

## Week 2 Reading Summary

### **The Role of Information Technology in the Business Sector** by Prof. Krume Nikoloski PhD

- How IT could help improve business:
  - Internally
    - Cost reduction
    - Improve quality( product & service)
    - Enable innovation(new products for new mkts)
  - Externally
    - New business opportunity
    - Enter new markets
    - Capture new market segment
- Technology vs business relationships( how frequent ppl interact with each other
  - IT help reduce formal meetings: increase its efficiency; enabled casual info exchange
  - IT increase the need of meeting: if tech is difficult to use, ppl overwhelmed, and need to meet more often to meetup
- Technology vs business
  - Link IT solution to overall business strategy: see big picture; integrate different stakeholders
  - Keep IT simple: more cost efficient and agile/flexible to confront change
- IT and Business Process Reengineering (BPR)
  - Process: identify slacking process; identify the key slackings; consider IT capability
  - Success preliminaries
    - An urge to change, rather than minor adjustment. High priority in the company, and high commitment
    - There are long term and on going cost advantage achieved
    - Consider the entire business, rather than just focus on a single process or department
- IT on competitive advantage---Porter's five pillar
  - Rivalry of competitors within its industry : IT a new competition weapon
  - Threat of new entrants: raising barrier by providing new products/service; hard for new entrant to compete on large scale infrastructure
  - Threat of substitutes:
  - Bargaining power of customers : customers have access to more distribution channels, power increase
  - Bargaining power of suppliers: if rely too much on IT , power of IT suppliers increase

## Success in IT projects: A matter of definition? by Graeme Thomas\*, Walter Fernández

The aim of our study was to gain a better understanding of how companies define and measure IT project success, identify the characteristics of companies that succeed.

- Some definition of Success: project implementation success + systems success
  - Project implementation success
  - Systems success
    - technical development +deployment to the user +delivery of business benefits
    - **OR** success of the development process +success of the **use**(frequent and widespread not always applicable) process+ quality of the product+ impact on the organization
    - **OR** system quality, information quality, service quality, use, user satisfaction and **net benefits** (learning experiences from project failure is long term asset)
  - Business success: help improve KPIs
  - “User success testing”
  - How long does the result should last.

- Common criteria that used to judge system success

Criteria used by the participants to judge success

Success criteria	Category		
	Project management	Technical	Business
On-time	X		
On-budget	X		
Sponsor satisfaction	X		
Steering group satisfaction	X		
Project team satisfaction	X		
Customer/user satisfaction	X	X	
Stakeholder satisfaction	X	X	
System implementation		X	
Met requirements		X	
System quality		X	
System use		X	
Business continuity			X
Met business objectives			X
Delivery of benefits			X

- Three characteristics observed in successful companies
  - I. an agreed definition of success
    - understanding between the sponsor and the project team of how performance would be judged and what was important, which helped with managing and meeting expectations
    - well communicated and accepted
    - understand and distinguish business success and project success: Project delivery was measured by quality, delivery to schedule and delivery to costs (QDC). Business benefits were measured using key performance indicators (KPI).
  - II. consistent measurement
    - Continuing measurement provides the basis for improvement
    - Common challenges: lack of management support, unclear ownership of processes, limited accountability, resource constraints, difficulties

with measurement and attribution, and inadequate use of evaluation results

- III. use of results
  - management of the project according to the agreed definition of success, a willingness to stop projects, accountability for results, and a connection to learning.
  - Best practice: hold business managers accountable for results; through: formal project reporting, performance incentives, individual appraisals and department budgets.