

Information Technology Planning

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Two Families of Approaches of IT Planning for Strategic Advantage

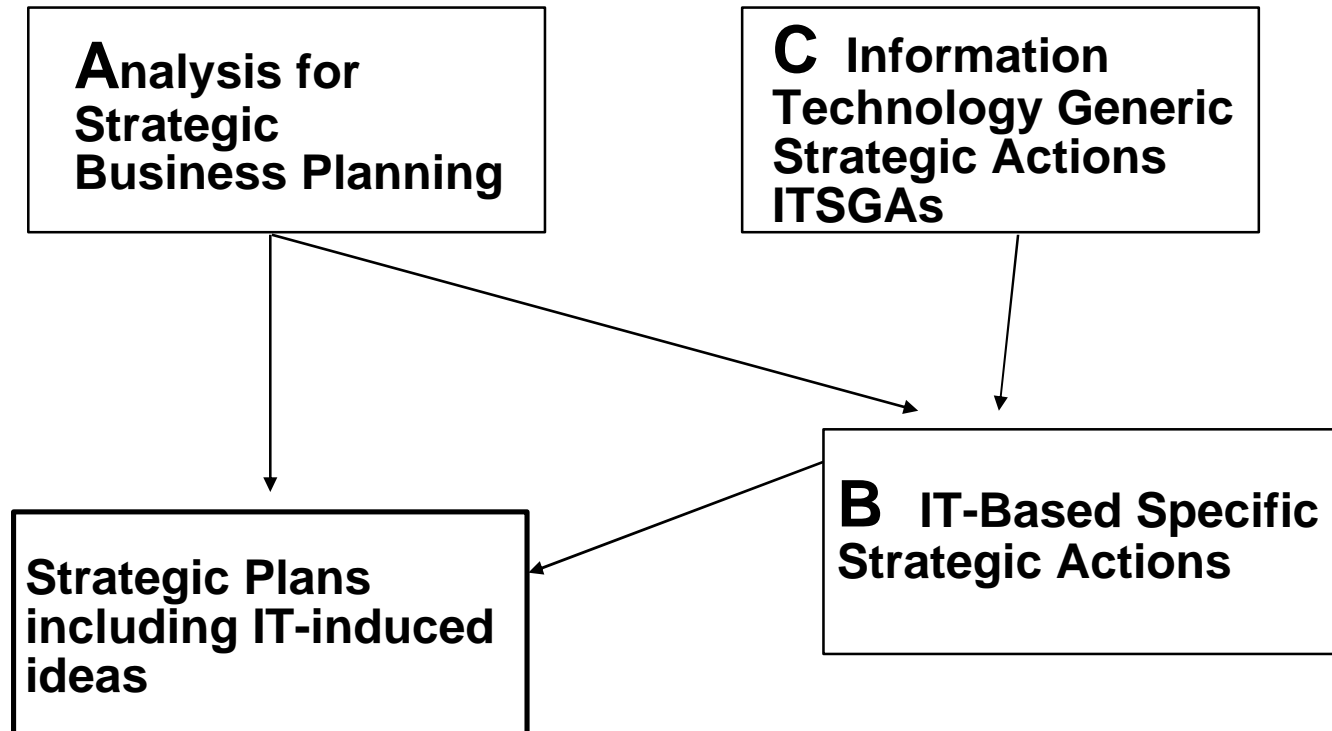
- Foster the appropriate climate and something will come up
- Establish a formal planning procedure to detect IT-based strategic possibilities



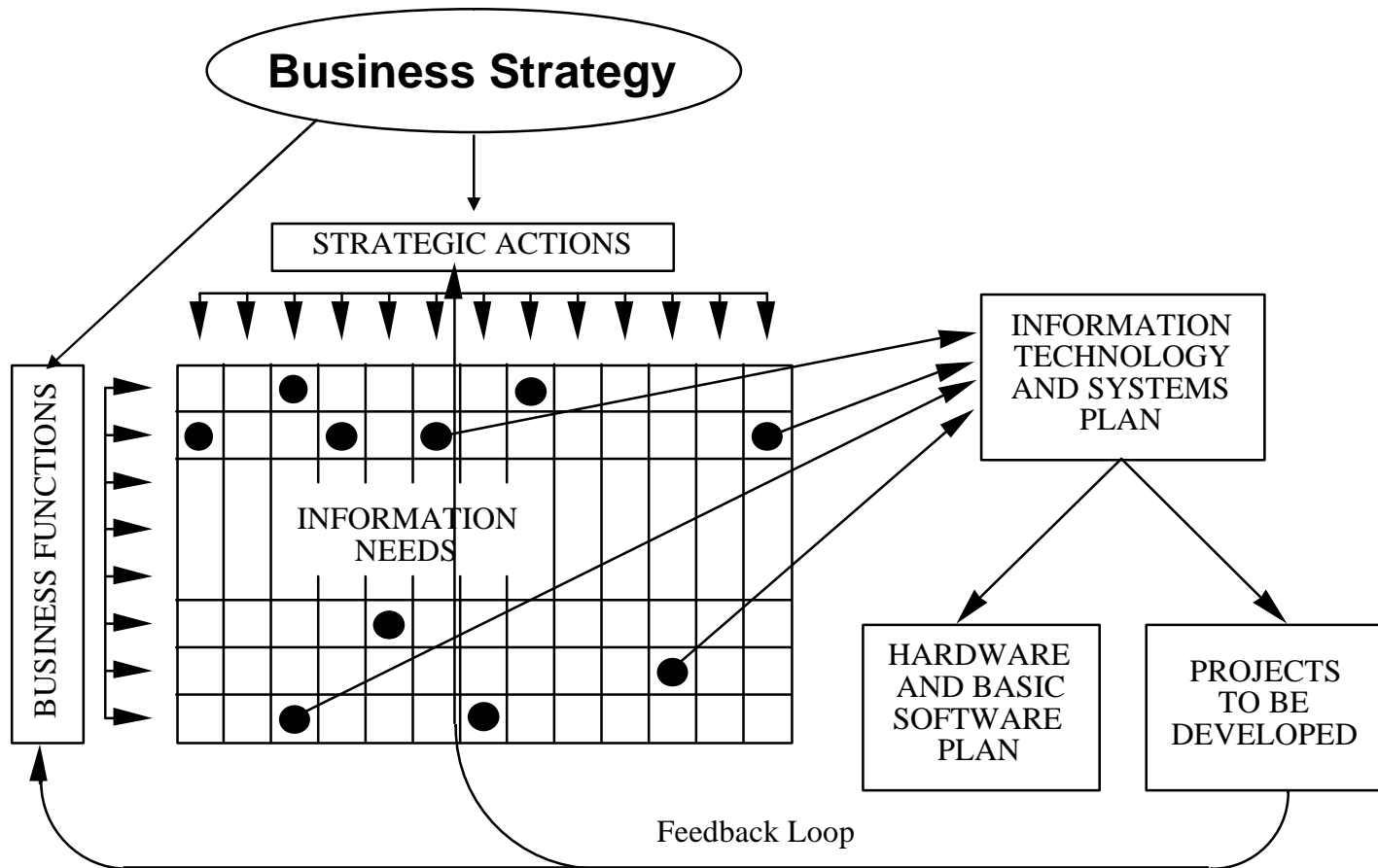
The Basic Planning Philosophy

Analyze
Brainstorm
Copy

An "ABC"-like Methodology



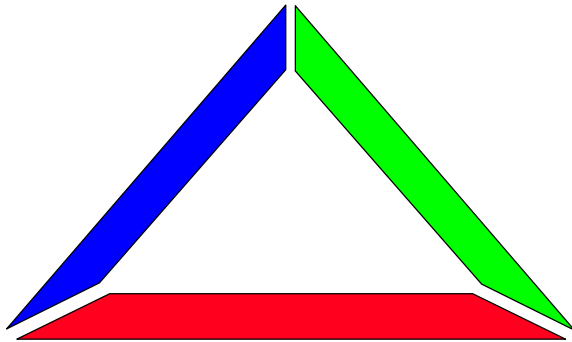
An Alignment Methodology



Relationship IT - line managers

IT Managers

Share investment responsibilities

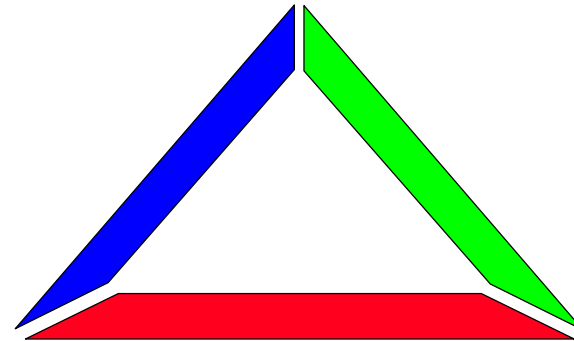


Dominate Technology

High Business Knowledge

Line Managers

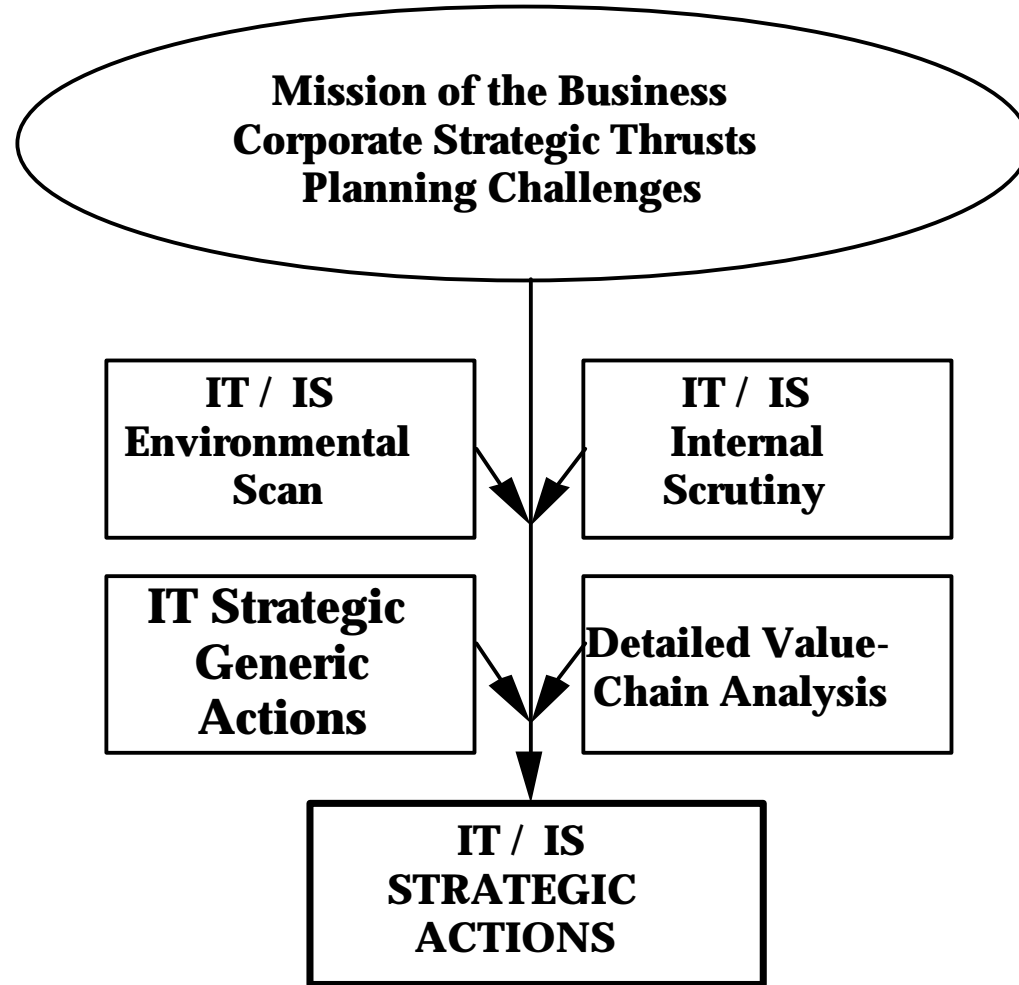
Share investment responsibilities



Understand Technology

Dominate Business

A General Integrative Approach



Some ITSGAs

- Related to Product

 - increase product information content

 - personalize product

 - create new products

 - combine existing products

- Related to Customers

 - do work for the customer

 - have the customer work for you

 - select potential customers

 - give information to customer

 - use information from customer

Some ITSGAs

- Related to distribution channels
 - control the channel
 - develop new channels
 - use existing channels for other purposes
- Related to suppliers
 - increased effectiveness of transaction
 - share information
- Related to value chain
 - increase effectiveness in links and relationship

Some ITSGAs

- Related to process innovation
 - eliminate human labor from process
 - capture information for purposes of understanding
 - change process sequence, enable parallelism
 - monitor process status
 - improve analysis and decision making
 - eliminate intermediaries

Immediate effects

- New markets and their associated mechanisms: Integrating disperse members that were difficult to communicate.
- New ways to relate to clients: Better defined targets; personalized and interactive messages
- New ways to organize business activities: (1) Deconstruction of the value chain and (2) Shift from markets to hierarchies
- Transaction streams instantaneous and automatically generated, implying meta-transactions that will impede full market perfection
- The power shifts more than ever to the information owner
- Switching costs diminishes and customer power increases
- Incumbents might be the victims of their legacy systems

