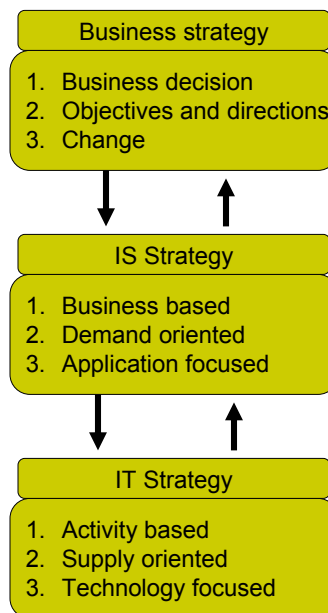
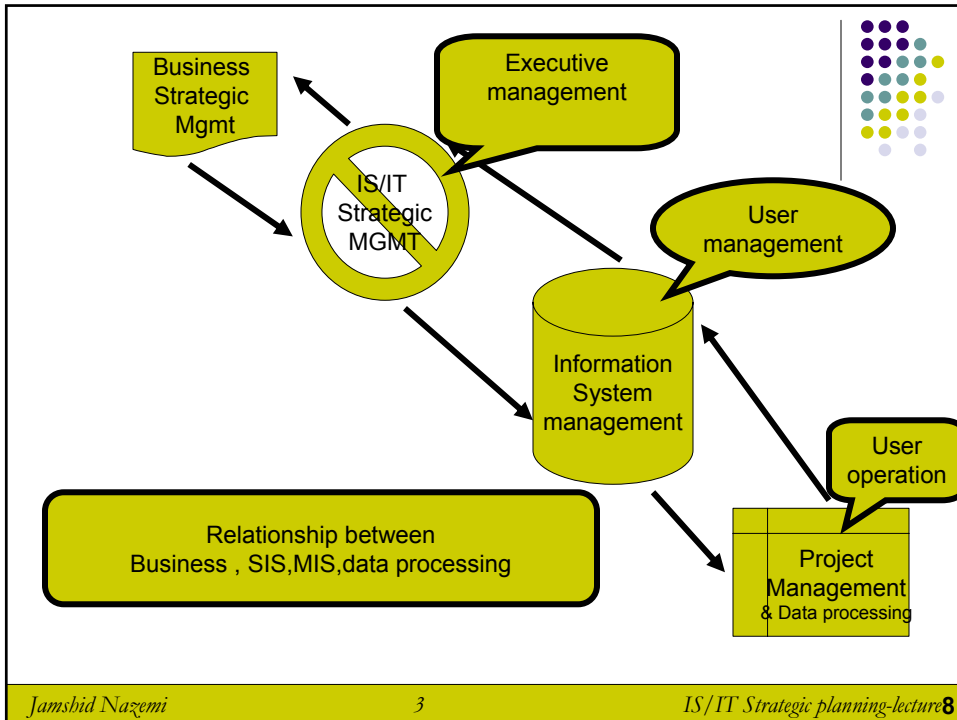


# Business Information Systems Strategy

# 8





## Strategic Systems: Classification

- Linking to Customers and Suppliers
- Improved Integration of Internal Processes
- Information-based Products and Services
- Executive Information Systems

# Porter's Value Chain & Extended supply chain



## Determining IS strategy



- The main objective of determining IS strategy is to identify required application
  - Existing application
  - Required application
  - Potential application

# How IS could impact strategy



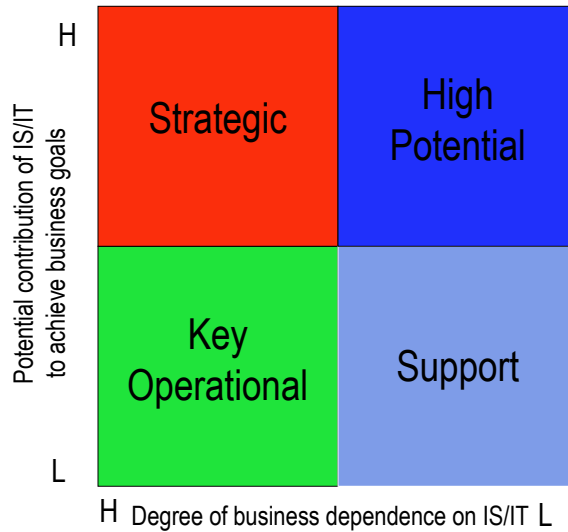
## The Information Systems Management Environment



Focus \ Purpose	Operational Efficiency	Management Effectiveness	Business advantage through change
<b>Internal</b>	Data processing – automation of business tasks and processes	Management Information Systems (and ‘Executive Information Systems’)	Internal business integration by process, job, and organization redesign
<b>External</b>	Electronic links between organizations automating data exchanges	Sharing information by direct access from one company to another’s information resources	External business integration, changing the roles of the firms in the industry

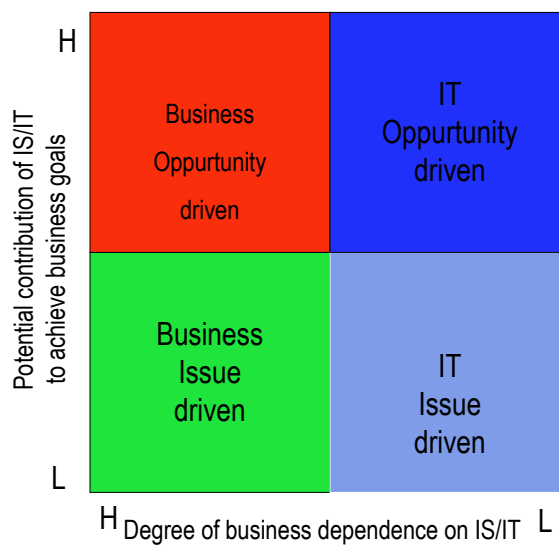
# Applications Portfolio

(application effect)

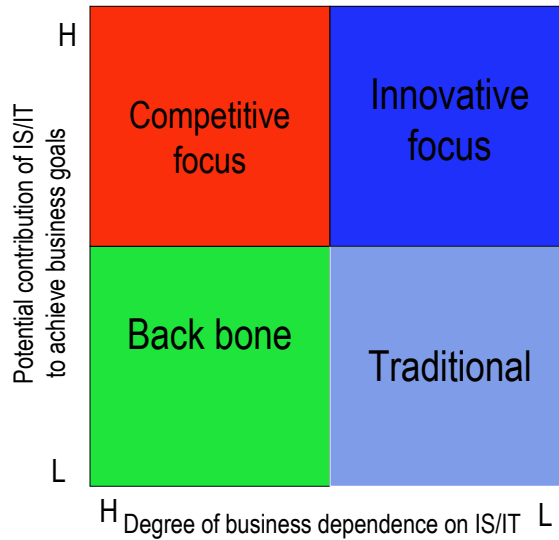


# Applications Portfolio

( Drivers for applications)



# Applications Portfolio ( Role)



## Applications Portfolio (definition of applications scope)



- applications which are critical to sustaining the future business strategy  
**STRATEGIC**

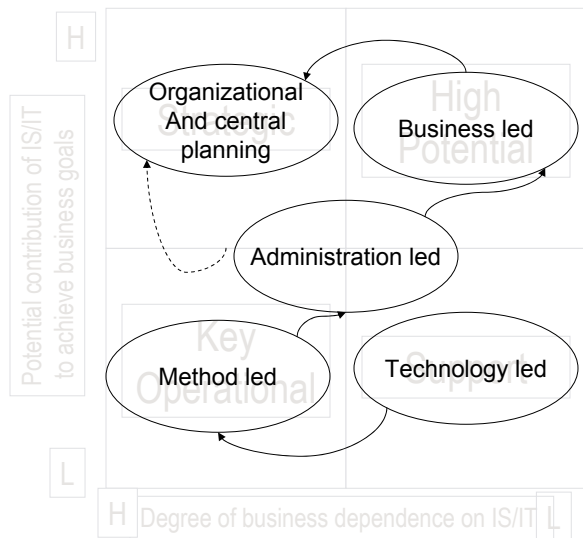
- applications which may be important in achieving future success  
**HIGH POTENTIAL**

- applications on which the organisation currently depends for success  
**KEY OPERATIONAL**

- applications which are valuable but not critical for success  
**SUPPORT**

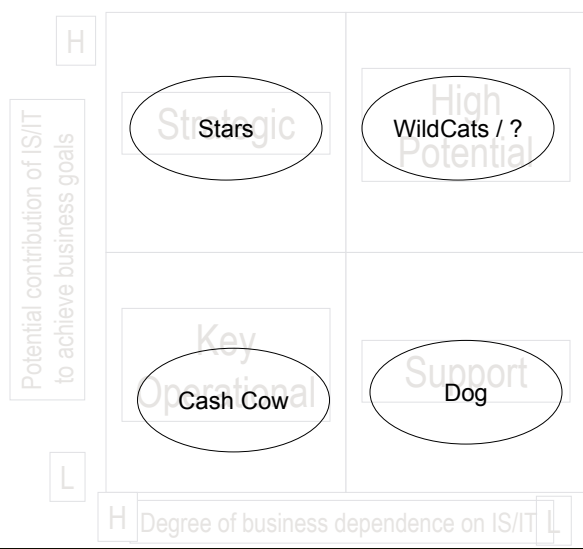
# Applications Portfolio

(generic strategies)



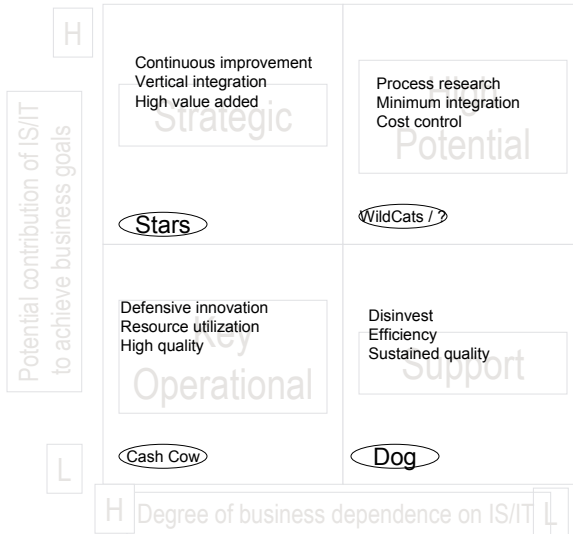
# Applications Portfolio

(Business portfolio)



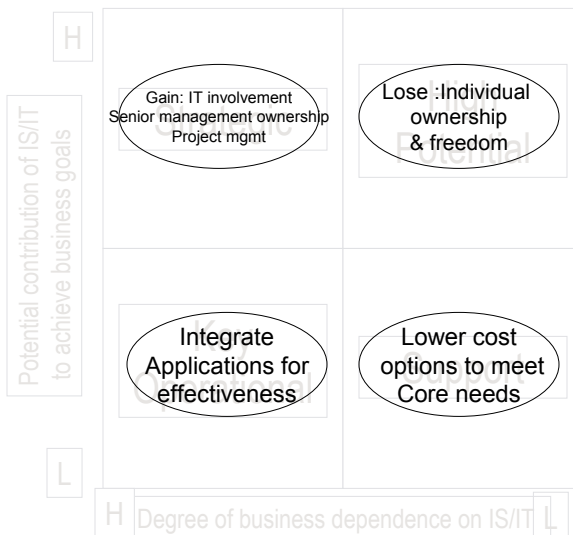
# Applications Portfolio

## (System portfolio)



# Applications Portfolio

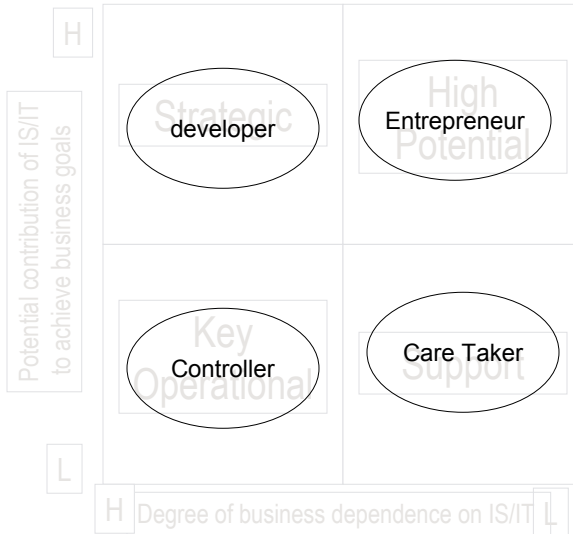
## (Key issues)





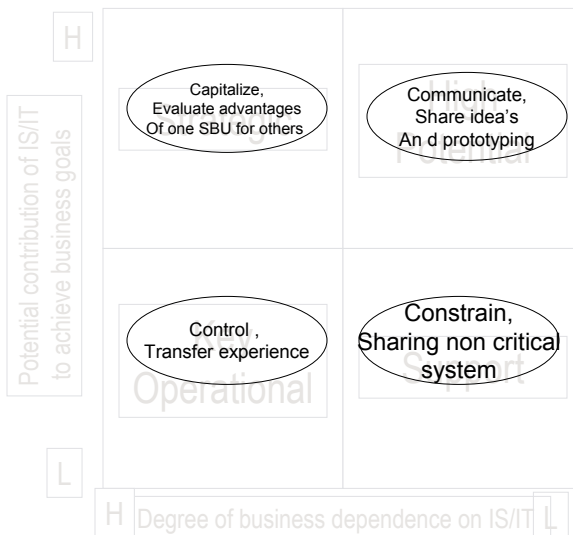
# Applications Portfolio

(Management styles)



# Applications Portfolio

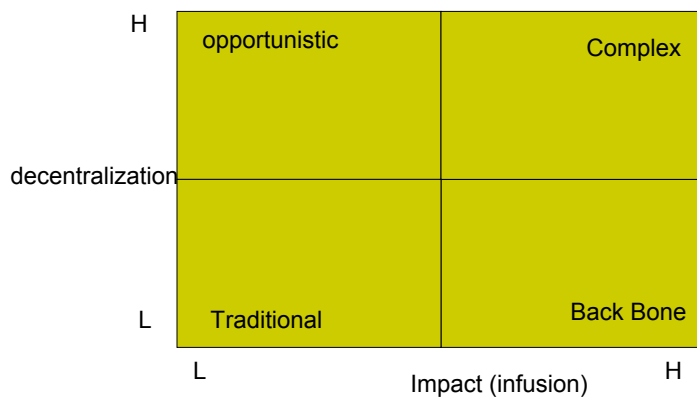
(Multi business planning , portfolio management)



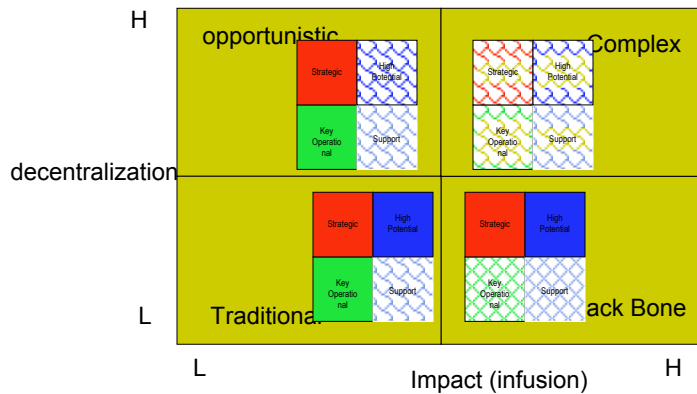
# Application portfolio in different IS/IT environment



# Organizational expectation from IT



# Organizational expectation from applications portfolio



For reading example refer to page 309 , your book

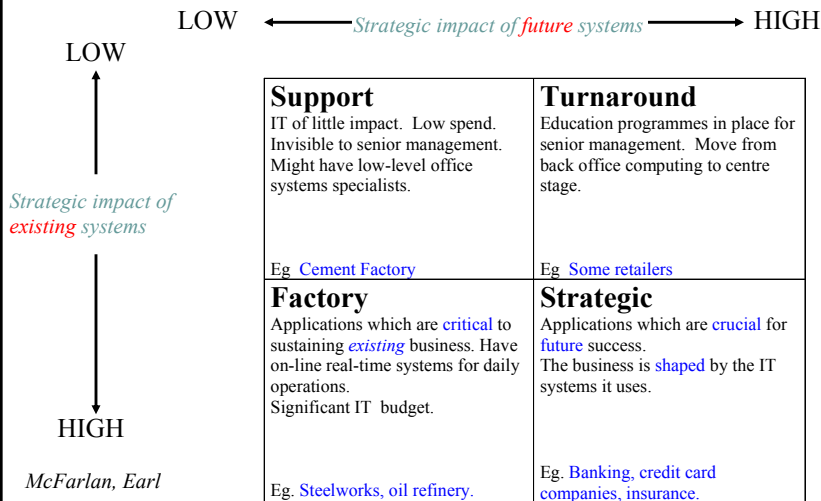
# A new perspective for applications portfolio

Comparing now & future trends

Industry focus framework



## The Strategic Grid Organisations



## Managing Grid Systems



- **Support Applications.** Improve management performance, but are not business-critical:-
  - Office automation
  - Bought-in products
- Can be managed ad hoc.
- Low technical input.

## Managing Grid Systems



- **Factory Applications.** Critical to sustaining the existing business:-
  - Must operate efficiently, reliably
  - Must be well supported/backed up
  - Use industry standard operating systems
- Provide the mechanisms by which current business is done. Hence 'factory' analogy.

## Managing Grid Systems



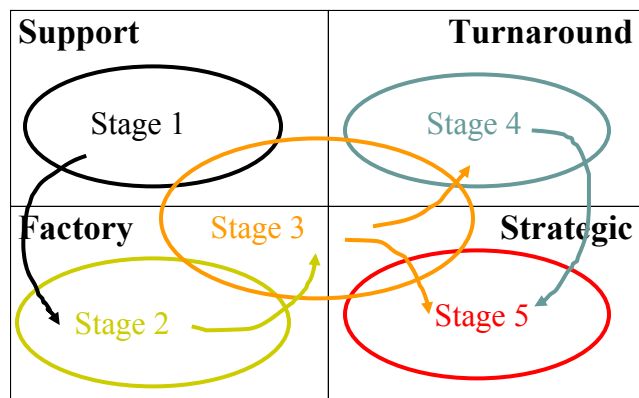
- **Turnaround Applications.** Those which may prove to be of future strategic importance
- Need planning, spending, creative thinking about new ways of using.
- Systems may be in embryonic form at present.

## Managing Grid Systems



- **Strategic Applications.** Those critical to the future success of the business.
- Should be owned by business units and managers.
- Must be tightly controlled, well funded.
- Must fully integrate into business/strategic plan.

## Development Over Time



Ward Griffiths & Whitmore, Strategic Planning for Information Systems. Wiley, 1990

# Hierarchical Application Portfolio , business view



Applications built to support different levels of management activity

## Operational Systems

- Order entry
- Payroll
- Word Processing
- Stock Control

## Control Systems

- Quality Analysis
- Requirements planning
- Sales analysis
- Budget Control

## Planning Systems

- Sales forecasting
- Financial Modeling
- Profit/earnings forecasts
- Manpower Planning

## Conclusion



*“How you gather, manage, and use information will determine whether you win or lose”*

*- Bill Gates*