Value chain & information systems

## Primary activities

Inbound logistics (getting resources and checking them to sell)

* Example: Delhaize automating a factory, able to deliver fresher products.
  + Rivalry among existing competition => Delhaize has fresh products
  + Threat of New entrants => Delhaize invested a lot, this discourages new companies to try to setup something equal.
  + Bargaining power of buyers => they have the freshest products, so they can raise their price.

Operations (how to make the product, with manufacturing and maintenance)

* Example: Ryanair will only serve their customers through their website

Outbound logistics (delivering the product or service)

* Example: Amazon wants to use drones to deliver their products, they even claim that they know what you will buy before you even click the order button.

Marketing and Sales (promoting and selling products)

* Example: Colruyt delivers personalized folders with promotions!

Customer service

* Example: Booking.com where they ask the costumers for feedback, so they can get a lot of information about the hotels and costumers.

## Support activities

HR analytics

* Gaining knowledge about which employee may leave the company
* With this information you can attract new employees and create a good environment so your employees don’t leave

## Key message

* Alignment between your business model and your IT strategy is needed for your organization to be successful

# Linking business strategy and Information system strategy

## Strategic alignment model

The ICT strategy is created with respect to the external market and what other competitors do.

Two models:

* Strategic fit (Business)
  + How your strategy matches with your business model.
* Strategic fit (IT)
  + How your IT strategy matches with your operations
* Functional fit
  + Whether your business model and IT strategy are aligned.

## Strategic transformation

* First create business model and then setup your ICT operations to support this model

## Technology transformation

* Create an ICT infrastructure to accomplish your business model

## Competitive potential

* What technologies do I already have to create a good business model around it.

## Service level

* Create an ICT strategy, create and develop the system and notice that you can sell this technology to other companies. (You create a business system around it)

IT governance

# Governance

Governance is a control system to decide about IT and business strategy and making sure that the strategy is executed.

Corporate governance and fraud

* Led to new regulations (SOX)

# Internal control (structure)

A dynamic process that is effected by the board of directors, designed to provide reasonable assurance regarding the achievement of objectives relating to everything about running a business.

Build frameworks that allow organizations to demonstrate that this control system is in place.

* COSO internal control (framework)
  + Demonstrates that the SOX compliance is in place.
  + No IT

# IT governance

IT governance is the organizational capacity exercised by the board of directors, executive management and IT management to control the formulation and implementation of IT strategy and in this way ensure the fusion of business and IT.

* Goal:
  + Better organizational performance
  + Better alignment between your business and IT

COBIT

* show compliance with the SOX act
* professional framework

COBIT principles

* read text Toledo