

# The Assessment of the Business-IT Fit in E-Procurement Systems: An Empirical Study

## Abstract

Because of the influence of globalization and updated information technologies (IT), firms face more and more uncertainties when they conduct daily procurement activities. Whether these uncertainties come from internal or external business environment, they retard e-procurement systems (EP) to achieve promised benefits, and therefore firms must align their EP with their business environment for greater performance. To fulfill this need, this research aims to examine the fit of business and IT environment and study its impacts on the system performance. The literature review allows us to propose four major impacting factors and relative measurements. A case study is then taken in the Taiwan PC-Notebook industry to verify the research framework. We find the firms' external and internal factors do affect the performance of EP. That is, EP usage in the form of high-integrated system may lead to greater performance under higher environment, partnership, or process uncertainty, whereas low-integrated EP lives up to more benefit under lower knowledge skills. We also observe that lack of fit between procurement practices and EP system produces extra burdens and costs which reflected in the performance of both buyer side and supplier side. Therefore, the contribution of this research can be two-folded: first, practitioners who can use this framework to diagnose their environment condition and then align to the appropriate type of EP. Second, researchers who can build upon this model to further examine the fit impact on EP performance.

**Key words:** Business IT fit, Electronic procurement, Alignment.