**"Comparative Analysis of Successful and Failed Enterprise System Implementations"**

**b. Case Study 1: The Company Starbucks**

**b.1. company overview**

Starbucks Corporation is a U.S.-based international chain of coffee shops and roastery reserves, located in Seattle, Washington. The company was established in 1971 by Jerry Baldwin, Zev Siegl, and Gordon Bowker at Pike Place Market in Seattle, originally as a wholesaler of coffee beans. Due to the bandwagon of companies going online on the internet, in 2008 Starbucks joined the world wide web, also launching their company on social media platforms such as Facebook and Twitter [1]. It currently operates in over 33,000 locations across more than 80 countries globally. Even with competition from local coffee traditions, it continues to adapt to consumer tastes, and Starbucks maintains its global impact.

**b.2. Implementation process**

First, they assessed their current systems and identified what their needs are to become more successful. Prior to their systems, Starbucks heavily relied on legacy software that is typical of small sized companies such as Point-Of-Sale Systems, which has resulted in them having limited company growth, operational chaos, and even reduced profits. Then they selected their vendors that could meet the needs of their company. In 2008 they opted for SAP’s ERP implementation, implementing various departments that are usual for large companies such as Finance and Accounting, Supply chain and inventory, Procurement, Warehouse management etc. In which they had a phased implementation approach to minimize the flow of their operations ensuring that all their branches function properly, allowing them to pilot test and deploy successfully.

**b.3. Success factors**

Starbucks had cultivated a strong brand identity through their marketing ERP implementation that had made a huge impact on its success. Due to the changes that they had made in the design of their logo, it became more recognizable around the world. They also developed their techniques, making new types of products and beverages that could cater many audiences. This can be attributed to their procurement where they opted for localized sources. Lastly, they depicted their company as something that is flexible and friendly where everyone can go and relax, gaining patronage and loyalty from customers [3].

**b.4. outcomes & impact**

They had boosted their earnings up to 25% from the year 2008 and 2011 as a result of their efforts toward growing the company with the aid of implementing their ERP integration. 25% increased earnings in 2011 post-ERP implementation, 60% revenue growth from 2011-2019 with over 10,000 new store openings, Expansion into 5 new international markets, Consistent innovation in products and customer experience, and Stock price growth from $9 in 2008 to $90 in 2022.

**c. case study 2: Failed Enterprise System Implementation**

**c.1. company overview**

Target Canada was an expansion of the US retail giant Target that decided to set foot in the neighboring country Canada. However, the expansion resulted in a huge loss as the ERP system that they would have hoped to handle and manage processes such as supply chain, inventory, and distribution failed.

**c.2. Implementation challenges**

The ERP system was rashly developed which led to software problems with a mere 2-year time-frame to work with. The project with unrealistic timeline, compromised every aspect of the implementation process of the project. The insufficient planning had lead inadequate testing for their software in particular their whole ERP system. They also had insufficient communication with their vendor also had grave effects in the implementation. Target's "fresh start" approach, meant to avoid importing legacy data, spectacularly backfired. Lack of training on entry protocols and complete absence of any data validation mechanisms within the system resulted in a quagmire of inaccuracies and incompleteness in the data. This data quality crisis had a cascading effect, crippling inventory management and causing a complete chain reaction in the supply chain.

**c.3. Failure factors**

The failure for implementation can be attributed to a combination factors. First is the time constraints that hindered proper development and had forced them to compromise. Then came issues such as poor data management, inadequate staff training in comparison to their US branches, product information discrepancies that resulted in confusion of warehouse and store levels and more. All of these had led to bankruptcy in 2015 and close their branch in Canada.

**c.4. outcomes & consequences**

The implications of these failures were severe. Target Canada experienced continuous supply chain problems, with bare shelves often found in its stores. This failure had impacted the reputation of the whole company and further destroyed the confidence of their customers. Their investments for expansion went down the drain as the result of their failed venture and finally closed of all its stores.

**d. Comparative analysis**

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| --- | --- | --- |
| **Category** | **Starbucks (Success)** | **Target Canada (Failure)** |
| **Implementation Approach** | Phased rollout with pilot testing | Immediate implementation approach with simultaneous deployment |
| **Vendor Collaboration** | Strong partnership with SAP, customized solutions | Poor software alignment, lack of customization |
| **Change Management** | Extensive training and communication strategies | Insufficient training, leading to confusion |
| **Data Integration** | Careful data migration, ensuring accuracy | Poor data management, leading to inventory errors |
| **Operational Impact** | Streamlined processes, improved efficiency | Supply chain disruptions, empty store shelves |
| **Financial Outcome** | 25% earnings increase, 60% revenue growth (2011-2019) | Massive financial losses, market exit within 2 years |
| **Market Expansion** | Successful global expansion, 10,000+ new stores | Failed entry into Canadian market |

**d.1. Similarities & Differences**

**Similarities**

Both companies sought out to improve their business by implementing ERP system to streamline processes and overall enhance their operations. Their decision to implement had impacted their business performance, influenced their financial outcomes, and lastly affected their reputation globally.

**Differences**

The differences are outline in the table in each major category. The main difference that they had were their approach to their implementation. With Starbucks having a phased roll-out and Target Canada with a direct deployment that resulted in less testing hence the operational failure. Another critical point is their vendor choices, Starbucks had a cooperative and had their needs met while Target Canada already had communication issues while developing their system.

**d.2. Critical Success vs. Failure Factors**

These differences had direct operational consequences, with Starbucks benefiting from streamlined processes and improved efficiency, while Target faced supply chain disruptions and empty store shelves. Financially, Starbucks witnessed a 25% earnings increase and 60% revenue growth between 2011 and 2019, while Target suffered huge losses and was forced out of the market within two years.

**d.3. Key Takeaways & Lessons Learned - include the following questions;**

**1. What did the successful case do right?**

Starbucks did a strategic and gradual approach in their ERP implementation that had ensured careful testing to avoid deployment issues.

**2. What went wrong in the failed case?**

Target Canada had rushed their development of its ERP and lacked definite testing, that had led for software issues as well as operational inefficiencies. Their poor data migration had caused a severe damage in inventory management, while also having inadequate employee training. These failures had resulted to their failure and financial loss.

**3. How can future implementations avoid similar failures?**

By studying cases such as these, future implementations can become successful. The lesson that we can get from this study is to have a phased rollout that will allow time for testing and do adjustments that are necessary for our ERP systems.

**e. Insights & Recommendations**

Companies need to have a thorough evaluation of their needs so to ensure that their implementation of an ERP system would be successful. Choosing a phased approach is crucial as it will help reduce the risks of the implementation failing and would allow them to have adjustments and prevent problems in pre-deployment. Moreover, it is needed to have a good relationship with the ERP vendor to prevent miscommunication and ensure that it will meet the business requirements. Extensive management planning and training the staff is also a need as it will result in smoother adoption for employees. Continuous post-deployment monitoring and refinement is required to continually optimize performance in response to evolving challenges.

**e.2 Avoiding Failure**

To prevent failures, companies should avoid rushing ERP implementation and instead should plan it thoroughly. They should align the ERP system with the business operations and take into account market conditions to ensure efficiency and adaptability. Companies should also do research for similar companies to learn from the mistakes of others. And lastly, companies should develop a contingency plan to manage unexpected challenges in order to minimize business disruptions during and after the implementation of their system.

**e.3. Future Research Opportunities**

Further research could include after-implementation adjustments and the way to ensure long-term effectiveness of an ERP system. Knowledge about how organizations adjust and fine-tune their ERP system over time may provide valuable insights in attaining success in the long run. Examining the role of organizational culture in ERP adoption can also shed light on how different leadership styles, engagement strategies with the employee, or values in the company can sometimes enforce system failure or success. These areas may be explored by businesses to find better strategies of ERP implementation with enhanced overall results.

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