

## Implementation of ERPS in Accounting within Lebanese Organizations: Motives and Barriers

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**ABSTRACT:** ERPS (Enterprise Resources Planning System) is an information technology software that aims to aid organizations in their functions. According to many research the system proved its significance especially in the fields of accounting and financial management. However, this system in Lebanon has been less effective and less implemented. This research aims to identify the motives that make organizations implement ERPS and the reasons that render them not apply it. Accordingly, a mixed approach has been done. The methodology of the study used both quantitative and qualitative. The quantitative research used a questionnaire that addressed 150 employees who work with or are aware of ERPS in order to identify the barriers that made them not use it. For the qualitative research in-depth interviews were held with managers and supervisors to identify the motives that made them use ERPS. The findings of the study indicated that they use ERPS to manage financial resources, and report financial information effectively. The barriers to use it included lack of IT infrastructure, lack of training, and lack of IT support.

**KEYWORDS** – Accounting Information Technology, Barriers, Environmental Factors, Financial Problem, Middle Managers Commitment, Organizational Culture, Organizational Structure

### 1. INTRODUCTION

#### 1.1 Background

Accounting information systems (AIS) are developed and advanced between one or more units of a corporation to attain a particular goal or objective. It comprises of small sub-systems that provide backing to bigger systems, and encompasses individuals, approaches, information, software as well as IT infrastructures. AIS consists of a group of incorporated elements that are associated to attain one or numerous specific goals in a manner that, if one or greater input can be placed into it, one or greater output can also exit. In delineation, the accounting information system is an entirely designed system for the creation, collection, processing, storage, recovery, and distribution within an organization. It can be beneficial to functional units within a business, more so for small and medium companies, in resolving short-term issues of managers in the aspect of costs incurred, prices set and also cash flow by rendering information to support and oversee medium and active corporations in a setting that is dynamic and competitive. AIS can also facilitate the integration of these businesses and the operational concerns and strategic programs in the longstanding period. Saleh and Abdipour (2015) conducted a research study to investigate the barriers of implementing accounting information systems, with a focus on the

emerging economy of Iran. The authors formulated six hypotheses of accounting information systems comprising of organizational structure, financial issues, middle managers, organizational culture, human resources, and environmental factors. The study focused on the companies that are listed on the Tehran Stock Exchange. The results indicated that all of the formulated hypotheses were accepted. Based on the study, it can be inferred that granting rewards to managers and members of staff in addition to heartening the staff to utilize the new accounting systems will aid in the justification that the institution and implementation of the system would be beneficial to them.

Kumar and Suresh (2006) stated that an enterprise resource planning system is one software implemented by many organizations to manage and plan their functions. The system according to Kumar and Suresh (2006) is very effective in accounting and financial management. Considering the case of Lebanon, several organizations use this system to fulfill their needs, yet many barriers exist that render not implementing this system.

#### 1.2 Statement of the problem

ERPS is applied by many organizations in Lebanon due to the benefits and advantages it has. However, many organizations refrain from implementing it due to several

barriers. According to the experience of organizations in countries outside Lebanon, ERPS has been beneficial. That is why the study aims to identify what are the motives that make organizations implement ERPS and what are the motives that prevent them from doing so.

### 1.3 Purpose of the study

The main purpose of this research study is to identify the motives to use ERPS and the barriers that prevent this usage.

### 1.4 Research Objectives

The research aims to attain the following objectives:

- Identify the factors that motivate organizations to apply ERPS
- Identify the factors that prevent organizations to apply ERPS

### 1.5 Significance of the study

Much research in several countries have assessed the effectiveness of ERPS in improving organizational performance. However, within the Lebanese scope different factors integrate and motivate organizations from applying the software. At the same point many barriers exist that prohibit this effectiveness. This study highlights these motives and these barriers and therefore enlighten the organization on how and when to apply ERPS. It also provides recommendations that facilitate the implementation of the system despite its barriers.

## 2. LITERATURE REVIEW

### 2.1 Introduction

This chapter provides insights on motives that push organizations to apply ERPS within their systems. In addition to that, this chapter presents the barriers that prohibit this application.

### 2.2. Motives of ERPS within organizations

Enterprise Resource Planning (ERP) is a complex software system that consists of some integrated the varied needs of a particular organization depending on the organization's needs. The software helps businesses to analyze, manage, and make informed decisions on the performance of companies. ERP aids the organization in dealing with product planning, costing, and the management of inventory, debtors, and creditors. Additionally, the software remains vital in the synchronizing of the administrative functions or departments of an organization, for example, accounting, finance, risk management, human resource and sales, and marketing. ERP operates in real-time as such does not require updating of operations all the time. The overall objective of the ERP is to allow for the integration processes and activities within the organization to allow for the analysis of activities in a holistic way (Dezdar & Ainin, 2011). The adoption of an ERP system proves a challenging endeavor since it is a costly process, time-consuming, and complex to integrate into the business operations. However, the benefits that accrue from the successful implementation

of the ERP system outweigh the challenges. The advantages of the ERP system include increased automation of systems; reduction of the overall finances in the organization, real-time transactions, integration of functions, and overall finances in the organization, real-time transactions, integration of functions, and enables easier networking in the organization. ERP adoption was initially preferred by large organizations with financial capacity.

When a firm evaluates options for selecting an ERP vendor, it must determine what type of buyer it is. The buyers usually fall into three categories. These include ERP systems buyers, best-of-breed buyers, and small business buyers. ERP systems buyers need integration of application data across all departments and business units. In this case, the requirement is to implement everything in ERP and develop one integrated system for the whole organization. It reduces the technical challenge that might be faced in integrating legacy applications with new ERP packages for a few business functions. The complete ERP solutions are offered by SAP, Oracle, Epicor, Microsoft Dynamics, Infor, and others. Best-of-breed buyers do not require a complete implementation of ERP systems in all business functions. They require a single module or a few modules such as the HR system and CRM system. Small business buyers have a limited scope in terms of their operations and the number of employees. Due to the higher cost of ERP systems, they need to think if they should opt for an ERP system or develop in-house applications. Technical challenges and high upfront costs have kept many small businesses away from the adoption of ERP systems. However, with the evolution of cloud computing, small businesses have found new and innovative ways to implement advanced technology at the enterprise level.

There are various reasons why an organization would implement an ERP system. Overall, improving productivity, updating obsolete systems, integrating information systems, and reducing cost structures are the top business drivers for organizations choosing to use ERP systems. With ERP, manufacturing firms quicken information response time, increase interaction across the enterprise, and improve order management/order cycle. The firms also decrease the financial close cycle, improve interaction with customers, improve on-time delivery as well as interaction with suppliers, lowered inventory levels, improved cash management, and reduced direct operating costs. Moreover, ERP systems improve service time in accounting tasks and achieve a faster response to business change among other improved efficiencies (Dezdar & Ainin, 2011). Companies also achieve economies of scale, lower headcount costs, lower selling, and general and administrative costs. The actual tangible and intangible benefits differ from one organization to another and include information quality, systems integration, real-time accessibility, inventory reduction, productivity improvement, logistics/order

management improvement, cash flow, and forecast improvement.

There are several market trends, related to ERP software, that are prevalent in the contemporary context. These include vendor consolidation, adoption of software as a service, mobile app development, and social media integration. In the vendor consolidation trend, large vendors are acquiring small ERP vendors to expand in new geographic markets. It is an important consideration from the buyer's point of view. If the provider gets acquired, the customer may not get the same support and updates. Another important trend is the software as a service or web-based ERP. It is an attractive alternative to traditional systems that are installed on-premise. The benefits include lower initial investment, a familiar user interface, and quicker implementation. It also releases the burden from the companies to hire a full time IT staff for the maintenance of hardware and server machines. Mobile app development is another important trend. Customers are now increasingly using smartphones to access corporate applications. Bring Your Own Device (BYOD) is gaining increased popularity across the world. Vendors have responded to the adoption of smartphones through the development of mobile interfaces for their ERP packages. Examples include mobile clients of SAP, Oracle, and Epicor. The fourth important market trend is social media integration. This trend is still in its infancy. ERP vendors are developing social media tools to make use of social media in the corporate setup. These tools aim at fostering greater collaboration among employees. Organizations are also seeking integration between ERP programs and social networking sites such as Facebook and Twitter.

Generally, organizations are motivated to implement ERP systems by the need for a common IT platform, the desire for process improvement, data visibility, integration of data and systems. Other motivations to implement ERP systems are to eliminate redundant data entry, reduce inventory carrying costs, reduce operating costs, increase responsiveness to customers, attain best business practices, and standardize procedures across different locations. The benefits of ERP systems include standardization and integration of business processes throughout the organization, reduction in operating costs, improvement in customer service, information sharing and collaboration, increased productivity, and timeliness of the information. The benefits obtained by organizations that are using ERP systems act as motivations to those who are considering the use of the same. The motives for implementing ERP can be classified into operational, managerial, strategic, IT infrastructural and organizational groups.

#### **Operational**

Operational motivations for implementing ERP systems are to reduce costs; reduce cycle times (including financial cycles); improve productivity; improve quality; and improve customer-related services. Furthermore, organizations seek

to reduce the number of employees, and hence labor costs through increased efficiencies and integration. Besides, while using the ERP system to optimize inventory, organizations look to reduce inventory-carrying costs, stock-outs, and hence, operating costs. The elimination of delays and errors in filling customers' orders for merged business and optimization of supply reduces cycle times. ERP systems, being integrated information systems, are expected to improve quality by eliminating the entry of redundant data, concomitant errors, and difficulties in analyzing data (Dezdar & Ainin, 2011). Besides, organizations seek to improve the maintenance of customer information and hence present a single face to its customers leading to improvement in customer services. ERP systems incorporate the latest features and best practices in their modules. The adoption of ERP systems provides an opportunity for the firms to re-engineer their business processes and improve their workflows. Organizations across the world are opting for the migration of their legacy applications to the ERP systems.

#### **Managerial**

Managerial motivations for implementing ERP systems are to improve resource management, enhance decision-making, and enhance performance control. ERP systems promise to deliver up-to-date organization-wide information, and hence, organizations seek to improve decision support across the entire organization, improve strategic decision making, and achieve the overall improvement in decision-making. Besides, organizations also seek to improve decision making by enhancing collaborative decision making. Hence, organizations look to leverage the overall operational efficiency and effectiveness in management brought about by the integration of operations and the increased inefficiencies to achieve better performance control. ERP systems provide managerial benefits because of their centralized database and built-in data analysis capabilities (Dezdar & Ainin, 2011). These benefits help an organization achieve better resource management, improved decision making and planning, and performance improvement in different operating divisions of the organization.

#### **Strategic**

Organizations also implement ERP systems for strategic reasons. Thus, organizations seek to support current and future business growth plans, support business alliance through efficiently and effectively consolidating newly acquired companies into standard business practice. Besides, through streamlined processes or shared services, organizations seek to enhance business innovation and achieve cost leadership through economies of scale. Consolidation of newly acquired companies into standard business practice is achieved through multi-site standardization of databases, simplification of systems and the integration of data, disparate systems, procedures,

processes, and operations across different business units and/or locations. In support of current and future business growth plans, organizations look to the ERP system to support sales growth and to facilitate new business products or services, new divisions, new functions in different regions and reduce time to market (Dezdar & Ainin, 2011). Another strategic motivation for the implementation of ERP systems is to enhance business innovation brought about by enhanced responsiveness to customers, the rapid development of new market strategies, and the building of new process chains. ERP systems also promise to generate and enhance product differentiation through the acquisition of worldwide 'available to promise' capability which leads to the provision of lean production with make-to-order capabilities.

Improved external linkage with suppliers, distributors, and related business parties is also a motivation for the implementation of ERP systems. Information technology (IT) automates basic and repetitive operations thereby, cutting costs and raising outputs. Hence, investment in IT provides business benefits by streamlining processes, automating transactions, substituting labor, and increasing operation volumes (Dezdar & Ainin, 2011). Moreover, automation and removal of redundant processes or redesigning of processes lead to staff reduction. With ERP systems, there is an increased availability of real-time information and improved scheduling, which leads to a reduction in inventory carrying. Also, the increased automation significantly reduces the administrative expenses in printing papers and other supplies.

#### **IT Infrastructural**

IT infrastructural motivation for ERP systems relates to an increase in business flexibility, reduction in IT cost, and increased IT infrastructure capability. In adopting ERP systems, organizations seek to reduce the cost of IT through the adoption of a common IT systems platform, integration of data and applications cross-functionally together with the consolidation of multiple different systems. Besides, ERP systems promise to reduce the cost of IT through the replacement of mainframes with the client-server architecture, replacement of hard-to-maintain interfaces, reduction of the software maintenance burden through outsourcing, provision of integrated IT support, and the streamlining of financial consolidations. In the late 1990s (and early 2000s), several organizations were motivated to implement the then-emerging ERP systems to solve the year 2000 (Y2K) problem. ERP systems also promise to increase IT infrastructural capability through the implementation of a common platform; the update of obsolete systems; replacement of legacy system; standardization of the IT platform; process improvement; and the re-engineering of processes (Dezdar & Ainin, 2011). The re-engineering of the processes leads to continuous improvement in the system process and technology. Organizations seek to

increase IT infrastructural capability so that it is stable and flexible for the current and future business changes.

#### **Organizational**

Organizations implementing ERP systems anticipate that structures and processes support business organizational changes. Also, the organizations seek that knowledge about the business is enhanced through the understanding of business processes and the broadening of employee skills. Organizations looking to achieve a change in organizational culture through a common vision, by leveraging on the promise of ERP systems to empower the users. With increased automation and streamlining of business processes, there is a reduction in cycle time related to customers, employees, and suppliers support activities (Dezdar & Ainin, 2011). ERP systems, being an integrated set of applications, automates and integrates the business processes, which in turn leads to the reduction of errors, faster processing of data, consistency in data, and an increase in throughput. This improves quality in the organization.

#### **Barriers to ERP Implementation**

There have been several cases of unsuccessful implementation of ERPS within organizations. The authors indicated that just about 70 percent of ERPS implementations failed to attain their forecasted benefits. The rate of failure in the implementation of ERPS is considerably high and the implications are detrimental to the organization (Wong, 2005). An ERP could have experienced failure as a result of numerous different criteria. These criteria comprise of lower levels of returns than anticipated, incapability of the ERP system to meet preset functional requirements, and crossing budget restrictions. Additional criteria for failure of ERP project failure include greater costs for maintenance and training, lack of properly set dates for development and deployment, inappropriateness working of the system, and failing to meet the estimated expectations (Wong, 2005).

The ERP revolution has left organizational managers with a quid pro quo for choosing the system for their entities wherein the main objective of the firms is to be able to create business value from the investments made. This would come to be conceivable when the necessity of ERP would emanate internally within the organization or the external force would generate a circumstance where consumer emphasis or competition focus would necessitate the organization to adopt and implement a system that can assimilate the components of its business. Nonetheless, the reasons for the new ERP system can be dissimilar based on the relative factors for each organization (Al-Fawaz, Eldabi, and Naseer, 2010).

Some different obstacles and barriers stand in front of the adoption of the ERPS and lead those who depend on it to failure in its application.



### 3. METHODOLOGY

#### Introduction

This chapter comprises a discussion of the methodology of research that was applied in determining the results of this study. The elements covered in this chapter comprise of research design, study population, the sample size and sampling method in addition to data collection instruments utilized for data collection, validity and reliability of the research instrument, data analysis and presentation as well as ethical consideration.

#### Research Design

This research study used a mixed-methods research design. It included both qualitative and quantitative research methods. These two research designs facilitated the attainment of comprehensive information regarding the usage of ERP systems in financial accounting. The quantitative research collected data from a large sample and analyzed the results and findings using numbers and equations. At the same time, the qualitative research aimed to collect detailed information from experts and specialists. That been said, the qualitative research identifies the motives that made the supervisors and managers choose to apply ERPS, and the quantitative research was used to identify the barriers employees using ERPS face.

#### Population and Sample

In the current research, the ERP process implementation generally investigated which companies are majorly involved in the ERP system implementation. Therefore, the ERP companies in Lebanon are majorly targeted in this particular case. The work element indicates that the single-member here indicates the member of the population. Companies that majorly adopt the criteria of implementation of at least two ERP system modules are highly focused. Whereas these modules can be finance and HR, sales, and the distribution system or the human resource management system. One of the particular conditions or we can say that it is the major limitation of this particular study that rules and regulations of ERP should not exceed more than three years because of the personal change. One major difficulty in this system is that a lot of stuff has to be memorized in the past implementation process

The study employed convenience sampling because people targeted are the ones who have been exposed to ERPS or the ones who use it. Therefore, the study selected the sample based on the given criteria.

#### Research Instrument and Data Collection

The research instrument refers to the tools used to collect the data from the source of information. In the given research two instruments were used. The questionnaire was used addressing employees about the barriers that made them not use ERPS. The questionnaire included questions about barriers they have faced and respondents had to indicate their degree of agreement. Later in-depth interviews

were conducted with managers and supervisors because they are the ones who decided to apply and implement ERPS. The questionnaire had closed-ended questions, while the in-depth interviews had open-ended ones.

#### Validity and Reliability

Reliability and validity are concepts that play a significant role in research as they assess the quality of research. They point out how properly a technique, method, or particular test measures aspects. On the one hand, reliability takes into account the consistency of a measure whereas validity takes into account the accuracy of a measure. This research study employed Cronbach's alpha to measure internal consistency, which takes into account assessing how closely associated a set of items are as a group.

#### Data Analysis

After gathering data, it is highly important to analyze data appropriately and in this regard, it is highly important to make sure that the tool or technique used for analyzing data is based on an approach that is reliable and is also going to help in making better analysis of data. It is important to understand that for analyzing data SPSS has been used which is going to make sure that data is analyzed properly. SPSS is a software that is widely used to conduct research and analyze and interpret data. The use of this tool is based on performing tests on various methods that have been used for concluding. The quantitative data that has been used to conduct research is submitted in the SPSS system which in return will help in making sure that the success has been achieved in becoming competitive (Johnson, 2012). It is important to mention that data obtained from interviews were analyzed by comparing the responses and providing each result an implication that reflects the results.

#### Ethical Considerations

Data collection comes up with the issue of data privacy and it is important at the time of researching that the participants involved in the process must be made aware that their data is kept only till the time the research has been conducted. Along with this, it is highly important to make sure that the data must be stored in a reasonable place so that the information about participants must not leak. It is highly important here to understand that the protection of participants' data is also the responsibility of the person making research and in this regard, it must be ensured that each participant is signing the consent form and along with this the person making research must make sure that it is protecting the information of participants which are involved in research and is not going to disclose it. It is highly important initially to understand that the use of data must also be only to conclude the topic and this data cannot be used elsewhere as this is against the ethical and moral principles.

**4. RESULTS AND DISCUSSION**

**4.1 Introduction**

This chapter provides the results and findings of the research study on the development of accounting information systems and the barriers faced in developing nations.

**4.2. Results**

According to the findings of the study, most Lebanese firms adopt ERPS to substitute heritage software or to integrate systems if not applications exist. The Lebanese firms execute ERPS due to the following motives;

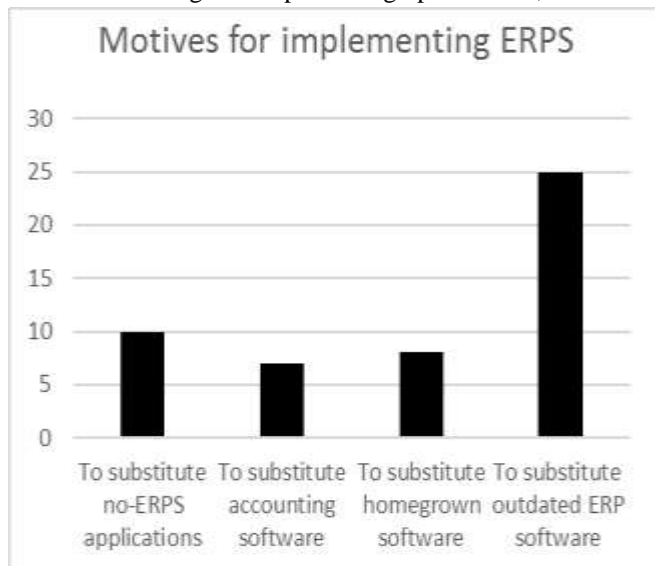
To substitute no-ERPS applications- 20% of the respondents stated that they adopt ERPS to substitute other non-ERPS applications.

To substitute accounting software- 15 % of the overall respondents stated that they implement ERPS to replace other accounting software such as QuickBooks and Sage.

To substitute homegrown software- 16 % of the total respondents stated that they adopt ERPS to substitute homegrown applications.

To substitute outdated ERP software – 49 % of the total respondents argued that they adopt ERPS with a motive of replacing the outdated ERP software. This is due to the fact the ERPS has been subjected to upgrading over the years. Thus, the old ERP system is no longer operative as compared to the current ERP.

The above findings are depicted in graph 1 below;



**Figure 1:** Motives for implementing ERPS

**a) Reversing a financial transaction or an error by use of ERPS**

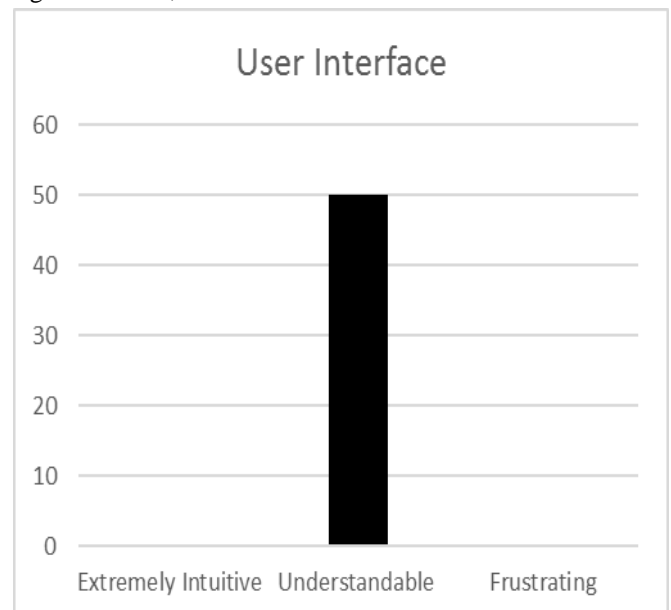
The respondents were also assessed on their perception with regard to how it is easy to reverse a financial transaction or an error by use of ERPS. Out of the 50 respondents, 28 found it easy, 7 found it very easy, 5 found it frustrating to reverse a transaction or an error in ERPS while the remaining 10 stated that this action needs care and procedural knowledge. These findings are presented on figure 2 below;



**Figure 2:** Reversing a financial transaction or an error by use of ERPS

**User Interface**

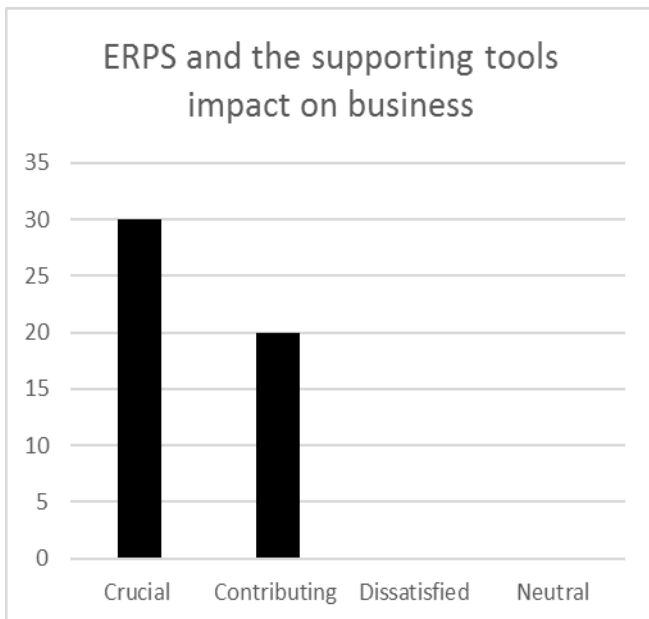
The respondents were assessed on how intuitive the ERPS interface for entry of financial data as is compared to other applicable systems. All the 50 respondents found stated that the user interface of ERPS is understandable as shown on figure 3 below;



**Figure 3:** User Interface

**ERPS and supporting tools impact on business efficiency**

The respondents were inquired to indicate how significant they believe their ERPS and the supporting tools are to the efficiency of their business. 30 out of the total respondents stated that they are crucial and 20 stated that they are contributing. None of the respondents stated that they are neutral or dissatisfied with ERPS and the supporting tools. These findings are shown on figure 4 below;



**Figure 4:** ERPS and supporting tools impact on business efficiency

**Recommend ability of ERPS to other firms**

The respondents were assessed on whether they would recommend ERPS to other companies in Lebanon. The findings depict that 40 of the respondents would recommend ERPS to other firms. The other 10 stated that they would recommend ERPS to other firms, but they should take note that it needs procedural knowledge. These findings are shown on figure 5 below;



**Figure 5:** recommend ability of ERPS to other firms

Barrier	N	Mean
Lack of vision by middle managers in the organization to facilitate the development and implementation of ERPS	150	3.2400
There is lack of trust and faith amongst subordinates in the development and implementation of ERPS	150	3.3667

Organizations do not see value in the role of accounting systems, nor their significance in each phase of their decision-making and nationwide development plans	150	3.3905
There is a progressing development of accounting information systems (ERPS) in the organization	150	3.4000
There are outdated regulations and also there is the lack of proficient instructors	150	3.4000
The organizational culture in companies continue to prefer manual processes and procedures	150	3.4733
Organizational structure is one of the barriers to the implementation of ERPS in companies	150	3.5933
Lack of technological advancements hamper the development and implementation of ERPS	150	3.6467
There is poor training and education in regard to the use of accounting information systems	150	3.8400
Setting up ERPS within organizations is a costly undertaking	150	4.0000
Valid N (list wise)	150	

Based on the above table, the most agreed on barrier is that setting ERPS within organizations is costly as it scored 4.00 meaning that all respondents agreed. Another barrier included that there is poor training and education in regard to the use of accounting information system (scored 3.84). Finally, the third barrier included lack of technological advancement hampering the development of ERPs.

**5. CONCLUSION**

This section aims to provide final conclusions related to the topics of this investigation. Accordingly, this section points out the final results attained from the methodologies applied. Results from this diverse group of participants indicated that majority of companies in Lebanon currently embrace the use of enterprise resource planning systems (ERPS). In Lebanon, a good number of companies have failed to adopt the newly emerging technological systems, which are meant to make the management and operational roles easier. For instance, many participants indicated that their companies do not value the IT department of their organizations. Based on the evaluation conducted through the research it has been deduced that the ERPS is primarily being used as a compulsion in Lebanese firms owing to the following reasons:

- To substitute non-ERPS applications
- To substitute accounting software
- To substitute homegrown software
- To substitute outdated software

Based on the responses deduced from the results, 50% of the respondents do not have any perspective regarding IT department's integration with business function while, 36% disagree with the premise. Moreover, 18% agree with the premise that the IT department is integrated with business function. This exhibits considerable efforts are required to be exhibited by IT departments to gain their user's confidence. Based on the respondent's feedback, it can be deduced that effectiveness of financial systems in supporting business goals is still an explore able area. Considerable efforts are required to be made by the organizations in this field wherein, they have to make their workforce understand the importance and effectiveness of having a financial system in place. Also, based on the evaluation of responses received from the respondents, it can be inferred that there are less likely chances that the top management shares information with the middle and lower management staff. Based on the evaluation of responses, 50% of the respondents neither agree nor disagree while 36% disagree and 14% agree with the premise.

As per the responses, 50% of the respondents have indifferent feedback with regards to the accuracy of data fetched from financial systems while 36% have disagreement with data accuracy of financial systems. Only 14% of the respondents give weightage or value to the data given from financial systems. Out of the total respondents of 50, 86% of the respondents are indifferent with regards to the efficiency of financial systems while 14% consider financial systems to be reliable. This exhibits that considerable efforts are required to be exerted with a purpose to increase efficiency of financial systems. Based on the respondents' feedback, it is inferred that 50% of the respondents are indifferent with regards to the features of financial systems. Moreover, 36% of the respondents consider financial systems to be having fewer features. Only 14% of the respondents agree that financial systems have high features. These features include the accounting management within the organization and it also has the ability to operate with other related software.

Based on the analysis of the results (arranged from data analysis of the respondents), it can be inferred that there are several gaps in technological advancement both at the organization level and employee level. Organizations are reluctant to implement ERP in their system owing to the non-availability of trained staff. Moreover, staff considers ERP implementation may also make them obsolete. Accordingly, they also create hindrances in implementation of ERP system into their organization. Furthermore, if we analyze the structures of Organizations in developing countries, the majority of the organizations are not willing to adopt ERP system owing to the financial investment required to incur in its implementation. Moreover, owing to non-availability of technical expertise firms end up adopting an ERPS that is not user friendly and staff are stuck-up with usage of the ERPS. Resultantly, the capital intensive project

becomes a sunk cost for business. Moreover, since the Top Management is involved in development of ERPS structure therefore, they consider or idealize to include major customization into ERP system structure. That also creates problems for the end-users since they are unable to handle the customized system. Moreover, owing to the customization the installed system cannot be handled by other IT technicians and only the installed engineers are required to handle the system (which in times of any issue may lead to business disruption). Businesses, majorly in the developing world, are reluctant to implement ERP systems because they do not want to have any operational disruptions in their business.

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#### CONFLICT OF INTEREST

There is no conflict of interest. The authors: Ibrahim Allouch, Ali Serhan are in agreement with all terms of this article.

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