly saw this as a failure, some saw it as a 'troubled' success, and yet in this case, senior management chose to see it as a failure. However the underlying concept and motivation for the implementation was never viewed as a failure, and subsequent actions were taken which enabled the ultimate successful implementation of the ES. The element of time is critical here too. At the time the decision to withdraw the implementation was taken, it is easy to report this case as a failure, a battle lost. A longer term view might suggest that the lost battle caused changes which ultimately resulted in a successful implementation, a successful campaign. We encourage future researchers to reflect carefully on where in the campaign timeline they are positioned in making their assessments of success and failure, and also to consider whose perspective they are adopting in making assessments of success or failure.

The narratives are startling. At times, one wonders if the protagonists are talking about the same project, and how, with all the knowledge that exists today about the critical contributors to successful ES implementations (see Barker and Frolick 2003 for example), so many have apparently been missed. The project manager was a competent, experienced and well-regarded manager, and both he and the two analysts had been deeply involved in a number of similar (but successful) implementations over the previous five years across Asia. The knowledge and experience of successful ES implementations in a variety of cultural contexts existed within Corp eX. Had these previous successes bred some complacency within the project team at Corp eX? Had it all become too easy? But on the other hand, how could Company Y project members have remained so disengaged, so demotivated, and so reluctant to work proactively to find solutions to the problems as they arose? Why did the Company Y management team not address this disengagement? Mismanagement and complacency seem to abound on both sides. This story reminds us that competent people, with knowledge and experience, can remain blind to clues and signs in the contextual environment and fail to take corrective action, even when problems seem quite apparent to an external eye in hindsight. It challenges the rational logical view of project management that is still so prevalent today in our teaching, research and publications. It reminds us that the methods and processes described in the PMBOK and the like, possibly assume a rational organisational reality that is not always present in real world projects.

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