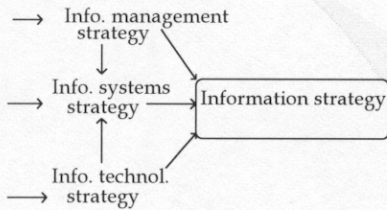


Information Management: the Strategic View

Professor Tom Wilson
University of Sheffield, UK

Relationships in strategies



A definition

An information strategy defines the information needs of the organization, ensures that the information resources exist to meet those needs and are appropriately organized and managed, and applies information technology to the effective storage, retrieval, distribution, communication and security of that information.

A UK study of IS strategies

- The study covered:
 - * the Times 500 group of companies
 - * the major financial services companies
 - * *information system* strategies - not *information* strategies in the wider sense
 - * & was supported by Anderson Consulting Ltd.

Do you have an IS strategy?

Times 500 group	73.2%
Financial services	86.2%

i.e., at total of 140 out of 186 firms

BUT...

- ⇒ when a STRICT definition is applied - the strategy should be formally documented, initiated by the Board, monitored by planned reviews, and should base information provision on key indicators, critical success factors, or detailed analysis of management information needs...

...only 24 companies...

- ... can really be said to have an IS strategy - that is only 13% of those replying to the survey, and only 17% of those claiming to have an IS strategy.
- ... SIX of the 24 were in financial services (22% of that group), and
- ... SEVEN were in the top 100 of the Times 500 group

Why formalise the process?

- ✦ many studies show that without direction from the top - the Board and the CEO - strategic plans are unlikely to be successful;
- ✦ without formal documentation who knows what the strategy is?
- ✦ without formal monitoring how can changes in the environment be taken into account?
- ✦ without analysis of need, what is the strategy supposed to be doing?

Key features - I

- Development of *business transaction systems* for production, marketing, selling, etc.
- Development of *management information systems* for business control.
- Planned *introduction* and use of computers and telecommunications.
- Creation of an overall *systems and standards architecture* for technology, applications and data.

Key features - II

- ✓ Development of information systems for *business planning*.
- ✓ *Improved productivity* in information systems and computing.
- ✓ Development of appropriate *staff resources*.
- ✓ Development of *internal support systems* (payroll, personnel, pensions, etc.)

Barriers to strategy formulation

★ Problem of measuring benefits	30.5%
★ Rapidly changing nature of the business	27.7%
★ Difficulty in recruiting appropriate staff	24.1%
★ Internal political conflicts	23.4%
★ Scale of existing IT investment	22.0%
★ Lack of user education resources	17.0%

Increasing problems with implementing the strategy

Difficulty in recruiting	+12.8%
User education resources	+12.1%
Nature of the business	+7.1%
Middle management	+3.7%
Existing IT investment	+2.8%
Technology lag	+2.8%
Measuring benefits	+2.1%
Telecomms problems	+6.7%

Strategic Investments

	Interest	Part of ISS
Decision-making systems	44%	39%
Communication links	24%	51%
Marketing & selling	35%	39%
IDE systems	21%	32%
Information products	23%	17%
CAD, CIM, etc.	10%	30%
Expert systems for d-m	23%	6%
ES for customers, etc.	19%	6%
Facilities management	5%	6%

A final word

- “Sure, people could be smarter -- but not only by conceiving more clever strategies. Sometimes they can be smarter by allowing their strategies to develop gradually, through the organization’s actions and experiences. Smart strategists appreciate that they cannot always be smart enough to think through everything in advance.”

Henry Mintzberg, 1987