



KABARAK UNIVERSITY

6TH ANNUAL INTERNATIONAL RESEARCH CONFERENCE

**INFLUENCE OF SUCCESSFUL IMPLEMENTATION OF ENTERPRISE RESOURCE PLANNING SYSTEMS ON
PERFORMANCE OF PARASTATALS IN KENYA; A CASE OF KPLC EASTERN KENYA REGION.**

LUKES ONYANGO

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Introduction / Background

- ▶ . A project is an interrelated set of activities that has a definite starting point and a definite ending point, and results in the accomplishment of a unique often major outcome (Clements, 2007).
- ▶ Project management is therefore the discipline of planning, organizing, securing and managing resources to bring about the successful completion of specific project goals and objectives



Cont..... Introduction / Background

- ▶ A parastatal is an organization formed or controlled by the Government. They perform specific roles in a country and their activities are found in such areas as transport, communication ,financial and management, production and marketing.
- ▶ The first ERP was implemented in Kenya in 1999 by Kenya Power Ltd as part of a transformation strategy to enhance its efficiency (Quinn, 2002). This provided a benchmark for other parastatals to start embracing ERP systems as a tool for business transformation.



Statement of the problem

1. The challenge for many organizations was to consolidate heterogeneous systems within the organization. Most of them were using separate systems for their different divisions, such as Finance, Human Resource, Sales and Marketing, Supply Chain and others
2. The study therefore attempted to establish the challenges that both managers and end users face in the implementation of ERP software solution in KPLC.



Con.... Statement of the problem

1. When looking at the processes within those different areas, however, it was found that most of them flow interdepartmentally, so what the organizations needed was a system platform that would provide integration for processes throughout their departmental systems and help achieve expected huge time-savings,.



Con.... Statement of the problem

rapid return on investment and a more effective ERP environment once all systems went online. Most of the organizations were willing to surrender existing business processes in lieu of packaged processes from a competent ERP solution that would offer something better



Study objectives

1. To find out the effectiveness of full involvement and support of top management in the implementation of the ERP system at KPLC
2. To determine the effects of proper planning and management in the successful implementation of ERP at KPLC
3. To investigate the effect of the level of staff knowledge and expertise on the effective implementation of ERP at KPLC
4. To establish the effects of proper training of staff (key-users and end-users) on the effective implementation of ERP at KPLC



Significance of the Study

1. This research would be useful because the categorization of CSFs of ERP implementation help researchers to understand and recognize which are the most significant CSF's for ERP implementation success.
2. The identification of critical success factors for ERP implementation success would prove to be important and needs to be taken into consideration by business managers when planning and designing the implementation project



Con.. Significance of the Study

1. Also, this study would seek to reveal whether there exists different perception of success by stakeholders of ERP system which is valuable for both researchers studying ERP implementation and practitioners involved in ERP project.



Scope of the Study

1. The study involved an investigation into the factors influencing successful implementation of the ERP systems in KPLC Kenya.
2. The study focused on the management and middle level staff, who are both direct (Key Users) and indirect (End Users) users of ERP systems.



Con...Scope of the Study

1. Although several factors may influence ERP implementation, this paper I only focused on two main critical success factors that includes planning and management involvement and ERP Knowledge and Expertise, as these are viewed as successful implementing measures by the ERP users either directly or indirectly.



Literature review

1. The vision of an integrated information systems started in the 1960s, evolving from the inventory tracking systems to Materials Requirements Planning (MRP), and finally to Enterprise Resource Planning (ERP) (Brady J et al, 2001).
2. Today, almost every organization integrates part or all of its business functions together to achieve higher efficiency and productivity
3. After developing a framework of different important CSFs for ERP implementation, it is significant to sort the identified CSFs into stages of ERP implementation life cycle (Nah et al.,2001)



Con.. Literature review

1. ERP systems implementation process is a complex process with a lot of factors and conditions which can potentially influence the implementation (Soja, 2006). The presence of those conditions and factors can help to produce good results for ERP, whereas the absence can have opposite effect (Soja, 2006).
2. A survey conducted by information week, revealed that some of the significant reasons, for ERP project failures, considered by IT managers was lack of proper planning and management, change in Business goals during the project and the lack of Business management support.



Conceptual Framework

1. Although there are many CSFs, the study generally looks at four main critical success factors namely; End User Training, Top Management Support, Expertise & Knowledge and Planning & Management.



Methodology

1. The study employed a descriptive research design. The target population for this study comprised of staff and management of KPLC at Eastern Kenya regional offices who regularly use the ERP systems that have been customized by the service provider for the different operations of the organizations.
2. The respondents included the Business Managers, IT professionals, Project team members and End users.
3. The study employed Stratified random sampling technique in coming up with a sample size of 100 respondents from a total of 500 staff from the entire departments of KPLC Eastern Kenya Region.



Findings / Results

1. The study targeted 100 respondents in collecting data with regard to factors influencing successful implementation of ERP in KPLC Kenya. From the study, 90 respondents out of the 100 sample respondents filled-in and returned the questionnaires making a response rate of 90%.
2. From the findings, all the managers were computer literate. Woo (2007) argues that IT professionals are mainly skilled in computer languages and technological aspect of ERP system rather than various aspects of the company's business operation.



Conclusions

1. The study aimed at determining the effectiveness of full involvement and support of top management in the implementation of the ERP system. It also aimed at determining the effects of proper planning and management, level of staff knowledge and expertise and proper training of staff (key-users and end-users) on the effective implementation of ERP.
2. The study equally concludes that technology is needed for the implementation of ERP in the organization. Major changes the company faced during ERP implementation was updating/ increasing IT and other equipment. Assessment was done before ERP implementation.



Recommendations

1. The study equally concludes that technology is needed for the implementation of ERP in the organization. Major changes the company faced during ERP implementation was updating/ increasing IT and other equipment. Assessment was done before ERP implementation.
2. On the effects of proper planning and management in the successful implementation of ERP, the study concludes that top managements role in the implementation of ERP is highly important for the project as they ensure an even change management and system rollout

