Business Strategy & ICT Strategy

Andrea Rangone

Politecnico di Milano andrea.rangone@polimi.it

Strategia di business: alcuni concetti chiave

I concetti di "decisione strategica" e di "strategia"

- Decisione Strategica: decisione che
 - ha effetti di lungo termine, rilevanti e "irreversibili"
 - richiede notevoli risorse ed investimenti
- Strategia: piano integrato che
 - identifica la "direzione" e l'"ambito" dell'azione dell'impresa
 - mira ad ottenere performance di lungo termine superiori ai competitor
 - si basa su un insieme coerente di decisioni strategiche

Analisi Strategica: la SWOT Analysis

Analisi esterna

- Analisi della struttura competitiva
- Analisi delle variabili ambientali (politiche, legali, socio-culturali, technologiche, etc.)

Analisi interna

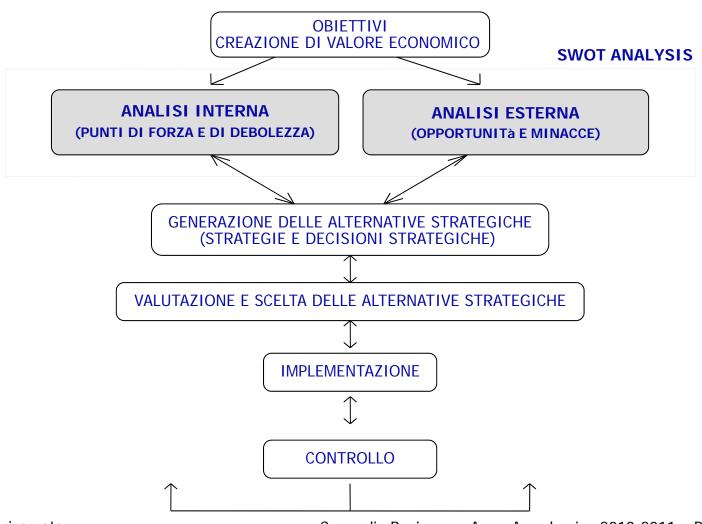
- Analisi della "catena del valore" (analisi dei processi)
- Analisi di Risorse e delle Competenze

SWOT Analysis

Principali
Opportunità
(Opportunities)
e Minacce (Threats)

Principali Punti di Forza (**S**trengths) e di Debolezza (**W**eaknesses)

Processo decisionale strategico: la schema logico



Strategia di business: alcuni modelli di riferimento (cenni)

La SWOT a livello di Business Unit

Focus su singola SBU



- Prodotti/servizi ragionevolmente omogenei
- Mercato ragionevolmente omogeneo
- In competizione con imprese ragionevolmente "simili"



Obiettivi: Creazione di valore economico



ANALISI ESTERNA

OBIETTIVI

- Analisi e valutazione delle principali minacce ed opportunità:
 - Competitive (competizione allargata)
 - Altre (tecnologiche, legislative, di mercato, ecc.)
- Valutazione dell'attrattività dell'area di business

<u>METODOLOGIE</u>

- Modello delle 5 forze competitive
- · Scenarios Analysis
- Metodi di previsione
-

ANALISI INTERNA

OBIETTIVI

- Analisi e valutazione dei principali punti di forza e debolezza dell'impresa rispetto ai concorrenti
- · Identificare le fonti del vantaggio competitivo

METODOLOGIE

- · Modello della catena del valore
- Modello delle risorse e competenze critiche
- · Metodi di process analysis
- ...



Opzioni strategiche: quali differenziali competitivi?

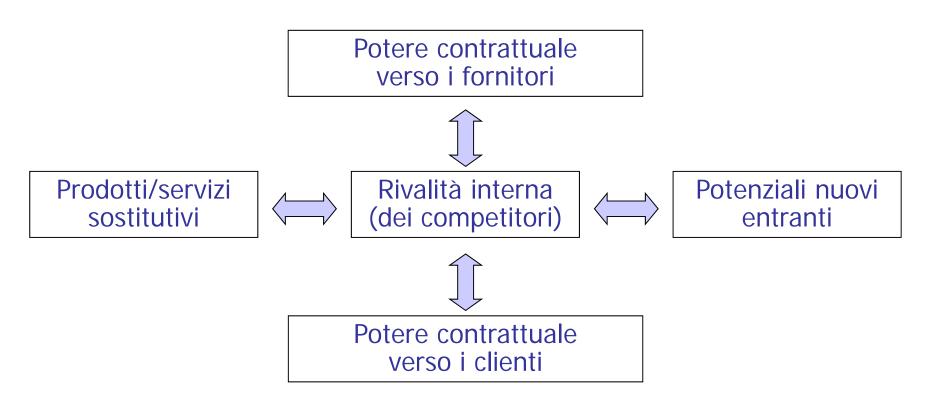
- Differenziali di costo
- Differenziali di attrattività (qualità, servizio, ecc.)

Opzioni strategiche: quali azioni/progetti?



La competizione allargata: il modello delle 5 forze competitive

- Attrattività di un'area di business = profittabilità media (tra tutte le imprese dell'area di business) nel medio-lungo termine
- L'attrattività di un'area di business è inversamente proporzionale al grado di competizione allargata (M. Porter)
- Ipotesi semplificative: sostanziale omogeneità dei prodotti-servizi e dei competitori



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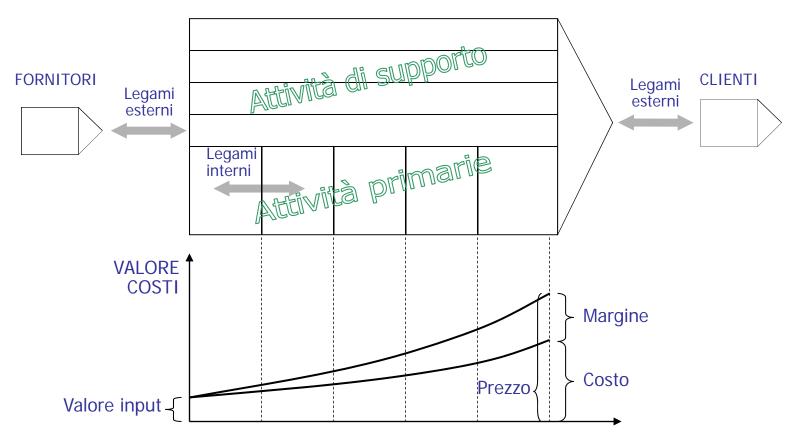
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Opzioni strategiche: quali azioni/progetti?



La catena del valore (la logica dei processi)

La catena del valore è l'insieme delle "attività" svolte dall'impresa e dei legami interni ed esterni



VALORE = valore percepito dal cliente (prezzo che il cliente è disposto a pagare)

La catena del valore: lo schema di Porter

- Le attività primarie contribuiscono direttamente alla creazione del "valore" percepito dal cliente
- Le *attività di supporto* non hanno impatto diretto sul valore ma sono necessarie per lo svolgimento delle attività primarie



Il valore strategico dell'ICT

Harvard Business Review Debate

Does IT (ICT) matter?

Carr's Article: IT doesn't matter Harvard Business Review (May 2003)

- IT (ICT) cannot be a source of sustainable, long term, competitive advantage, since it is becoming more and more
 - standard
 - cheap
 - available to all
 - outsourcable

...in a word a commodity

 IT (ICT) is more and more essential to operations but it is insignificant to strategy

Reply from other HBR's authors

VS

Technological perspective

ICT Competence is seen as a bundle of software & hardware assets and technical skills that <u>are fully available on the market</u>

Infrastructure perspective

The focus is mainly on Infrastructure (hardware and network) that is becoming more and more a commodity

Single ICT Project perspective

The focus is on the single ICT Project, that <u>may or may not be</u> the driver of competitive <u>advantages</u>

Organizational & Business Perspective

ICT Competence is the ability of a company to exploit/leverage ICT to pursue business innovations, to change business practices, to improve business performance this is in short supply!

Application perspective

Business Applications are extremely customized ... built on the specific business logic of the company ... embedded in the organizational routine of the company. They can create strategic differentiation

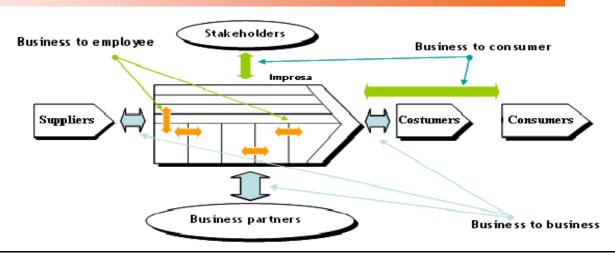
Learning Process perspective

This capability is the result of a complex and long cumulative (path dependent) and collective (organizational) learning process. This can lead to durable and defendable competitive advantage

The "strategic" role of ICT according to the "strategic" models

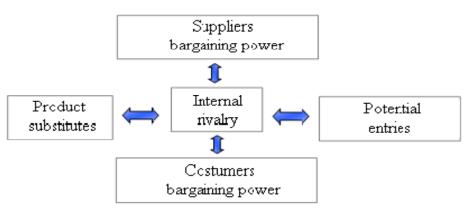
Internal Perspective

ICT can create new sources of competitive advantage both in terms of cost and differentiation by impacting on the company's Value Chain



External Perspective

ICT can drive transformations in the competitive landscape, changing the role and the intensity of each competitive force (internal rivalry, potential entries, substitute products, suppliers' and customers' bargaining power)



... but the real business role of ICT depends on the specific business context

The business role of ICT: depends on the specific business context (Nolan & McFarlan's Approach)

OFFENSIVE DEFENSIVE Strategic Mode Factory Mode * If systems fail for a minute or more, there's * If systems fail for a minute or more, there's an an immediate loss of business. immediate loss of business. LOW TO HIGH NEED FOR RELIABLE INFORMATION TECHNOLOGY * Decrease in response time beyond one second * Decrease in response time beyond one second has serious consequences for both internal and has serious consequences for both internal and external users. external users. Most core business activities are online. * New systems promise major process and service transformations. * Systems work is mostly maintenance. * New systems promise major cost reductions. * Systems work provides little strategic differentiation or dramatic cost reduction. * New systems will close significant cost, service, or process performance gap with competitors. Support Mode Turnaround Mode * Even with repeated service interruptions of up * New systems promise major process and service to 12 hours, there are no serious consequences. transformations. User response time can take up to five seconds * New systems promise major cost reductions. with online transactions. New systems will close significant cost, service, * Internal systems are almost invisible to suppliers or process performance gap with competitors. and customers. There's little need for extranet * IT constitutes more than 50% of capital spending. * IT makes up more than 15% of total corporate * Company can quickly revert to manual procedures expenses. for 80% of value transactions. * Systems work is mostly maintenance.

LOW TO HIGH NEED FOR NEW INFORMATION TECHNOLOGY

The position of a company on this grid depends on both exogenous (industry characteristics) and endogenous (company characteristics) variables

The business role of ICT: is becoming...

LOW TO HIGH NEED FOR RELIABLE INFORMATION TECHNOLOGY

DEFENSIVE

Factory Mode

- * If systems fail for a minute or more, there's an immediate loss of business.
- * Decrease in response time beyond one second has serious consequences for both internal and external users.
- Most core business activities are online.
- * Systems work is mostly maintenance.
- differentiation or dramatic cost reduction and Support Mode * Systems work provides little strategic

- Even with repeated service ii to 12 hours, there are no seriol
- * User response time can take up to five seconds with online transactions.
- * Internal systems are almost invisible to suppliers and customers. There's little need for extranet capability.
- * Company can quickly revert to manual procedures for 80% of value transactions.
- * Systems work is mostly maintenance.

OFFENSIVE

Strategic Mode

- * If systems fail for a minute or more, there's an immediate loss of business.
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Turnaround Mode

- * New systems promise major process and service transformations.
- * New systems promise major cost reductions.
- * New systems will close significant cost, service, or process performance gap with competitors.
- * IT constitutes more than 50% of capital spending.
- * IT makes up more than 15% of total corporate expenses.

LOW TO HIGH NEED FOR NEW INFORMATION TECHNOLOGY

Business Strategy: IT matters *C.K. Prahalad*

C.K. Prahalad

 "Inventor", together with G. Hamel, of "Core Competence"



- "the Most Influential Thinker on Business Strategy" in 2008 according to BusinessWeek
- In his last book, "The Age of Innovation", Prahalad dedicates a chapter – "IT matters" – to the strategic role of ICT

... but: the cultural barriers

Top Management's real commitment and sensitivity to ICT - the CEO above all

- The characteristics of the CIO and his/her key people (in terms of leadership, business acumen, organizational competence, communicational skills, etc.)
- Business Managers' open-mindedness and sensitivity to ICT

ICT Governance: the cultural barriers

- Top Management's real commitment and sensitivity to ICT the CEO above all
- □ "Top management's ability to really worry about ICT? It is a cultural problem. ICT is like mathematics: either someone was able to teach it well, help you to understand and appreciate, or you are put off for life" (Massimo Capuano, CEO, Milan Stock Exchange)
- "You can learn finance and marketing, but not technology. ICT is not sexy enough for a top manager to take the time to understand and learn" (Luca Majocchi, CEO, Seat Pagine Gialle)

Business Managers' open-mindedness and sensitivity to ICT

ICT Governance: the cultural barriers

Top Management's real commitment and sensitivity to ICT - the CEO above all

- The characteristics of the CIO and his/her key people (in terms of leadership, business acumen, organizational competence, communicational skills, etc.)
- "... ICT people must be able to play their game: to speak the language of business, to demonstrate concrete results, earning credibility..."
- "ICT people speak a language different from ours: I don't want technical terms or acronyms, I want logical reasoning!"
- "The CIO must have a good mix of technical, organisational, communication and relationship skills"
- "Too often CIOs focus only on their projects, paying no attention to their actual impact on the business"
- "... It would be useful for the key people in the IT Department to have an MBA ..."

ICT Governance: the cultural barriers

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Business Managers: the different approaches to ICT

Pro-active (Proattivo)



Procrastinator (Temporeggiatore)



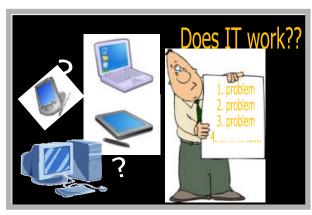
Riproduzione riservata

Re-active (Reattivo)



Unwitting (Ignavo)

Eternal sceptic (Eterno scettico)





ico 2010-2011 – Prof. Andrea Rangone

ICT Strategy and strategic decisions



ICT STRATEGY

Ancorata alla business strategy con specifiche missioni di business Supporto/abilitazione a:

DECISION
a livello di

Applicazioni/Servizi
Business oriented

Architettura

Modello di funzionamento

Corso di eBusiness – Anno Accademico 2010-2011 – Prof. Andrea Rangone

Riproduzione riservata

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