Institutional Preconditions Influencing Accounting Firms Mobilizing into the Online Software-Enhanced Financial Services Market

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Abstract

Studies on change within an institution or to drive a new one where cooperation from a numerous dispersed actors is required are lacking. This study explores mobilization as describing a firm’s activities to motivate others to join their vision to shape a new market. The institutional settings firms previously adhered to prior to mobilizing into the new market, or institutional preconditions, could influence mobilization activities and thus need to be considered as well. Whether, and if so and how, firms mobilize and the role institutional preconditions play are addressed for the case of accounting firms adopting a software-as-a-service (SaaS) business model. Exploratory qualitative methods are used and SaaS adoption factors for the accounting industry are explored. Results are discussed and future research suggestions are offered.

Keywords

financial sector, mobilization, agency, institutional theory, service integration, software-as-a-service
Introduction and Motivation

Increasing software-as-a-service (SaaS) business model adoption is paving the way for a new market for online software-enhanced financial services market. A SaaS business model is when software is hosted and deployed by a SaaS provider, and end customers can access and rent part or all of the software’s functionalities via the internet, often for a monthly subscription fee. Previously, traditional software was installed and maintained on end customer servers and computers as a packaged application (‘on-premise’), after purchasing a license. There are many potential benefits for both customers (e.g. reduced costs on IT implementation, reduction in duplicate manual data administration) and SaaS service providers (e.g. reduction in operational costs, higher quality services). As a result, SaaS adoption has increased for enterprise resource planning (ERP) software providers and financial service firms such as banks and accounting firms (examples being online banking and online bookkeeping respectively). With all parties adopting SaaS, service integration becomes possible. This is desirable as service integration yields a higher value for customers than when the individual services are consumed separately.

Due to this, ties between companies of these different sectors are becoming increasingly more important (Gulati et al. 2009; Kohli and Grover 2008) as they have been shown to impact the value of service integration (Sarker et al. 2012). Especially where there is no established market leader, creating and maintaining value-adding ties is essential for sustained survival and advantage in an emerging technology-based market (Garud et al. 2002) through differentiation (Narayanan and Chen 2012). This is particularly the case for the ERP firms, who are becoming service providers in a sense, or the initiators for SaaS adoption. The more content-adding ties they can link to their ERP solution, the more differentiated the solution can be. However, they face the challenge of motivating business partners such as banks or accounting firms, or the adopters, to form ties via their solution. This is because divergent interests of the adopters may promote competition over collaboration, despite a needed coordination to proceed into a new complex emerging environment (Iacovou et al. 1995; Wijen and Ansari 2007) such as the online software-enhanced financial services market. This could be particularly pertinent for adopters that offer customized services tailored to customer demand with the aim of achieving long term relationships with customers, such as accounting firms. As a result, this paper will take the perspective of the adopters, and more specifically that of the accounting firms. Strategically and proactively creating ties to differentiate and enhance services offered could have added importance as a result; however, this comes with its challenges.

When sought out ties come from different sectors, creating and maintaining ties in a new market requires continued effort at the firm level (Suarez, 2004). This is a complex task involving leveraging both social and political skills (Fligstein 1997; Garud et al. 2002). An example of social skills is the ability to rally potential ties to join your vision of what the market could look like (Ozcan and Eisenhardt 2009). Political skills then are necessary for continued pursuit of this vision, where it is necessary to shape the market in a way which will enable maintaining obtained ties (Garud et al. 2002). When firms use social and political skills to purposely gain and sustain cooperation from others with divergent interests to create and drive a new market, this can be explained via the concept of mobilization through the lens of institutional theory. Institutional theory is concerned with how rules, norms, protocols, culture, etc. shape and influence a firm’s behaviour in social and commercial settings (Scott 2007). In emerging fields where these rules, norms, protocols, culture, and so on, have yet to be established, mobilization can be viewed as a process that encompasses field-level activities to have others support their vision of what the institutional rules, norms and culture could look like in a new market. The literature has focused on explaining why firms would engage in mobilization in the first place, to either enter a new market or to alter the current institutional environment (i.e. Seo and Creed 2002), when changing institutional rules, norms and culture could potentially have undesired effects. This was particularly of interest for highly institutionalized markets such as that of financial services, where attempting to change the very environment benefiting a large firm, as an example, would seem counterintuitive (Greenwood and Suddaby 2006). While it could be potentially explained why a firm may mobilize, none of these studies can predict whether they will mobilize, and then if so, how.

In order to understand whether firms will mobilize, the institutional contexts firms subscribe and adhere to prior to mobilizing, or institutional preconditions, need to be understood. This is particularly of importance in this case as in circumstances of high uncertainty such as in a new market when a
technological phenomenon is occurring (Leblebici et al. 1991) like SaaS adoption, institutional forces tend to be quite potent (DiMaggio and Powell 1983), particularly for the financial services sector (Greenwood and Suddaby 2006). Thus this study’s concern is to understand first whether accounting firms as adopters will mobilize into the emerging online software-enhanced financial services market, and if so, how. Further, this study will also consider the role institutional preconditions play with regards to mobilization activities. Whether and how adopters will mobilize, and the role of institutional preconditions, in the context of the online software-enhanced financial services market, are the research questions that are addressed.

Methods deemed appropriate are that of a qualitative nature, since extant theory falls short in explaining whether and how firms mobilize, and mobilization itself is a process that needs further development (Garud et al. 2002; Purdy and Grey 2009). The objective is to first discover how adopters in this case mobilize and then explore the potential influence of the institutional setting on these activities. In order to proceed, the paper is structured as follows. Section 2 provides a summary of institutional theory, its role as a conceptual background in this study, and how firms could mobilize is explored. Section 3 will give an overview of the proposed methodology and delve into the context of the cases this study explores. Section 4 explains the data collection process. Section 5 provides an overview of the findings and leads to interpretations regarding the role of institutional pressures. Section 7 concludes the study and offers potential future research avenues. For academics, this study aims to contribute to the agenda of institutional theory focusing on deliberate strategic agency to create and drive a market by developing upon the concept of mobilization. This study will also contribute by addressing practitioners’ interests in how to approach entering this market for which advice and information is scant.

**Institutional Theory as a Conceptual Background**

Institutional theory asserts that organizations within an industry adopt similar practices and structures in order to secure position and legitimacy in their environment, and this is widely accepted (Scott 2007; DiMaggio and Powell 1983). These practices and structures guide an organization’s behaviour in various social and commercial settings (Scott 2007; Droege and Marvel 2010) despite efficiency even (Seo and Creed 2002). This is even more so the case in sectors of industries that are considered highly institutionalized, such as that of accounting (Greenwood and Suddaby 2006). Thus, understanding the processes and mechanisms of a field-level change became a central theme of recent studies employing institutional theory (Smets et al. 2012). While the institutional theory literature, particularly the institutional entrepreneurship branch, has begun to address the role of actors in shaping their environment (Bruton et al. 2010), it has focused more on why actors would desire to change the very institution providing them benefits and legitimacy in the first place (Greenwood and Suddaby 2006; Seo and Creed 2002; DiMaggio and Powell 1991; Holm 1995; Hirsch and Lounsbury 1997).

While these studies seek to explain why (even mature) firms would enact change despite institutional benefits (see embedded agency paradox, Seo and Creed 2002), they cannot explain how firms will deliberately go about this change, particularly when entering a new market. As a result, increasing attention has been placed on field-level changes (see agency-structure paradox, Greenwood and Suddaby 2006) where actors act strategically and purposefully to enact changes to an institution or drive a new one. Often these studies however focus on individual actors or entrepreneurs and tend to neglect the challenges posed by a need for the cooperation from numerous dispersed actors in order for change to occur, which is the case in more complex fields (see collective action paradox, Wijen and Ansari, 2007).

For a complex technical market such as that of the online software-enhanced financial services market, service integration surrounding the ERP solution could be a way to view to what degree firms are mobilizing, as well as identify possible mobilization activities in this context. Since ties are necessary to move into this market, and the main incentive is due to the co-creation of and/or enhancement of value for the end customer through service integration, Sarker et al. (2012)’s three levels of co-creating value are explored in this study: exchange, addition and synergistic integration. The first is value exchange, where a firm offers its ally resources or competencies that the ally needs to effectively serve clients. This is also referred to as bartering. An example is that ERP vendors could offer lead time to allies to give them a logistical advantage in using the ERP solution before rolling the updated solution to the end customers. Little to no value is actually created on this level of exchange; it is more of a mutual adaptation process. When value is indeed actually added, this is noted by Sarker et al. (2012) as addition, for creating value
through layering. Another way to explain this would be the concept of an ‘add-on’. Addition occurs when one or more of the ties builds on contributions of the other(s) to build or develop new or existing revenue streams for both parties (Sarker et al. 2012). The highest level of integration is noted as synergistic integration, which can also be described as a new joint offering altogether. Surrendering some autonomy is necessary for this level of integration, and trust within the tie that both parties will do what is in the interest of all parties becomes more marked.

In the context of SaaS, for exchange, ERPs can offer accounting firms the SaaS environment where cost reduction is enabled, and the new possibility for added value to both sides is initiated. Accounting firms thus can adopt SaaS as a new delivery channel and alter their pricing model accordingly. This is one possible way to mobilize. Another, to a higher degree then is related to addition, relates to add-on’s, which in the case of accounting firms an example could be reselling of the ERP software to their end customers. Another example at this level could be accounting firms requesting certain functionalities be added to the solution that could allow accounting firms to increase their value proposition. One step further, the highest degree of mobilization, or activities that could encompass synergistic integration would include the development of an accounting module, as an example, that could be added to the ERP solution itself. Parties in this case would split rents and revenues, and a higher level of trust and service integration would be present as this could constitute an entirely new joint offering. These three degrees of service integration give insights into how adopters, namely accounting firms, would approach mobilization in the context of the online software-enhanced financial services market.

However, mobilization activities become more difficult when potential adopters stem from different environments to which they conform. Since adopters have private interests, the environmental factors influencing firms mobilizing need to first be considered. In this research the assumption is made that all markets are or become institutions (Fligstein 1997), and in taking an industrial perspective in this study, an institution will refer to an industry. To proceed, we adopt Scott’s (2007) three domains of institutionalization, which allows us to analyze the environmental factors. Since mobilization activities stem from the firm level via internal organizational changes, which then can affect the inter-firm and industrial levels (Garud et al. 2002), these domains also allow for analysis of mobilization activities and their effects via a multi-level perspective. The three domains — regulative, normative and cognitive — were proposed by Scott as relating to “legally sanctioned, morally governed and recognizable taken-for-granted behaviors respectively” (Scott et al. 2000, p. 238). The regulative domain encompasses regulations, policies, and laws. This also includes the implementation of technology standards. The normative domain accounts for behaviour that is guided by a perception of what is deemed appropriate, common values, and social obligations. Norms, standard protocols, and value systems are some examples. The cognitive domain in this research takes the firm level perspective.

Mobilization activities can be influenced via each domain in the accounting industry to different degrees. Firms carry their institutional preconditions with them into a new market setting, and this can significantly affect the negotiations necessary to form ties for the purpose of mobilization (Ozcan and Santos 2009). Without understanding and considering the institutional preconditions and their influence on accounting firms, it is difficult to explain whether and how firms from this sector will approach mobilization. Once the institutional preconditions of banks have been understood and considered, this can lend insights into whether banks will mobilize. A expectation could be that the stronger the pressures of the institutional preconditions, as perceived by the accounting firms, the lesser extent of mobilization (with regards to service integration) will be observed.

In order to measure the strength of the pressures via each of the domains, relevant SaaS adoption factors are considered on each of the domains as depicted in Figure 1 below. On the firm level, i.e. in the cognitive domain, factors explored were: the adoption of SaaS and switching to a product-as-a-service business model and pricing. On the normative domain, or inter-firm level, factors perceived important when choosing potential (ERP) ties included: technology, delivery channel, personal relationships between ties and positioning. On the regulative domain, or industrial level, the factors considered were the implementation of technology standards, and the importance of professional standards, rules and laws. These factors considered were shown to be relevant for the emerging SaaS-enhanced financial services market from a multi-level perspective (Teracino and Seo 2013) and these are matched accordingly to each of the preconditions domains to allow for operationalization during data collection and analysis.
Accounting Firms Adopting Software-as-a-Service Mobilize

Figure 1. Institutional Preconditions Measured by SaaS Adoption Factors

Methodological Overview and Context

Given the limited studies on how firms mobilize, an exploratory study was the chosen method (Eisenhardt 1982). This type of study is particularly appropriate for developing theoretical insights when the focus of the research is one that extant theory is unable to address fully (Ozcan and Eisenhardt 2009). It is further appropriate as the research question is that of a process, as is the case in this study. Data on multiple accounting firms were collected to allow for comparison, allowing for the results to yield more generalizable findings than a single instance would (Eisenhardt 1991; Yin 1994).

The setting for the study is the accounting industry in a Northern European Country (NEC), which is appropriate due to a recent increase in adoption of the software-as-a-service model in this region. Accounting firms in this environment have the increased possibility to utilize SaaS principles via SaaS ERP solutions to service their end customers. Also, this industry is more susceptible to institutional pressures (Greenwood and Suddaby 2006) which allows for a prime example of industrial preconditions, and due to many national regulations, is also an isolated setting for the time being. The newness and relevance of the emerging SaaS-enhanced financial services market, particularly in NEC, also makes it easier to track mobilization activities from its earliest stages.

The focus of this study is on accounting firms who have ties with ERP firms and are offering SaaS services to their own end customers, often through SaaS ERP solutions of which their own end customers are also end users of the solutions. In short, it is not uncommon for ERP firms and accounting firms to have an overlap in their end customer base in this market. Accounting firms were chosen via recommendations from a market leading ERP software firm in NEC providing SaaS solutions to ensure their participation in the emerging SaaS-enhanced financial services market. Not only were these accounting firms recommended, but also service a portion of their customers via the ERP firm’s solution. Two specifically were recommended by a market leading ERP firm, and will henceforth be referred to as Firm A and Firm B. The third, henceforth Firm C, was acquired via the snowball method after interviewing Firm A. Firm C’s interviewee (Interviewee C1) previously worked at Firm A, and branched off to create another
accounting firm that utilizes SaaS principles more intensively. These firms all are influenced by similar institutional preconditions. All firms also offer the same four tiers of services: (1) general ledger and the structuring of accounting systems, (2) reporting annually, fiscal reports, tax, VAT, corporate income tax, and so on, (3) management reports (e.g. quarterly), and (4) ‘more broad’ advice based on the reports. Table 1 below gives a brief overview of the information regarding each firm.

<table>
<thead>
<tr>
<th>Firm</th>
<th>Interviewee</th>
<th>Position</th>
<th>Employees</th>
<th>Structure</th>
<th>Customer Base</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>A1</td>
<td>Head of Automation</td>
<td>220</td>
<td>6 branches</td>
<td>approx. 5,000; 10% serviced through SaaS</td>
</tr>
<tr>
<td>B</td>
<td>B1</td>
<td>Director</td>
<td>18</td>
<td>4 branches</td>
<td>approx 1,000; approx. 97% serviced through SaaS</td>
</tr>
<tr>
<td>C</td>
<td>C1</td>
<td>Director and Head of IT</td>
<td>5</td>
<td>Stand alone; seeking franchisee partners</td>
<td>between 100-150; close to 100% through SaaS; 10-15% using their own SaaS solution</td>
</tr>
</tbody>
</table>

Table 1. Overview of Firms and Interviewees

Since ties are essential to entering the market, the three market leading ERP firms in NEC are discussed in depth during interviews and are henceforth referred to, in order of market share and position: ERP 1, ERP 2, and ERP 3. Other ERPs will be grouped together and discussed generally as at present they were not considered main players in the scope of this study. Banks, referred to generally during the interviews, are major banks of leading positions holding the largest market shares in NEC and are most active in this new market. Regarding the size difference of the accounting firms, a reason for this is that smaller, more entrepreneurial firms are assumed to and tend to have fewer resources and subscribe less often to institutional preconditions, than more established, larger firms (Katila et al. 2008; Greenwood and Suddaby 2006). Thus, it could be assumed that larger firms, more engrossed in their institutional environment and by institutional preconditions, would be less likely to mobilize quicker, or with as much initial gusto, as compared to smaller, more peripheral actors (Maguire et al. 2004). However, it has also been shown that those more embedded in an institution, or affected by institutional preconditions, particularly in the accounting industry, can be exposed to conditions that allow for more reason to mobilize (Greenwood and Suddaby 2006). Interviewing interviewees from firms of different sizes allows us to keep this into consideration while also addressing issues faced by all three and thus the institution of accounting as a whole. This study’s scope is restricted to that of small and medium enterprises as end customers, thus three sized accounting firms, from medium to small to very small.

Data Collection

Data collected were of a qualitative nature, from several sources: (1) semi-structured interviews with a relevant executive at the focal firms, (2) interviews (one main, one follow-up) and discussions with an industry expert, (3) informal emails, phone calls and observations surrounding interview interactions of the main researcher. These were used in triangulation. Data were processed as it was collected. Preliminary analyzes and results after each interview were used to enhance the following interviews via updated questionnaires. The results were coded and analyzed via the themes and topics used during the creation of the questionnaires.

Questionnaire themes and topics of the semi-structured interview questionnaires included themes from a multi-level perspective via factors shown to be relevant for the emerging SaaS-enhanced financial services market (Teracino and Seo 2013), which were matched accordingly to each of the preconditions domains to allow for operationalization during data collection and analysis. These factors were expanded into more specific questions to cater to what is occurring now for accounting firms utilizing SaaS to service their customers, including general perceptions of SaaS adoption by peers and overall, perspectives on roles that ERP firms and banks play now and will play in the future, security concerns, perceptions of market trends, the development of standards, and pricing. Some examples of questions for regulations were related to the technology standards being introduced by NEC’s government. For technology evolution,
questions about which functionalities could increase the value of services were asked as an example. For firm collaboration and competition, questions revolving around the important criteria for choosing an ERP, and perceptions of potential collaborators and potential non-traditional competition from different sectors were asked. Organizational changes were explored via questions about new pricing models and moving to a product-as-a-service model as examples.

The initial questionnaire was pilot tested on an accounting professional prior to the interviews at focal firms. While questionnaires were developed for interviews, the interview process contained a mix of closed-ended and open-ended questions which allowed for open ended narratives data (e.g. intended strategy, collaboration postulation). Interviewees were chosen as those who not only are accountants certified in NEC having delivered traditional accounting services previously to the SaaS model’s entrance, but as those who have also played a significant role in the transition to SaaS and/or also have high level of IT knowledge or background relating to the SaaS service channel. Due to this, interviewees often were also able to give their perspective on how their firm and their peers view the adoption of SaaS and entering the market, e.g. the challenges and opportunities, from a more macro perspective. This allowed for a fuller account of not only their own perceptions of the firm’s current position, but a richer account of how the accounting sector would and currently does perceive the market and what would be needed for mobilization.

While a limitation of the data collection process was the sample size of only one interviewee at one firm of each of only three different sized accounting firms, it can be stressed that the capability of the interviewees to answer the questions for the SaaS delivery channel and company strategy surrounding this delivery channel was very high. Interviewee A1 for example runs all logistics for Firm A’s SaaS channel and had the most in depth knowledge regarding the strategy, operations, internal changes that have occurred, and the company’s perspectives on the importance of the channel, as just some examples. Interviewee B1 is at the helm of Firm B, which in being a medium sized firm of only 15-20 people, was important to obtain answers about the overall strategy and intended organization changes. The relationships between ties and ERP 1 for example are nearly entirely managed by Interviewee B1 and thus the capability of Interviewee B1 to answer questions, particularly for event tracking their experience moving from an on-premise to SaaS strategy, was very high. Interviewee C1 was the only ‘IT guy’ at Firm C and was also the most capable in being able to answer questions about their SaaS strategy, SaaS adoption and beta SaaS solution, as well as all questions regarding strategy and relations with ties. Interviewee C1 even had left Firm A to pursue and create his own company so that SaaS could be in the limelight of the new company’s strategy. With the capability of interviewees to answer questions high, both relevant and ample hard and soft data was collected.

**Results and Discussion**

Whether and how adopters will mobilize, and the role will institutional preconditions play, in the context of the online software-enhanced financial services market, were the research questions addressed. The expectation that the stronger the perceived pressures from the institutional preconditions, the less likely firms will mobilize, is supported by the results. Thus whether firms mobilize could be better estimated considering institutional preconditions. Table 2 in the appendix explores the perceptions of the prevalence, or strength, of the pressures stemming from each of the three domains of the accounting industry and their influence on each of the explored adoption factors, and thus mobilization activities. Regarding the degree of mobilization activities, it could be noted that Firm A is demonstrating exchange mobilization activities, Firm B is demonstrating a degree of mobilization between the exchange and additive levels, and Firm C is mobilizing to the highest degree of the three interviewed firms between the additive and synergistic integration levels. The perceived importance of the prevalence of the institutional preconditions can lend insight on to why there is a disparity between to what extent firms are engaging in mobilization activities.

Stemming from the regulative domain of the accounting industry, all interviewees felt the pressures to be very high, and thus complying with these was deemed of utmost importance. This was expected as this industry is highly institutionalized (Greenwood and Suddaby 2006) and thus these preconditions could be expected to be highly potent (DiMaggio and Powell 1983), particularly on the regulative domain. On the normative domain, similarities between the accountants were present for certain factors. For example, regarding the perceived importance of the inter-personal relationships between themselves and the ERPs
all interviewees concurred this was very important. The core value of the industry lies in a customer-centric strategy and thus this could be expected to be important for all firms interviewed despite their size. For most of the factors on the normative domain, the prevalence of the institutional pressures was found to be higher the larger the firm. One difference was with the importance of a SaaS delivery channel, which was noted as of high importance by Interviewees B1 and C1 but fairly low for A1. This could be expected as larger firms tend to be more influenced by institutional preconditions, which could afford a slower movement towards adopting SaaS and using it as a delivery channel. This thus corroborates the idea that actors are more likely to mobilize if they lie on the periphery of the institution, or are smaller in size (Maguire et al. 2004), as more entrepreneurial firms are assumed to have fewer resources and subscribe less often to institutional preconditions, than more established, larger firms (Katila et al. 2008; Greenwood and Suddaby 2006). Coincidentally this appears to coincide with the degree of mobilization, where the less the perception of the prevalence of institutional pressures, the higher the degree of mobilization. This is also supported by the cognitive domain pressures, for both the factors of SaaS adoption and moving to a product-as-a-service model and pricing.

It is interesting to note that the medium and very small firms are agnostic, with regards to ERPs, while the small (middle) one appears to have the intention of exclusivity. This can be seen in the factor for choosing ties of positioning of the ERP. Neither Interviewee A1 nor C1 found this to be more important than that of the customer’s preference, while Interviewee B1, in favor of forming a more exclusive tie with ERP 1 felt differently. This is interesting that Firm B had a different response. Firm B is mobilizing at a degree between the medium and very small firms; and further is pursuing ties in a more exclusive manner, which was not expected. Future research could delve deeper into why the middle sized firm in this case is not agnostic towards the ERP firms when mobilizing as an example. Perhaps this middle-sized firm isn’t peripheral enough to be less constrained by institutional forces (Maguire et al. 2004), and is also not central enough network-wise to be multidisciplinary (Greenwood and Suddaby 2006), as both of these conditions have been shown to influence firms’ reasoning to mobilize. Further research could also consider larger accounting firms.

Conclusion

The purpose of this study aimed to explore whether, and if so how, firms will approach mobilizing potential allies to join their vision to create and drive a new market when creating ties with numerous dispersed actors is required to do so. Further, it is a focus of this study to explore the role of institutional preconditions firms face while engaging in mobilization activities. These are explored within the context of increasing SaaS adoption. The perspective of adopters was taken, in this case the accounting firms. In utilizing qualitative semi-structured interviews to obtain data at three varied sized accounting firms currently utilizing a SaaS model, key SaaS adoption factors were explored. On the firm level, i.e. in the cognitive domain, factors were: the adoption of SaaS and switching to a product-as-a-service business model and pricing. On the normative domain, or inter-firm level, factors perceived important when choosing potential (ERP) ties included: technology, delivery channel, personal relationships between ties, positioning and organizational changes. On the regulative domain, or industrial level, the factors that surfaced were the implementation of technology standards, and the importance of professional standards, rules and laws. The expectation that the stronger the perceived pressures from the institutional preconditions, the less likely firms will mobilize, is supported by the results. The smaller the firm the more mobilization was observed. Limitations include a small sample size for both accounting firms and interviewees at each firm, thus future research could consider a larger sample, and more specifically larger firms. Empirical studies, such as case studies at ERP and financial service firms collaborating with each other, could further provide deeper insight to the degrees of mobilization occurring between these industries. This could also be corroborated against other industries experiencing increasing SaaS adoption as well.
### Table 2: Perceptions of the Influence of Institutional Preconditions from the Accounting Industry on SaaS Adoption Factors

<table>
<thead>
<tr>
<th></th>
<th>Regulative Domain (industry level) Pressures</th>
<th>Normative Domain (inter-firm level) Pressures</th>
<th>Cognitive Domain (firm level) Pressures</th>
<th>Mobilization Activities</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Perception of the importance of professional standards, rules, laws</td>
<td>Perception of the importance of the implementation of technology standards</td>
<td>Perception of the importance of servicing customers through an ERP/SaaS delivery channel</td>
<td>Perception of the importance of relationships with ties</td>
</tr>
<tr>
<td>A1: High</td>
<td>High</td>
<td>High</td>
<td>Medium</td>
<td>High</td>
</tr>
<tr>
<td>importance placed on compliance is high</td>
<td>see it as a government push, high importance placed on complying</td>
<td>this is important for Firms A to consider this option to begin with</td>
<td>simply one of many delivery channels, accountants need to be independent from ERPs</td>
<td>importance placed on this</td>
</tr>
<tr>
<td>B1: High</td>
<td>High</td>
<td>Low</td>
<td>Medium</td>
<td>Medium</td>
</tr>
<tr>
<td>importance placed on compliance is high</td>
<td>working on implementation now, see not only its importance but its value</td>
<td>one of the most important decision criteria</td>
<td>sees that relationship with ERP can increase value, however want to only service customers through ERP is exclusively in future</td>
<td>feeling that they are not a 'maverick' with ERP is important</td>
</tr>
<tr>
<td>C1: High</td>
<td>High</td>
<td>Low</td>
<td>Low</td>
<td>High</td>
</tr>
</tbody>
</table>

- **A1**: High importance placed on compliance is high
- **B1**: High importance placed on compliance is high
- **C1**: High importance placed on compliance is high
- **Regulative Domain**: Influence of professional standards, rules, laws
- **Normative Domain**: Importance of technology implementation
- **Cognitive Domain**: Importance of market share and positioning of an ERP/SaaS
- **Mobilization Activities**: Intended and enacted at the time of interview
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