Impact of Critical Factors on Failure of ERP Implementation: With Special Reference to ABC Company

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Abstract

Organizations are making more significant investments on information systems like ERP system in order to challenge the modern dynamic business environment. Even though the use of ERP system is more popular, many of system implementations are unsuccessful. This study aims to investigate the impact of critical failure factors on the failure of ERP implementation according to the perspective of ERP end users at ABC Company. Data collected from 97 ERP end users through a standard questionnaire. Correlation and regression analysis have been utilized as an analysis method. Findings revealed that critical failure factors such as poor project management, poor training and development, poor business process reengineering have significant positive impact on failure of ERP implementation at ABC Company. This framework can be used as a guideline to recognize the failure factors that deserve more attention during ERP implementations.

Keywords: Critical Failure Factors, Enterprise Resource Planning, ERP Failure, Information System, Implementation