

Master of Science in Leadership and Strategic Management Information Technology Management LSMP5009/OMHR5019

Instructor:	Kevin M. Burns	Class Dates (2004):
	President	June 12-13; July 10-11; July 24-25
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Required Reading Material:

From Harvard Business Online (<u>http://www.hbsp.harvard.edu/</u>)

Cases: Charles Schwab A (Harvard Business School, #9-300-024)

Charles Schwab B (Harvard Business School, #9-300-025)

Charles Schwab Inc: Creating an International Marketspace (Center For Asian Business Cases, #HKU067)

Cigna Property & Casualty Reengineering A (Harvard Business School, #9-196-059)

Concordia Casting (Harvard Business School, #9-192-151)

Partial Texts:

Loosely Coupled: The Missing Pieces of Web Services. Doug Kaye, 2003. Download Part 1, Chapter 1 (Evolution) from http://www.rds.com/books/looselyCoupled/download.html

Other required reading material will be distributed in class.

Note: Please read the following materials in advance of our first class on June 12th.

1. HBS case study "Cigna Property & Casualty Reengineering A"

2. HBS case study "Concordia Casting"

Course Overview:

The role of Information Technology has evolved greatly over the course of the last four decades. Originally consigned to the corporate backwater as a support function for Accounting, IT is now recognized as a key strategic business component providing value far beyond the mere processing of financial reports. The burgeoning segment of the economy consisting of technology oriented companies whose sole purpose is the creation of solutions designed to improve productivity and provide competitive advantage is more evidence of the heightened awareness of the intrinsic value of IT, notwithstanding the anticlimactic reality of Y2K hysteria, the dot.com debacle, and the technology industry slump of the last few years.

No component of the economy, whether within the service or the manufacturing sectors, can exist without IT. In recent years advances in applications and systems development, technical infrastructure, communications, and the use of the Internet as an e-commerce tool have provided businesses with vast opportunities for improved goods and services. Over the course of the last decade businesses have recognized that IT functionally operates as much in a strategic partnership with the corporation as such areas as Marketing, Sales, Finance, and Product Development. In addition, there is a growing realization that the vast amounts of data utilized in the normal course of doing business represents a key strategic asset that, once unlocked, can provide enormous analytic and competitive value. There is great individual significance, in other words, in both the *Information* and *Technology* portions of IT.

Mainstream economists, chief among them Fed Chairman Alan Greenspan, have maintained that the economic boom of the 1990's was due to an unprecedented rise in worker productivity, and that this engine of growth was in turn fueled principally by technological advances arising from IT.

In order to be successful today's business managers must understand the nature and strategic value of IT, no matter what functional areas in which they themselves actually operate. An understanding of the processes, challenges, directions, and corporate synergies associated with IT as a value-added business partner is critical.

The purpose of this course is to give students a window into the minds of IT practitioners, examining the ways in which IT can be brought to bear on real business issues. The major focus will be on IT as a strategic business partner, and how non-IT managers can best interact with their IT peers by gaining an understanding of the people, processes, and issues involved within the context of gaining strategic and competitive advantage.

Current trends that will be discussed:

- Increasingly mobile work force
- Economic fundamentalism on the part of technology purchasers (Total Cost of Ownership or TCO)
- Demand for improved security
- Overall reduction in demand and associated cost for IT staff, but continued high demand in key skill areas.
- Vendor Mergers (i.e. Compaq and HP)
- Beyond transactions (BPM and Analytics)
- Platform and integration strategies are key (i.e. Java and .NET)
- Increased focus on user self-service (Customer Service and Help Desk)

Course Objectives:

Course material will concentrate on the following:

- 1. Understanding the strategic components and uses of IT.
- 2. Factors underlying the effective application of IT to gain business value.
- 3. Critical technology issues facing today's business leaders (non-technical and technical).
- 4. Management practices and challenges in the IT organization.
- 5. Examination of upcoming IT trends.
- 6. The impact of IT on organizational leadership.
- 7. IT's role as a component of effective decision making.
- 8. Understanding the ways in which the IT function can best be used as a strategic and value added business partner.

Principally, students should expect to gain an enhanced understanding of IT as more than just the traditional perception of a technology department filled with geeks who dress strangely, work odd hours, and speak in unrecognizable acronyms. Since the students represent current and future non-IT business leaders, the benefit of this course will be a framework providing the knowledge needed to work synergistically with their IT colleagues in pursuit of overall corporate strategic and economic goals.

Instructional Methods:

Class sessions will incorporate lecture, facilitated discussion, case studies, student breakout sessions, and student group presentations. Pre-class reading material will consist of cases, relevant industry white papers, and topical articles of interest.

Lectures, readings, and facilitated discussions will provide the base information for the concepts and material each student is expected to master. Case studies, breakout sessions, and student group presentations will present the opportunity to apply these concepts both in an academic and real world or practical environment.

This is not a course in any specific technical skill. Students should not expect to learn about the use of any particular software or hardware. A basic understanding of the use of Microsoft Word and Microsoft Excel (or some equivalent), as well as use of the Internet as a research tool, will be helpful but unnecessary.

Class Attendance:

Attendance at class meetings in a fundamental requirement of this course! The courtesy of prior notification of an unavoidable absence is expected. Failure to comply with this policy will be reflected in the class participation component of the final grade.

Student Presentation:

As part of the overall course requirement students will organize into teams of three and prepare and deliver a twenty-minute in-class presentation (not including five or ten minutes reserved for class feedback and Q&A) on the strategic use and impact of IT in one team member's organization. Students will conduct interviews with technical and business managers, gathering information on how IT functions within the organization. Topics to be covered could include: a brief description of the business; key challenges facing IT leadership; synergies (or lack of them) between the IT department and their business counterparts; how decision making is influenced (or not) by IT; key business drivers and competitive issues framed by an IT context; an analysis of how IT functions as a value added business partner within the organization, or if it does not how it could be made to do so; and, an analysis of one actual IT project undertaken by the business describing whether it succeeded or failed and why.

No company confidential information should be included in any presentation. Only general material germane to the assignment need be utilized.

The organization each team will choose to examine should be large and complex enough to provide sufficient material for the presentation. Students will be expected to work as a group with everyone contributing equally to information gathering as well as presentation preparation and delivery. (All students in a team will receive the same grade for the presentation.) Each team will appoint a team leader, presumably the team member whose organization is the subject of the presentation. The team leader is expected to notify the instructor by the start of the Sunday June 13th session as to the names of the other team members and the organization the team proposes to examine.

Grading Policy:

Class participation (40%): Students are expected to have prepared all required materials and be ready to apply them to class discussions. Lectures and facilitated discussions are meant to be viewed as interactive; each student should be ready and willing to participate in active lively dialogue as the nature of some of the class material is designed to stimulate spirited and provocative discussion. Case analysis and breakout sessions will be highly participative by definition.

Presentation (60%): Students will be principally judged on their ability to apply the information from class discussions, reading materials, case studies, and in-class projects and discussions to the strategic analysis of IT within the identified organization. A very successful presentation will be an overall review rather than a focus on one particular area of interest or concern. While they are expected to be professional in nature a very successful presentation will be one weighted toward content, not form. Additional grading consideration may be given to teams that accompany their presentations with a written report covering relevant material beyond that which is included in the presentation (one report per team, not one per team member), although this should be considered optional.

Each student's overall grade for the course will be based on the individual performance with regard to class participation coupled with the team grade for the presentation.

Course Schedule:

Saturday June 12 – Sunday June 13, 2004

Class outline:

- 1. Issues in IT management
- 2. Strategic alignment of IT to create and enhance business synergies
- 3. IT architecture
- 4. Business process reengineering
- 5. IT economic value

Pre-class reading assignment:

- 3. HBS case study "Cigna Property & Casualty Reengineering A"
- 4. HBS case study "Concordia Casting"

Students should be prepared to discuss the following with reference to case study "Cigna Property & Casualty Reengineering A":

- 1. A description of the situation facing Gerry Isom.
- 2. How Isom's business vision is or is not responsive to the situation.
- 3. An evaluation of the approach taken.
- 4. An assessment of the reengineering design.
- 5. An evaluation of the implementation approach.

Case study "Concordia Casting" will be evaluated in group break out sessions. Students will be given discussion topics in class.

Saturday July 10 – Sunday July 11, 2004

Class outline:

- 1. Current topics of interest in IT including e-commerce, web services, knowledge management, business continuity planning, disaster recovery, enterprise resource planning, quality control, outsourcing, customer relationship management, open source, security, privacy, etc.
- 2. Ethical considerations in IT
- 3. Future trends in IT

Pre-class reading assignment:

- 1. Industry research material distributed by the instructor in the previous session
- 2. HBS case study "Charles Schwab" parts A and B
- 3. CABC case study "Charles Schwab Inc: Creating an International Marketspace"
- 4. Chapter 1 from Kaye text, Loosely Coupled: The Missing Piece of Web Service.

Students should be prepared to discuss the following with reference to case study "Charles Schwab" parts A and B:

- 1. The internal and external pressures facing David Pottruck.
- 2. As David Pottruck, would you cut prices on 1/15/98?
- 3. The IT issues facing Dawn Lepore.

Case study "Charles Schwab Inc: Creating an International Marketspace" will be evaluated in group break out sessions. Students will be given discussion topics in class.

Saturday July 24 – Sunday July 25, 2002

Class outline: Additional topics of interest in IT, and delivery of student presentations.

Pre-class reading assignment: Industry research material distributed by the instructor in the previous session.

Topics for discussion in the presentations should follow the guidelines in the *Student Presentation* section of the syllabus. Following are suggested topics for discussion with company technical and business leaders to assist in gathering the necessary information:

- 1. Define the organization's computing platform and architecture, and describe how it has evolved.
- 2. What are the key information systems applications?
- 3. What administrative structures and systems are in place for managing IT?
- 4. Is the necessary technological expertise available in the organization or is it provided through strategic partnerships?
- 5. What programs are in place for ongoing training of IT personnel? Is IT expertise being developed and managed appropriately?
- 6. How does IT develop the necessary understanding of the business of the organization, and how do business professionals develop the necessary understanding of IT? Has this been successful or not, and for what reasons?
- 7. What systems exist for tracking new technology developments and how they may best be strategically deployed?
- 8. How does the organization manage IT resource allocation and project prioritization?
- 9. What's the current level of IT spending? As a percent of sales? How does this compare to the industry average?
- 10. Has spending on IT changed in the organization over the last five years? Ten years? How is IT spending expected to change in the next three to five years and why?
- 11. Who leads the IT function and how is that accomplished?
- 12. Is there an IT steering committee, and if so how does it function?
- 13. Does IT play a strategic or support role in the organization?
- 14. How does IT strategy conform to overall business strategy? What mechanisms are in place to insure such conformance?
- 15. Is IT management and architecture appropriate to accomplish strategic goals?
- 16. How are risks associated with IT managed?
- 17. How are opportunities for using IT to add business value being identified and exploited?
- 18. What changes are required to make more effective use of IT and to better align it with the business? Does the organization have the resources (and willingness) to implement these changes?
- 19. Is transaction level data available to provide timely, integrated, and detailed understanding of core operating processes?
- 20. Does the organization have an analytic mindset, and if so how does IT enable that?
- 21. Have IT systems been designed and implemented in such a way to enable their evolution as the business changes?
- 22. Does the organization have information use policies in place governing business unit and enterprise level access?
- 23. Are individuals and teams across the organization information literate?
- 24. Is the information infrastructure of the organization properly designed and implemented?
- 25. Does the information infrastructure extend to key external relationships?

(Required topic for all presentations) What is the team's overall assessment of the state of IT in the organization?