Information systems, strategy and governance:

# Introduction

The Challenges that today’s companies are confronted with due to the technology explosion:

1. Many new Competitors
   1. Everyone has their own systems and strategies
2. Who is responsible in the new business firm?
   1. Decisions: IT and CEO not only the IT
3. You need people that are capable with IT and the technological challenges that come with it. You can’t start a new ‘successful’ company without IT.
   1. People that know and can use the new technological changes to keep a business running.

What are the things companies need to do to hit their digital sweet spot?

1. They need to have priorities
2. You will have to make decisions where the technological challenges will create new opportunities
3. Where and how to invest in IT, how to spread this? Do you have the skills to realize this?
4. Create an end-to-end view with the costumers: Don’t only think about the strategies, also think about the costumers. Otherwise your business model will fail!

If you as a company try to go digital, only a third of all the companies who try this will succeed!

* This is because most of this project are created by IT people who don’t really use a business model that is correct for their project.
* Only 8% of the IT budget create new successful projects, this is a third of the new project. 75% of the IT-budget is needed to maintain your current IT-frame;

The problem: The gap between IT and business is too big with a lot of new IT projects!

* You need planning, resources and user involvement
* A project doesn’t immediately work at start-up (unrealistic expectations).

# How big is the impact of IT?

## Macro-economic impact of IT:

The world became flat (See Toledo TheWorldIsFlat – ThomasLFriedman)

* Communication between two places on earth is immediate

## Micro-economic impact of IT:

IT doesn’t matter (See Toledo ITDoesntMatter – NichalosGCarr)

* Follow IT advancement don’t lead or you have a bigger chance to fail
* Invest only if others have succeeded!

Counter-perspective on IT doesn’t matter

* The value of the IT is not in the technology itself but in the reasoning between your business model and your costumers to create a good business.
* The article of Nichalos Carr was written after the ‘dotcom bubble’ where a lot of IT businesses went bankrupt.
* If you look at the current businesses we do find that IT is productive
* It is not only about automating your company with IT, you also need to rethink about your business model with recent IT technologies.
* IT doesn’t only automate your company, but it can process all the new information a lot faster and efficient.

# What is an information system (IS)?

Data vs Information

* Data is raw observed facts without a real context/meaning
* Information is knowledge with a context that you can understand!

Metadata

* Making information more comprehensible to humans and computers
* Example: xml files

We need data/information but we also need a system

* You need elements, relations between these elements and a purpose for the system to work