

Strategic IT Management

Fru Akumawah

AAM1-Integration Engineering

The book

- Authors are Dirk Buchta, Marcus Eul and Helmut Schulte-Croonenberg
- Based on many years of experience in consulting at A.T. Kearney
- 220 Page book
- Currently in the 3rd edition (Feb 2009)
- Printed by the Gabler printing in Wiesbaden



Agenda

- Motivation
- The Author
- Main topics of book
- Core of work
- Critical opinion
- Resumée
- Question and discussion session



Motivation

What is Strategic IT management?

-conduct of **drafting**,
implementing and
evaluating cross-functional decisions
in the IT division

= Achievement of long term goals

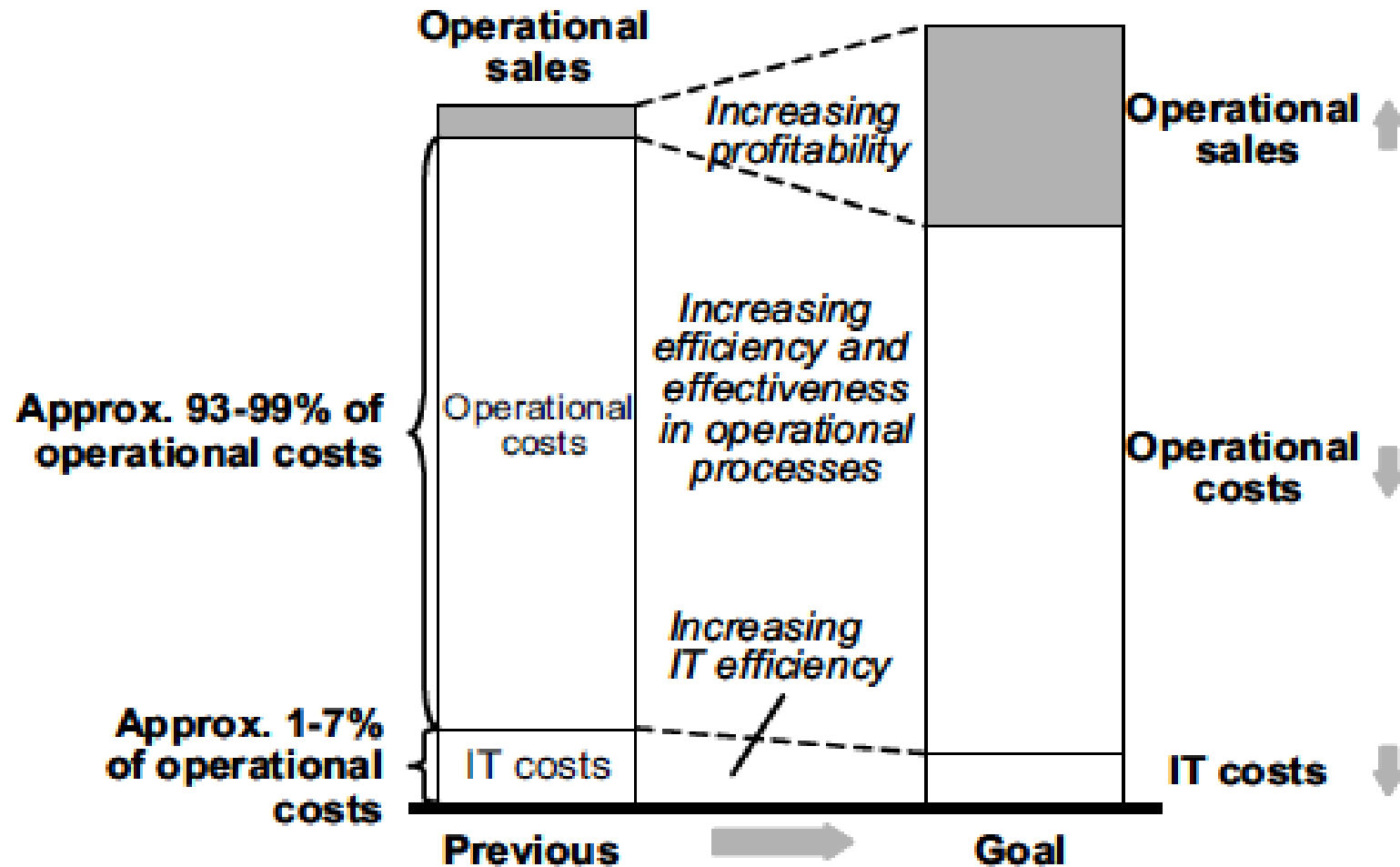


Motivation

- Focuses on how added value can be created for companies using IT
- Stabilizing and increasing sales of a company through new IT-assisted processes and IT systems
- Requires a combination of strategic know-how and a thorough knowledge of the company and relevant sector
- The solutions it presents have been tried and tested, and with very practical advice to CIO



Motivation



The Authors

Dr. Dirk Buchta



Dr. Marcus Eul



**Dr. Heinze
Schulte-Croonenberg**



The Authors

Dr. Dirk Buchta

- Partner and managing director of A.T. Kearney Middle East
- 12 Years experience in strategic consulting
- Current consultation topics are IT strategy, Offshoring and IT-driven Company-transformation
- Other works include
 - “Offshore-Outsourcing und dessen Konsequenzen für das Berufsbild des Wirtschaftsinformatikers“ -interview
 - IT-Innovationen - Wird die IT zum Katalysator des Wachstums?
 - Hauptsache strategisch –eManager
 - Checkliste: Innovationsmanagement für die IT (Krankenhas IT Journal 06/2005)

The Authors

Dr. Marcus Eul

- Dr. rer. pol. + Dipl.-Kfm at the university of Cologne
- Vice president at A.T Kearney Düsseldorf
- Was Business Analyst for Thyssen Stahl AG, Department manager for SAP, E-Plus Mobilfunk and Director of IT & Organisation at Thyssen Mining & Construction International
- Other works include
 - To what degree is IT enabling corporate growth?

The Authors

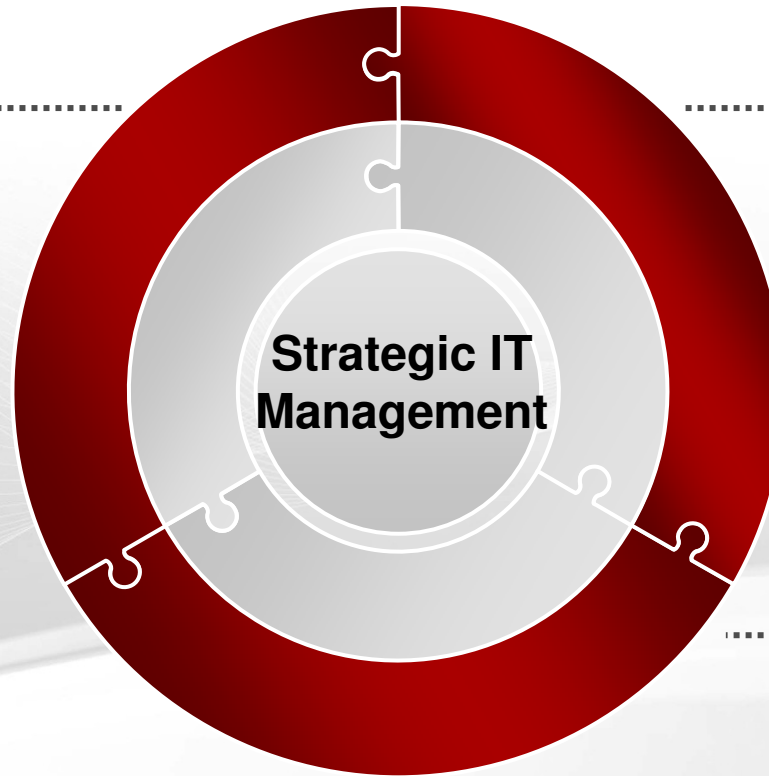
Dr. Helmut Schulte-Croonenberg

- Current location unknown
- Vice president at A.T Kearney as book was published
- 20 years experience as management consultant
- ABB, Accenture,Booz and Allen&Hamilton
- Other works include
 - Dyer-Lashof-Operationen in Bordismustheorien (Brochure)

Main topics of book

Enhancing Value

IT as a value driver for a company



Controlling Performance

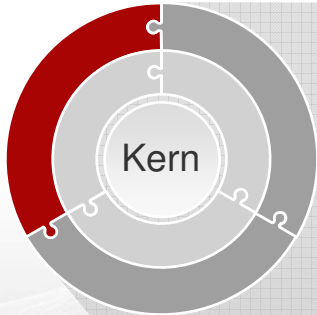
Value oriented IT Management

Reducing cost

Increasing efficiency and effectiveness through cost



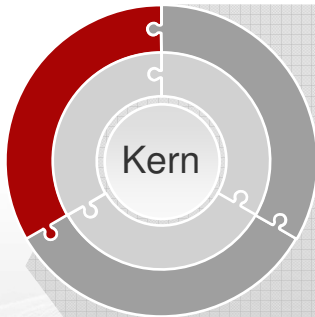
Chosen topic : Enhance Value



IT as a value driver for a company

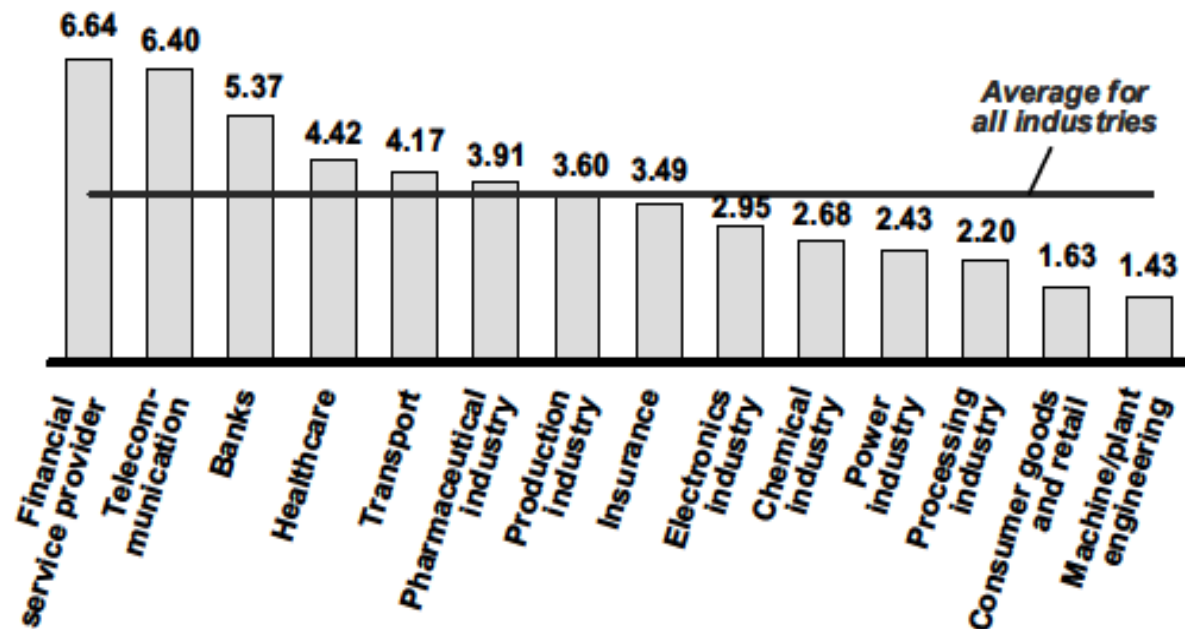
- **IT Strategy, Enterprise Transformation, IT Merger Integration and IT Carve-Out**
- Three critical factors of effective IT Management
 - Drive value
 - Control output with IT Governance
 - Reduced cost (offshoring and outsourcing)

Chosen topic : Enhance Value



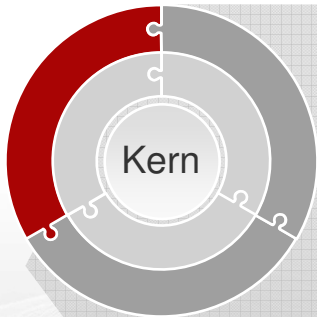
IT Strategy

- Strategic IT Management has proven to be effective even in non-IT companies

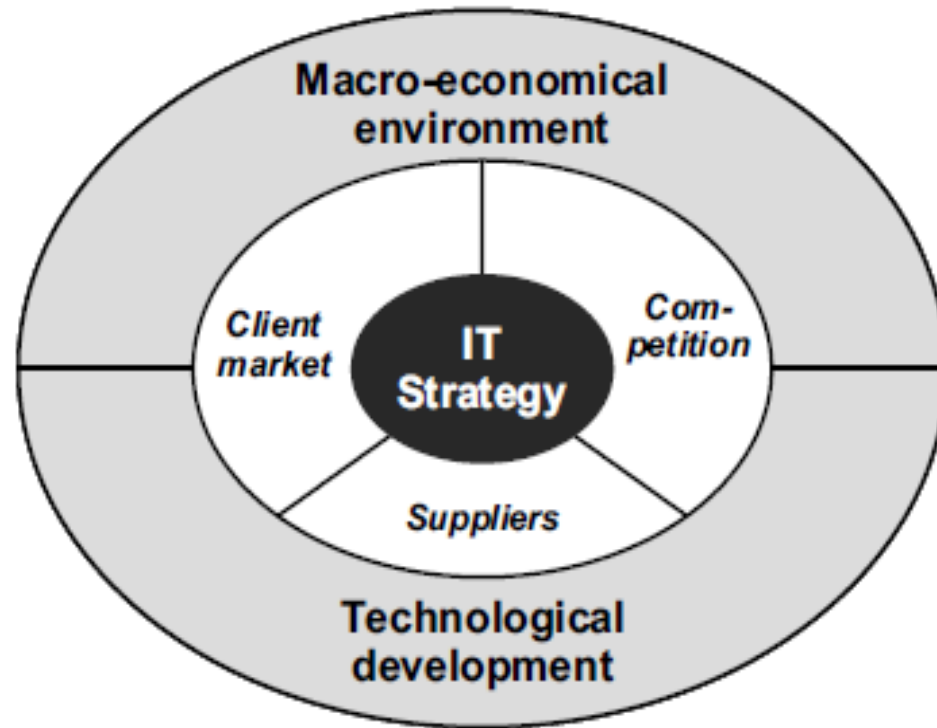


IT expenses/IT budget as a percentage of sales in 2002;
Source: Meta Group, 2002

Chosen topic : Enhance Value

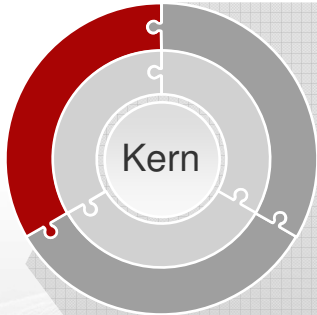


IT Strategy from corporate strategy



Influence factors on IT strategy development

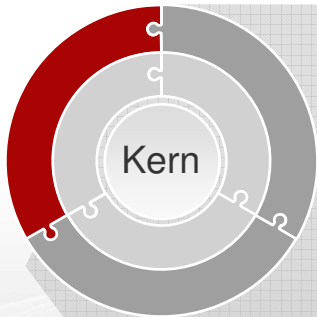
Chosen topic : Enhance Value



IT Strategy

- Example of IT Strategy
 - Reduced costs in business processes through introduction and optimization of ERP
 - Increased efficiency and improved customer service with IT solutions and mobile communication technologies
 - Cost reductions and improved supply chain performance through integrated supply chain management system(SAP APO)
 - Faster product development with Product Lifecycle Management (PLM) in engineering oriented industries

Chosen topic : Enhance Value

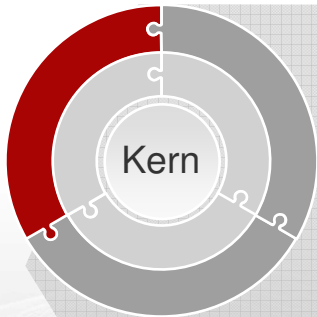


Reduced costs in business processes

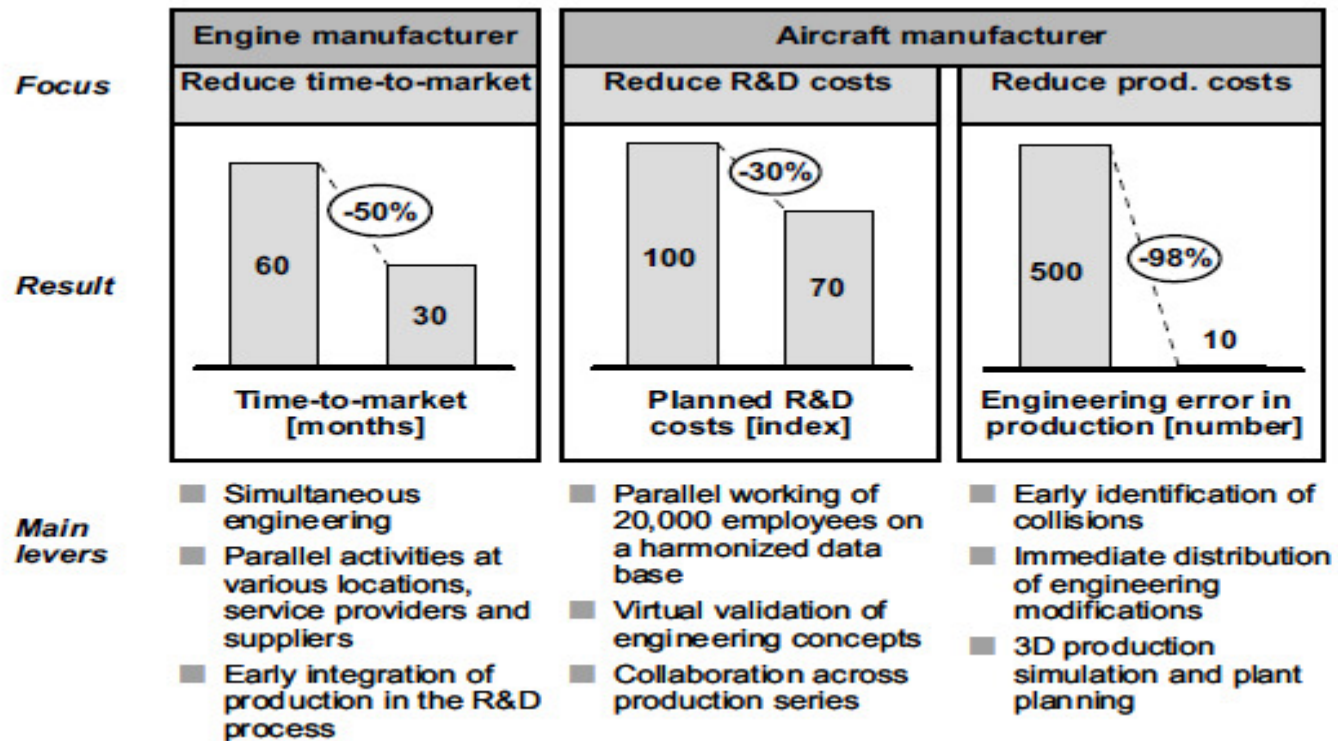
Business units	Cost-cutting (in %)	Quality increases	Key measures
<i>Procurement</i>	3-5	Increased transparency via suppliers	Consolidating procurement volumes and optimizing purchasing conditions
<i>R&D</i>	1-3	Customer-oriented handling	Better order control
<i>Production</i>	3-5	Faster time-to-market	Better order control and reduction of inventories
<i>Sales/ cust. services</i>	3-6	More satisfied customers	Higher transparency and automation of processes
<i>Management/ administration</i>	2-4	Improved reporting and better integration of processes	Automating processes and employee self-services



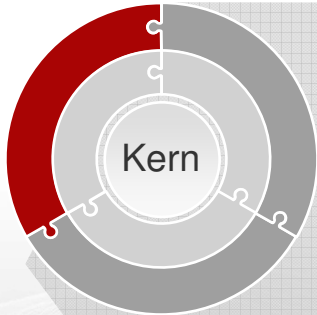
Chosen topic : Enhance Value



Reduced costs in business processes



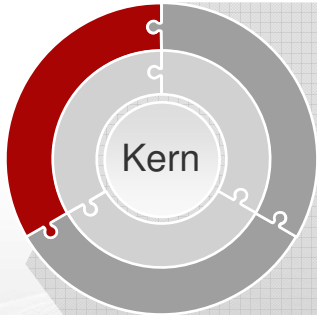
Chosen topic : Enhance Value



IT Strategy

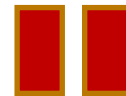
- Between cutting IT costs and focusing on using IT as a value driver, a company can find itself in one of four stages:
 - IT as a cost driver
 - Optimize business processes with IT
 - Ensure and increase sales with IT
 - Develop new business fields with IT

Chosen topic : Enhance Value



IT Strategy

- Leading companies
 - Modify their IT constantly
 - Align company structure as part of company transformation process



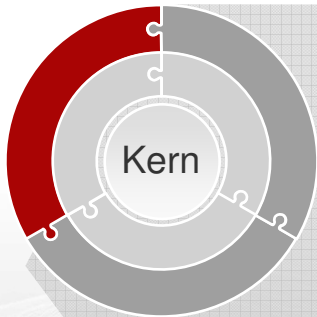
Positive impact of IT on the business



Added Value



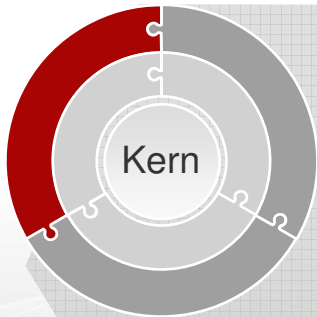
Chosen topic : Enhance Value



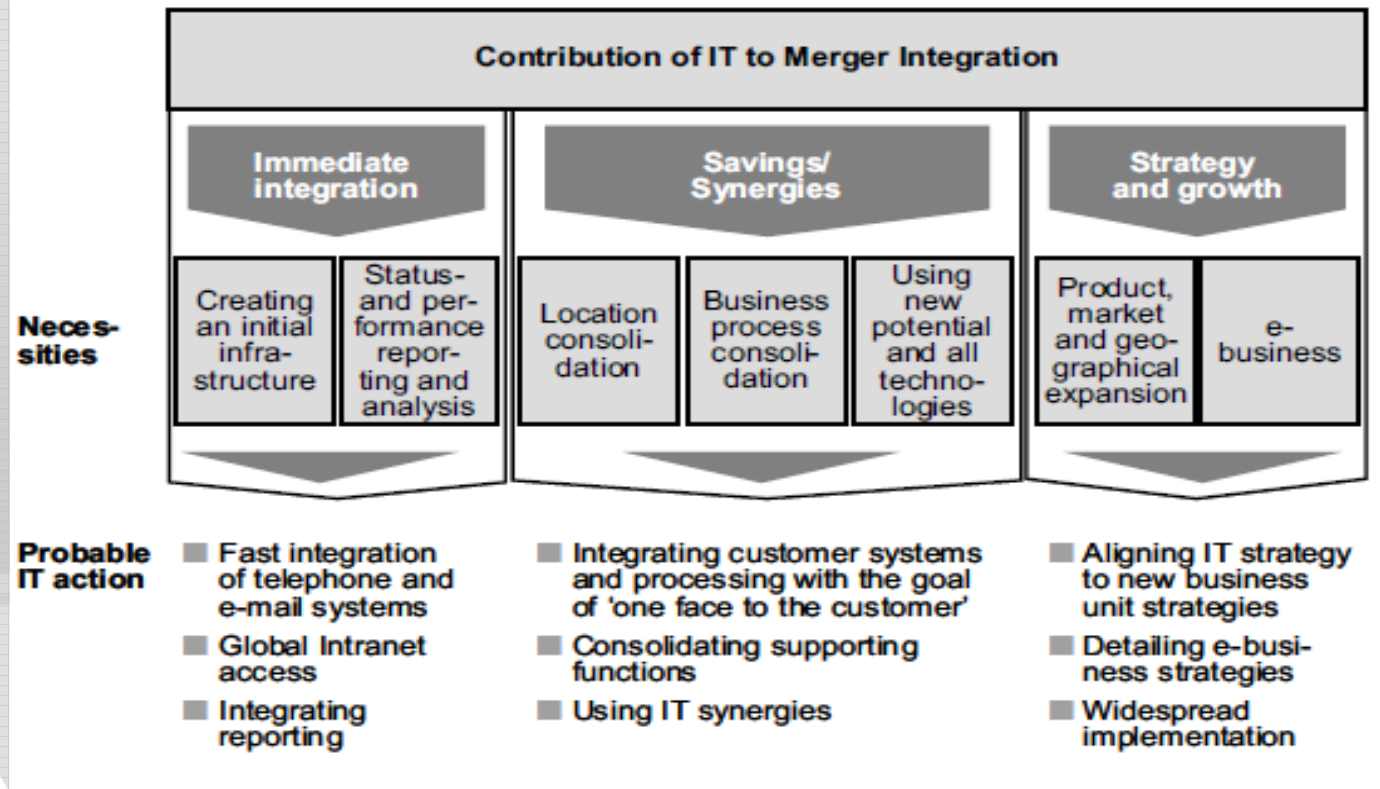
IT Merger Integration

- IT Merger Integration is when IT supports external growth strategy of companies
- One differentiates between 4 Phases
 - Opening
 - Accumulation
 - Focus
 - Balance

Chosen topic : Enhance Value



IT Merger Integration



The role of IT in merger integration; Source: A.T. Kearney

Critical opinion

Positiv



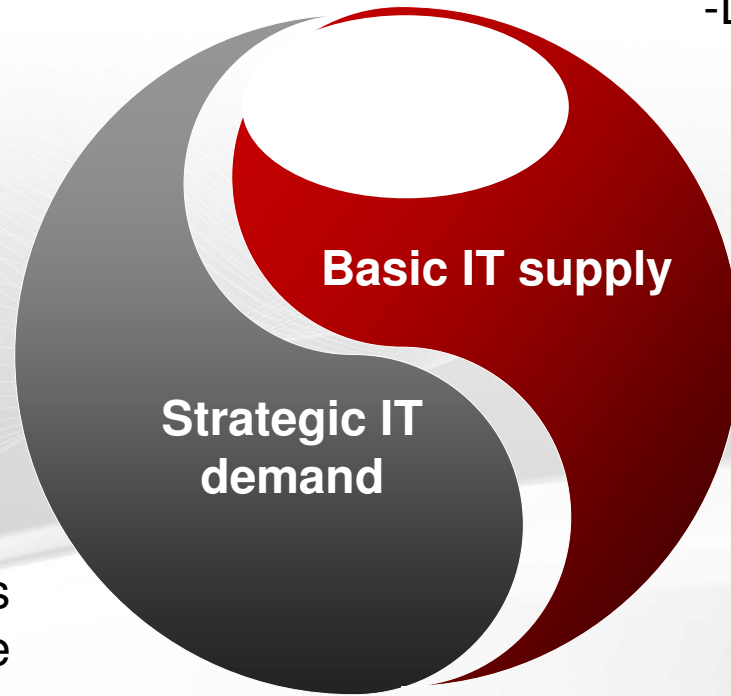
- Easy to read
- Solutions are based on practical example
- Topic is actual
- Checklist at the end of each chapter
- Can relate it with my working experience during my Internship

Negativ



- Sources are not very actual
- No clear distinction of material to Author

Future Trends



- Infrastructure
- Development of non-company specific applications

-Need for components that make a difference



Resumée

Strategic IT management – What should the CIO do so that IT can support the business processes in my company

Strategic IT Management is divided into 3 groups

- Enhance Value
- Controlling Performance
- Reducing cost

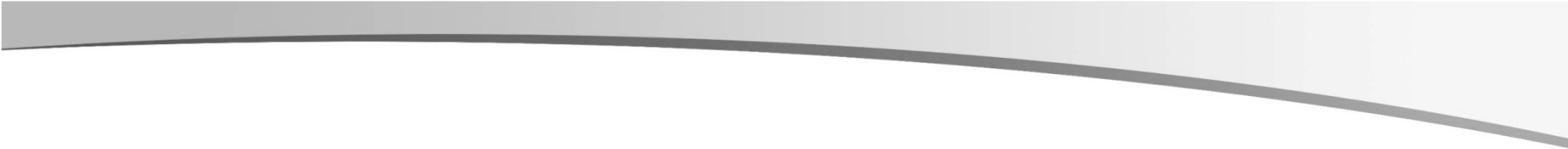
Enhanced Value: IT Strategy, Enterprise Transformation, IT Merger Integration and IT Carve-Out

Other books

Keuper, F and others: Strategisches IT-Management: Management von IT und IT-gestütztes Management



?



Thank you
for your precious time