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Label in Context: On the Enterprise Resource Planning System in a Medium- Sized Enterprise

The purpose of this study is to shed light on the adoption of an enterprise resource planning (ERP) system in the context of a medium-

sized enterprise. ERP systems are software packages that seamlessly seek to integrate all of the information flowing through an enterprise. ERP systems are modular, enabling enterprises to adopt only the needed parts of the software. ERP packages are increasingly becoming the standards for organising and managing business activities because of their alleged benefits. As a result of their widespread adoption, ERP systems have received increasing attention from scholars of management accounting and accounting information systems in the past decades. Generally, researchers have attempted to investigate the implications of ERP system adoptions for management accounting and control practices, as well as for firm performance.

This paper presents a case study in which a medium-sized enterprise abandons its legacy system and employs an ERP package. It analyses ERP adoption through an empirical analysis based on the author's employment experience in a medium-sized enterprise, archive data and interviews that took place retrospectively after the implementation. To understand the occurrence of an ERP system in a medium-sized enterprise, the study resonates with the theoretical discussions on organisation concepts that have recently emerged among organisational and management accounting scholars. Organisation concepts typically offer solutions for a wide variety of managerial and organisational issues. More specifically, the study draws from the concept of interpretative viability. The notion of interpretative viability refers to the inherent ambiguity that often exists in different organisation concepts. Based on these considerations, the study raises the following research question: How is the ERP system and its adoption constructed in interplay between the enterprise and the software vendor?

EXECUTIVE SUMMARIES

The study illustrates how a medium-sized enterprise can benefit from ERP adoption in its accounting practices. The new software package, with its tools for efficient execution of accounting routines, is perceived as a meaningful improvement among accountants. However, the ERP system has a relatively mundane character in the enterprise: it is mainly used for bookkeeping and electronic invoicing. The study suggests that there is a considerable amount of interpretative space in the concept of the ERP system, and thus in the nature of ERP adoption. It emerges in the system's ambiguous modular character and in promises about performance enhancements concerning the execution of accounting routines. The study also considers how the software vendor exerts influence during the adoption process. The paper contributes to accounting research by elucidating the adoption of an ERP system in the context of a medium-sized enterprise and by using the theoretical concept of interpretative viability to analyse the ERP system and its adoption. ■