**Z01DT - Information Technology in Business Week 6 - Business Report Student ID: 14536106 Word Count: 1691**

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# Introduction

Doubtful Finance Innovation LTD. (DFI) is a small finance company, based in the UK. They would like to improve their competitive position by transitioning to the cloud but are currently facing challenges. They would like to understand ROI and what their competitors are currently doing.

DFI has a couple of minor branches across the UK, they provide good customer service and card plans, free ATM withdrawals and, 0% foreign transaction fees.

Nonetheless, they lack technological coverage.

This report aims to give an internal and external business analysis, followed by illustrating benefits and the usage of cloud technology, laws and regulations linked to the industry, approaches to manage the project and recommendations for the company, and finally, a conclusion to sum it up.

# Findings and Analysis

## Internal and external business analysis

So, first of all, an internal and external analysis of the business will be led (see Appendix A), this will help determine the new leads to pursue and the challenges to overcome for the company (Schooley, 2023).

So now onto DFI’s internal strengths and weaknesses; they provide great plans for customers, free ATM withdrawals, and 0% transaction fees.

Nevertheless, such benefits do not come without drawbacks, by providing such benefits the company does not get much revenue in return additionally, the cost of their legacy infrastructure adds a dent to their wallet.

Furthermore, they have strong competitors in the market in particular the FinTech firms which have been rapidly growing over the last years.

Moreover, their lack of IT/software expertise is a liability for the company as well.

Despite that, with the number of experts in the IT domain, they could easily build up software expertise themselves.

They could also close minor branches to save up money and focus on their main branches or invest in rural areas instead which often lack finance companies. Still, their lack of social media engagement is a problem to be solved if they want to attract new customers (Gen Z, millennials).

The appearance of disruptive technology especially AI will pose a threat to the company if nothing is changed soon what is more with the current British economic instability it will not be an easy task at all.

## Benefits and usage of cloud technologies

Cloud technologies have been thriving for the last two decades and have shown that their usage provides huge benefits to the company. They allow companies to reach customers unreachable without the cloud, with online or mobile banking; 94% of companies that have switched to the cloud saw an improvement in their security and 91% found it easier to meet government compliance requirements (Salesforce, n.d.). Showing that not only is it better for customers and the company but also helps on a political and legal level (see Appendix C).

CapEx vs OpEx will be used to better illustrate cloud technology’s usage.

First of all, CapEx; CapEx would consist of long-term expenses like adding for IT equipment, such as physical data centre equipment like servers and networking infrastructure, upgrading the office staff, installing software, supporting the infrastructure costs, and the repairs that would require more than routine maintenance. Whereas OpEx would consist of short-term expenses or subscription fees (software licenses, cloud-based services: XaaS), routine maintenance, software support, salaries, and research.

Let it be CapEx or OpEx, all this does not come without a cost, this much development requires quite the investment, and this may raise questions about the competitive advantage this kind of investment would provide or what the Return on Investment might be and if it is worth it.

These questions can easily be answered; as said before it grants better security and makes it easier to answer the government’s compliance requirements which is an advantage over the competition in itself, moreover, cloud technology grants flexibility thanks to the huge array of IT services provided by IT-focused companies allowing the financial company to focus more on the projects at hand, essentially boosting their efficiency. The cloud also gives more mobility, in the sense that, as long as there is internet, the cloud can be accessed from anywhere thus work can be done anytime at any given place. This aspect not only helps employees but also customers access the company’s app or website, if said app or website is provided, allowing them to gain access to the business’ services whenever without having to go through the physical firm.

To reinforce these arguments, 77% of companies that use cloud services feel that they have a competitive edge and 16% say that edge is not negligible, on the contrary is significant (Salesforce, n.d.).

It is noticeably clear that the Return on Investment would only be positive but to add more matter to the subject, most companies save 20% from running their data through the cloud, and for some those numbers rise to 40% or even 65% (Lanza, 2022).

## Legislation and regulation

There is legislation and regulation surrounding businesses about their use of IT and storage of data on the cloud (see Appendix C). Every business willing to invest in IT should know of these before they make their first step.

First, GDPR, general data protection regulation, and DPA, data protection agreement, these laws are often paired together as a GDPR data protection agreement. GDPR data protection agreement is a legal contract that must be signed by a business before it engages with third-party data processors (deel., n.d.). This contract ensures that the data overseen by the data processors will be done whilst respecting GDPR, to do so the seven main principles of GDPR must be taken into account: lawfulness, fairness, and transparency; purpose limitation; data minimisation; accuracy; storage limitation; integrity and confidentiality; accountability.

There are also much simpler laws such as PCI DSS, which is an information security standard made to decrease payment card fraud by reinforcing the security controls around the cardholder’s data (IT governance, n.d.). A simple yet important law.

## Project management approaches

Now onto project management approaches to ensure that the transformation project goes smoothly. Firstly, the Waterfall approach: traditional, which segments work in an organized way every task must be done in order to move on to the next, it requires the project to be planned in advance. Then, the Agile approach, it breaks down the project into smaller steps to be done quickly, ideal for software development, it provides versatility and allows the project to be checked and reworked if needed. Now onto Lean, it prioritizes cost reduction and the value the customers will get from the project. Scrum is an approach of the Agile approach in itself by doing the same thing whilst breaking the team into smaller teams assigned to specific project roles, this method requires regular communication between the teams. PRINCE2 is more focused on a strict project plan on a certain budget and with a quality of delivery in mind, it is less flexible than other methods but better organized. Finally, Kanban uses a signboard to organize every different task allowing several tasks to be done simultaneously whilst staying organized. (coursera, 2023).

Finally, it is important to take into account those who may influence the business and the power those groups might have (See Appendix H). Primarily, those with less power and influence and require low attention; the testers, who are only there to evaluate the products/services to provide feedback and find the eventual errors before the company lets, the said products/services, out to the public.

Then onto those who hold more influence, the legacy system owners, and the training managers. Most legacy systems are not owned by the company itself but by a third-party, so it’s important to keep them informed in case there is a problem with their system, training managers have to be kept informed as well as they are the ones handling the employees’ training and thus their efficiency.

Furthermore, those who hold the most power and influence: developers, who are in charge of the technological aspect of the business such as the software, applications, websites, and other systems; project managers, who are in charge of the management of the projects at hand and thus must be ones to know if there is a change in the project management approach; chief information officer essentially overseeing the whole company and making sure everything is done properly; owners, the most influential and powerful in the company, they own the company in itself, they are the face of the company. All these groups of people must be managed closely.

Moreover, certain groups do not hold much influence but must be satisfied because they hold a lot of power, such as web standards and legislation which must be respected in general for a company to function effectively and legally.

Lastly, customers who hold a fair bit of power and influence must be monitored and kept satisfied to ensure the survival of the company which needs their customers to develop. Sponsors must also be kept close as they are a stable source of income for the company.

All this must be taken into account when trying to approach a new project and be able to perform effectively and get results.

# Recommendations and Conclusion

* A SWOT analysis would be best to evaluate the company’s current attributes and weak points, and then a gap analysis would be ideal to determine where the company stands, what it would like to achieve, and what separates it from those said objectives. A four corners analysis to analyse their competitor’s main strategies. And finally, Ansoff’s Matrix to give fresh innovative ideas to the company to gain a competitive advantage over its competitors.
* Furthermore, gaining more IT knowledge is a clever idea for the company to edge over their competitors.
* Obviously, laws and regulations must be taken into account to not run into any problems whilst developing the company and to be able to move forward smoothly. The most important one would be GDPR to not lose their advantage due to information leakage.
* Ultimately, the best management approach to reach those objectives would be a hybrid of both Kanban and Scrum, Scrum (Agile) being developed for IT in the first place is a must and communication won’t be a problem for a small business like DFI, whilst Kanban is great to effectively and swiftly take on projects in an efficient and organised manner.

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# Appendix A - SWOT analysis A diagram of a swot analysis Description automatically generated

# Appendix B - Gap analysis A diagram of a cloud Description automatically generated

# Appendix C – PEST/PESTEL/STEEPEL analysis A chart of pestel analysis Description automatically generated

# Appendix D - Four corners analysis A diagram of a company's software strategy Description automatically generated

# Appendix E - Porter’s generic strategies/Porter’s five forces Several sticky notes with different types of conflict Description automatically generated

# Appendix F - Ansoff matrix A chart of different types of products Description automatically generated

# Appendix G - Legislation and regulation

* DPA: data protection agreement : contract between a data processor (third-party data processors) and the data provider (the company) (Ironclad, 2023)
* GDPR: General Data Protection Regulation : all data processing done by any group must be done legally and fairly in the best interest of the party concerned (Stanciu, 2023)
* EA2010: Equality Act 2010 : policy of the Company forbidding any sort of discrimination or less favourable treatment of job applicants or employees (GOV.UK, 2015)
* PCI DSS: Payment Card Industry Data Security Standard : information security standard made to reduce card fraud by reinforcing security control around the cardholder’s data (itgovernance, n.d.)
* Computer Misuse Act : Unauthorised access to a computer system to alter, destroy or steal data (GOV.UK, 2023)

# Appendix H - Stakeholders analysis A diagram of a company Description automatically generated with medium confidence