# Question 1.1

Using the Waste Management case as a reference, critically analyse the common causes of ERP implementation failure. What lessons can organisations learn from this case to ensure successful ERP rollouts in the future?

**Enterprise Resource Planning (ERP)**

Enterprise Resource Planning (ERP) systems are integrated software solutions that manage and automate core business processes across various departments in an organization, even in a complex, multisite, global organization (Reynolds, et al., 2021), be it: supply chain management, human resources and finance in order to ensure data accuracy, streamline day to day operations, and enhance organizational decision-making capabilities.

The Waste Management case exemplifies the challenges organizations can possibly face during company-wide Information Systems implementation. In 2005, Waste Management initiated an ERP project with SAP, intending to modernize its order-to-cash processes. However, the project fell short of expectation, leading to a lawsuit against SAP for misrepresentation and ultimately resulting in an out-of-court settlement (Grant et all, 2025). The scenario this case paints draws attention to some problems of ERP implementation failure and presents valuable lessons for organizations planning for future successful ERP rollout.

**Causes of ERP Failure:**

1. Vendors making unrealistic promises: The fundamental cause of the ERP failure in this particular scenario was the setting of unrealistic expectations by SAP where the Waste Management was assured that the proposed ERP system will be able to deliver $220 million benefits annually with an 18 months deadline for it to be operational (Grant, et al., 2025). Exaggerated promises will almost always warp organizational estimation of time required for completion and the level of complexity for successful implementation.
2. Poor Project Management: In order to keep project of such magnitude on track, there is the need for proper project management. Waste Management’s project may have experienced misappropriated resource allocation, inadequate planning, and oversight leading to budget overruns and delays. A well-defined project management framework can help mitigate these risks (Grant, et al., 2025).
3. Insufficient Customization and Fit: the IS implementor, SAP, advertised their ERP offering to be an out-of-the-box product, but Waste Management found that the solution did not meet their particular needs without further tweaking or customization. This misalignment consequently led to operational inefficiencies and dissatisfaction (Grant, et al., 2025).
4. Lack of proper Change Management: major transitions such as implementing new ERP system in an organization will usually demand considerable change in workflows and critical employee roles but Waste Management’s failure to properly prepare its workforce for the imminent changes might have also contributed to the project’s shortcomings. Proper change management is vital to see to it that an organization’s workers are on board with what is going on in the organization and adequately trained or upskilled to be able to use the new system proficiently. It can be seen from critical appraisal, that Waste Management’s ERP implementation failure arose in part from inadequate planning and lack of organizational readiness (Baumann, 2021).

**Some lessons learned from careful observation of this Waste Management case:**

1. Organizations need to critically evaluate claims made by vendors through doing due diligence and proper comprehension of the complexities involved and try as much as possible to set realistic goals that are achievable.
2. Organizations need to implement strong project management practices via the definition of clear objectives, resource allocation and timelines, as well as putting adequate monitoring mechanisms in place to track progress and address issues as they may arise in order to oversee successful ERP implementation.
3. Before choosing an ERP, any organization needs to do a thorough needs assessment to ensure that the intended software or solution matches the organization's specific needs. Customization needs to be approached with caution because modifying an out-of-the-box solution or software excessively can impact the proper operations negatively.
4. Change management is very crucial to transitioning successfully to a new ERP system because if predominantly involves significant changes in workflows and employee roles. Waste Management’s inability to properly prepare its workforce for the inherent changes might have very much contributed to the project’s shortfalls. Very vital to the implementation of new ERP systems are effective change management strategies in order to ensure that organizational workforce is onboard and get trained to use the new system efficiently.

**In Conclusion:**

This case of the Waste Management organization is a good example for other organizations thinking of implementing ERP systems. Organizations can take deliberate and proactive steps to mitigate risks of ERP implementation failure by understanding common causes of failure, some of which are unrealistic vendor promises, poor project management, insufficient customization and fit, and lack of proper change management.

And the lessons learned from this particular case drive home the importance of setting realistic expectations, implementing proper project management based on industry best practices, ensuring that software is fit based on identified organizational requirements, and integrating change management into organization’s operations based on identified workforce skills gaps.

Applying these insights will heighten any organization’s possibility of success in achieving ERP implementation, thereby achieving the full potential that ERP has to offer their organization.

# Question 1.2

Evaluate the risks and trade-offs of implementing “out-of-box” ERP solutions with minimal customization. Considering the Waste Management SAP conflict. How important is aligning ERP capabilities with unique business processes?

# Question 1.3

Explain how Business Intelligence (BI) tools enhance the value of ERP systems. Use examples such as predictive sales forecasting and automated alerts to show how BI supports strategic decision-making.

# Question 1.4

Compare the differences between reactive and proactive business decision-making. How does the integration of modern BI tools into ERP systems shift an organization’s ability to anticipate and respond to changing business conditions?

# Question 1.5

Discuss how the integration of Artificial Intelligence (AI) and Business Intelligence (BI) into ERP systems could have changed the outcome of Waste Management’s ERP project. In your answer, critically examine how predictive analytics and AI-powered insights can reduce the risk of ERP implementation failure.

# References

Baumann, B., 2021. *Lessons Learned from the Waste Management ERP Failure.* [Online]   
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