Learning Objectives

1. Understand the challenges of managing IT
2. Understand the characteristics of an IT manager
3. Understand the global implications of IT management.

Managing IT

- Managing IT has become a major management responsibility.
- A company may also have a need to create the position of Chief Information Officer.
- IT organizations can and do follow a number of different structures.

Managing IT (continued)

Business Pressures
- Global Competition
- Time Pressures
- Shorter Product Cycles
- Reengineering Core Processes

Technology Base
- Diffusion of IT
- Networking
- Collaborative Systems
- Systems Integration

Managing IT (continued)

Is information being used effectively, efficiently, economically and successfully by the company?

Does it have the right focus, priorities, people skills, support and funding?

Managing IT (continued)

Performance is not been historically high.
Information Systems are not contributing to effectiveness.
Information systems are not being used economically.
Information systems are not contributing to the key business strategies of the company.
Information systems are not helping to achieve and sustain a competitive advantage.
Managing IT (continued)

Historical Management Performance!

• Information Systems are not contributing to effectiveness.
• Information systems are not being used economically.
• Information systems are not contributing to the key business strategies of the company.
• Information systems are not helping to achieve and sustain a competitive advantage.

Managing IT (continued)

Why?

IT projects were poorly prioritized - 16%
IS organization and user management lacked a good working relationship - 14%
IS organization did not understand the business environment - 12%
IS organization failed to meet its commitment - 12%
IS was not seen as a critical resource by others - 9%
IS organization lacked leadership - 8%

Managing IT (continued)

• Strategic importance of IT?
• Position in the organization?
• Management authority and responsibility?
• IT authority and responsibility?
  • Development responsibilities
  • Purchasing authority
  • Staffing, development and communication
• IT assessment policies?
Information Technology Management

Managing IT Strategy
Managing Application Development & Technology
Managing the IT Organization

CEO & CIO  CIO & CTO  CIO & IT Directors

IT Manager

• Business Knowledge
• Management Experience
• People and Organizational Skills
• Politically Astute

... On an IT Knowledge Base

CIO Job Description

To act as the IT conscience and guide of the enterprise.

Not to be confused with a Business Week definition that said that CIO means “career is over” since the average tenure is less than five years.

IT Manager (continued)

• To forge and carry out a vision of IS as a vital corporate resource.
• To bring systems out of the back room and into the competitive marketplace.
• To coordinate an increasingly decentralized IT.
• To serve as a driving “engine of IT change.”

IT Manager (continued)

Application Development
- Systems Analysis
- Systems Design
- Programming
- System Maintenance

Human Resource Management
- IS Recruiting
- Training
- Retraining Programs
- Support Staff

IT Manager (continued)

IT Operations Management
- Network Management
- Production Control
- Product Support
- Systems Performance

Management of Information Systems

Systems Development
- Systems Analysis and Design
- Applications Programming
- Development Support

Operations
- Computer Operations
- Data Entry
- Production Control

Technical Services
- User Services
- Data Administration

Network Management
- Technology Management
- Capacity Management
CIO Conclusions

First, an effective, successful CIO, plays an important, integral role in running the business.

Second, they have technical credibility but more importantly are judged on their business capabilities and contributions.

Third, those that fit the above description are successful while those that do not will fit the Business Week definition.
A global company has global business and IT strategies.

This dictates the need for global IT management and the ability to deal with cultural, political, and economic challenges.

Laptop Example

- The CPU was designed and built in the US.
- Memory was designed in the US and built in Malaysia.
- The monitor was designed and assembled in Japan.
- The keyboard is from Taiwan.
- The laptop was assembled in China.
- Company management is in Silicon Valley.
- Sales and marketing are all around the world.

Is this a unique situation or increasingly common?

Global Business Opportunities/Challenges

- Increase control and enhance coordination of business functions, activities and pursue of specific objectives.
- Open access to new global markets and business opportunities.
- Customize products and services for local markets.
- Operate in a virtual 24 hour/day, 365 days/year market.
- Achieve economies of scale and scope.
- Compress time and space.
- Leverage corporate expertise in multiple markets.

Global IT Issues

- Some countries restrict, tax, or prohibit imports of hardware and software.
- Some countries have reciprocal trade agreements that require a business to spend part of their revenue in that nation’s country.
- Economic nationalism policies.

Company Global Systems

Centralized Systems - Texas Instruments and Agilent Technologies

Centrally controlled but duplicated systems - Intel Corporation

Decentralized - Motorola (based on functions)

Distributed Systems - Many companies

Global Platform Issues

- Hardware acquisitions
- Import restrictions
- Software compatibility
- Local service
- Balancing workloads
- Lack of spare parts
New Opportunities

1. Declining telecommunications cost
2. Maturing Internet technologies

Challenges

• Need to provide training to familiarize the foreign staff with American culture
• High price of calling overseas

Possible Geo-economic Issues

• Lack of available job skills.
• Differences in the cost of living and labor costs in various countries.
• Union agreements.
• Employee compensation/pay issues.
• Work habits, holidays, time off.
• Difficulty in communicating in real-time across the world’s 24 time zones.
• Lack of quality in telecommunications service.
• National infrastructure: air transportation, roads, electrical power, education system, health care, etc.

Global

Cultural Challenges

• Differences in languages, cultural interests, religions, customs, social attitudes, and political philosophies.
• Differences in work styles and business relationships.

Remote Location Priorities / Value

1. Better day-to-day control.
2. Responsive IS support and service.
3. Low operating costs.