

## Chapter 2

### ■ Using Information Technology for Competitive Advantage

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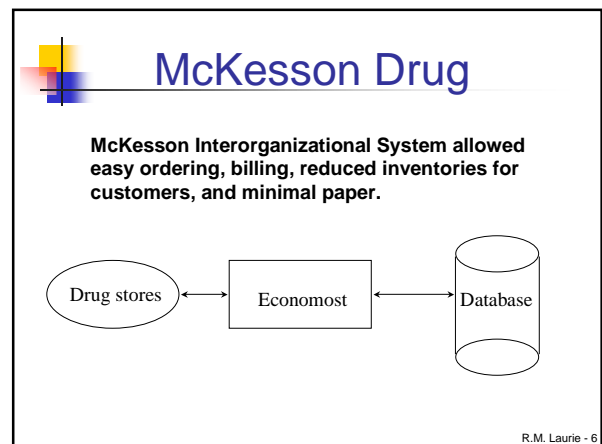
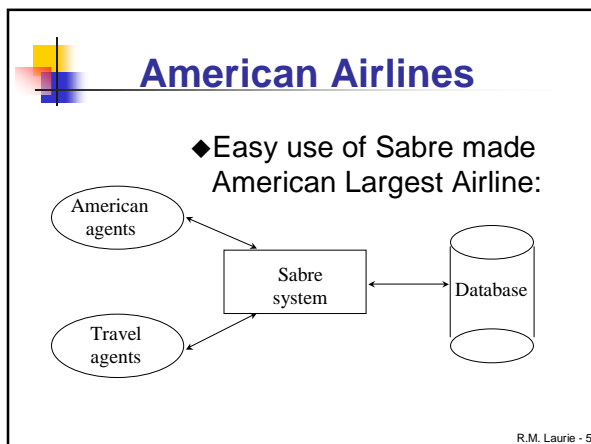
The firm is connected to its environment by resource flows: physical and conceptual

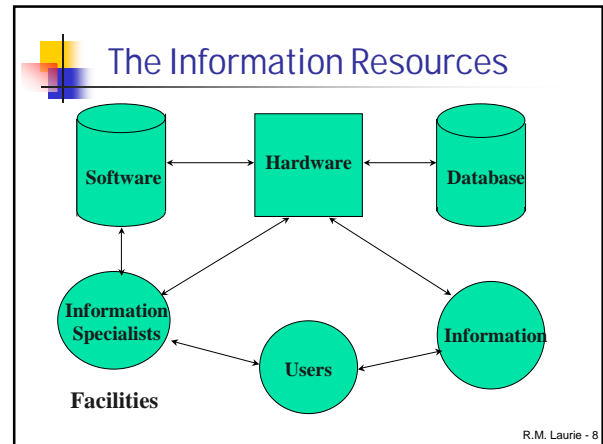
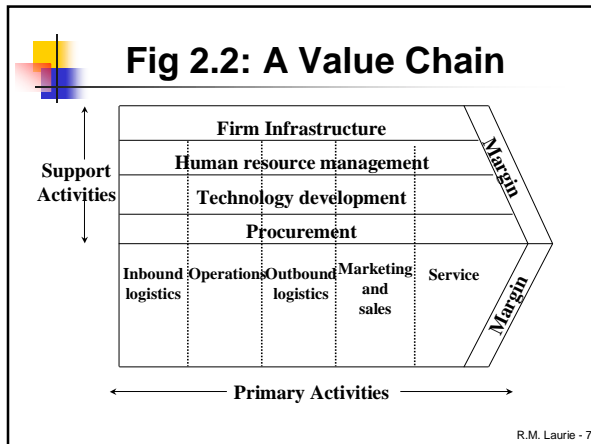
- ◆ Some flows are major
- ◆ Some should not occur at all
- ◆ All resources that enter the firm from the environment eventually return to the environment

## Competitive Advantage

- In general: To gain an edge over competition
- Information Systems Usage: To use information to gain an edge
  - IOS = Interorganizational System
    - IIS = Interorganizational Information System

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### The Information Resource Manager -- the CIO

- ◆ **Chief Information Officer (CIO) is not simply a title, but an attitude**
- ◆ **Titles used:**
  - CIO
  - Director of MIS
  - V.P. of Information Systems
  - Other

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### The CIO Attitude

- ◆ The business is what counts
- ◆ Build partnerships/ties with the rest of the firm
- ◆ Improve basic business processes
- ◆ Communicate in business terms, not IS jargon
- ◆ Provide reliable IS services
- ◆ Be positive, not defensive

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### The Future

**The bright side:**  
Information is getting more important

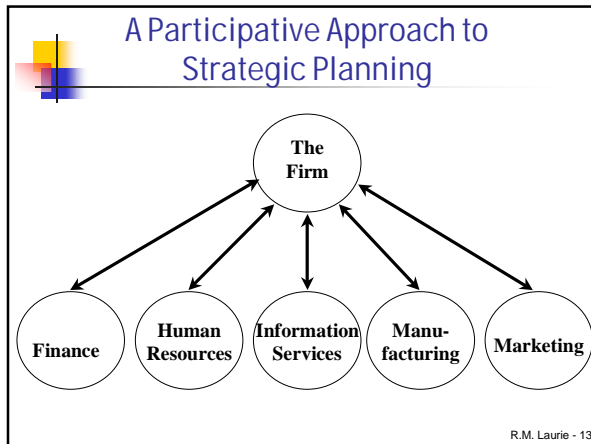
**The dark side:**  
Trend to end-user computing is making information management more difficult

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### Strategic Planning for Information Resources

- ◆ **Long range**
  - A participative approach
  - A cooperative approach

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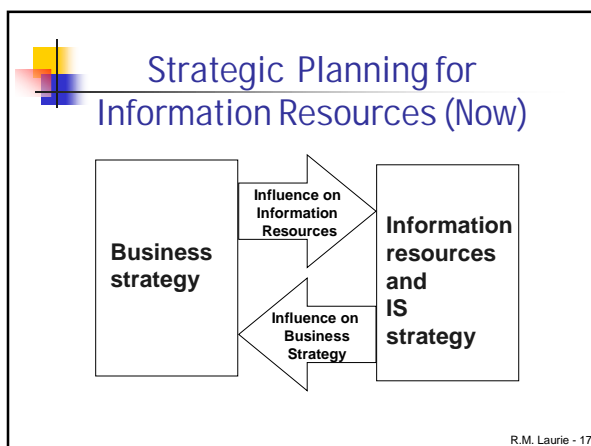
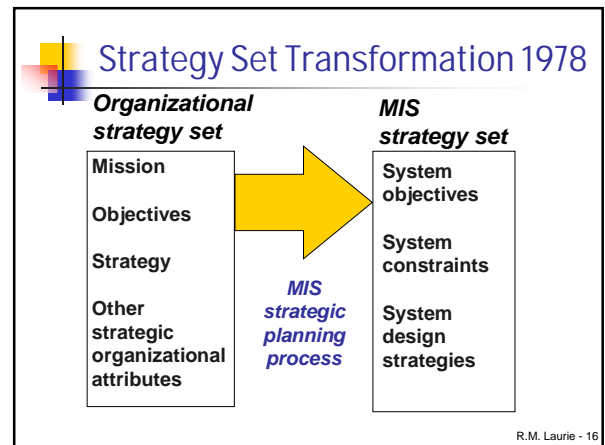
### SPIR

- ◆ Strategy set transformation; support the firm's objectives
- ◆ Strategic planning for information resources (SPIR) develops firm and IS strategic plans *concurrently*

SPIR content

- 1. What is to be achieved
- 2. What will be required

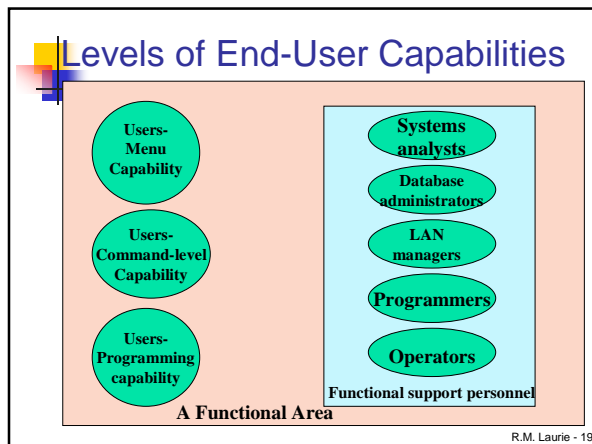
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### The Strategic Implications of End-User Computing

- Levels of end users in terms of capabilities
  - menu-level end users
  - command-level end users
  - end-user programmers
  - functional support personnel
- EUC application considerations
  - shifts workload so that end-users and information specialists' talents are better used
  - reduces communications gap

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- ### EUC Risks
- ◆ Poorly aimed systems
  - ◆ Poorly designed/ documented systems
  - ◆ Inefficient use of information resources
  - ◆ Loss of data integrity
  - ◆ Loss of security
  - ◆ Loss of “firm-wide” control
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- ### IRM - Required Elements
- ◆ A recognition that competitive advantage can be achieved by means of superior information resources
  - ◆ A recognition that information services is a major functional area
  - ◆ A recognition that the CIO is a top-level executive
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- ### IRM-Required Ingredients (cont.)
- ◆ A consideration of the firm’s information resources when engaging in strategic planning
  - ◆ A formal strategic plan for information resources
  - ◆ A strategy for stimulating and managing end-user computing
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